



Fit and proper policy



Commonwealth
Superannuation
Corporation

This policy outlines how Commonwealth Superannuation Corporation (CSC) determines the fitness and propriety of individuals holding positions of responsibility in relation to CSC. It is designed to be a risk treatment plan for the risks posed to CSC from having persons who are not fit and proper acting in a responsible person position.

The responsibility for the sound and prudent management of the superannuation schemes and investment of the funds managed by CSC resides with the CSC Board of directors (Board). This policy outlines the processes used to ensure that responsible persons have the appropriate skills, experience and knowledge to carry out their responsibilities and that they act with honesty, integrity, in the best interest of beneficiaries and in accordance with regulatory requirements.

Definitions and regulatory requirements

Responsible persons are:

- a director of CSC
- a senior manager of CSC (this includes CSC Chief Executive Officer (CEO), general managers, the Head of Risk and the Chief Investment Officer (CIO))
- an approved auditor who is appointed to conduct any audit of CSC or of any of its connected entities
- an actuary if the actuary is appointed by CSC to perform an actuarial function under RSE licensee law, including the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and prudential standards
- a secretary of CSC
- a person who performs activities for one of CSC's connected entities where those activities could materially affect the whole, or a substantial part, of CSC's business operations, or its financial standing, either directly or indirectly.¹

Senior managers are persons (other than a director of CSC) who:

- make, or participate in making, decisions that affect the whole, or a substantial part, of CSC's business operations
- have the capacity to affect significantly CSC's business operations or its financial standing
- may materially affect the whole, or a substantial part, of CSC's business operations or its financial standing through their responsibility for:
 - enforcing policies and implementing strategies approved by the Board
 - the development and implementation of systems used to identify, assess, manage or monitor risks in relation to CSC's business operations,
- or
- monitoring the appropriateness, adequacy and effectiveness of risk management frameworks,
- or
- are otherwise an executive officer of CSC.

¹ Prudential Standard SPS 520 Fit and Proper (SPS 520), paragraph 11.

The responsible persons listed above need not be employees of CSC. In some circumstances, a consultant, contractor or employee of a connected entity or otherwise related company may be a responsible person of CSC.² Further, APRA may determine that a person is a responsible person if APRA is satisfied that the person plays a significant role in the management or control of the RSE licensee, or if that person's activities may materially impact on the interests or reasonable expectations of beneficiaries, or the financial position of CSC or any of its connected entities, or any other relevant prudential matter.³

APRA may also determine that a person is not a responsible person in relation to a particular position, responsibility or activity if satisfied that the person does not play a significant role in the management or control of CSC or that the person's activities may not materially impact on CSC or any of its connected entities, or any other relevant prudential matter.⁴

Fitness and propriety standards

Responsible persons

CSC is required to have personnel who have the attributes that enable CSC to properly discharge its duties and responsibilities in a prudent manner under both the SIS Act and APRA's Prudential Standard SPS 520 Fit and Proper (SPS 520). These include attributes that relate to character, competence, diligence, experience, integrity, honesty, judgement and relevant technical qualifications, knowledge and skills. APRA's Prudential Practice Guide SPG 520, Fit and Proper, has also been considered.

Fit and proper criteria: For the purposes of the SIS Act and for the purposes of determining whether a person is fit and proper to hold a responsible person position, the criteria is whether:

- it would be prudent for CSC to conclude that the person possesses the competence, character, diligence, experience, honesty, integrity and judgement to perform properly the duties of the responsible person position
- it would be prudent for CSC to conclude that the person possesses the education or technical qualifications, knowledge and skills relevant to the duties and responsibilities of an RSE licensee
- the person is not disqualified under the SIS Act from holding the position, and
- the person either:
 - has no conflict of interest in performing the duties of the responsible person's position, or
 - if the person has a conflict of interest, it would be prudent for CSC to conclude that the conflict will not create a material risk that the person will fail to perform properly the duties of the position.

Disqualified persons: A person who, at any time:

- has been convicted of an offence of dishonest conduct in Australia or elsewhere or has been issued with a civil penalty order
 - is an insolvent under administration, or
 - is disqualified under the SIS Act by the Commissioner of Taxation or the Federal Court
- will be a person who is disqualified under the SIS Act and therefore ineligible to hold a responsible person position in regard to a superannuation entity.⁵

² SPS 520, paragraph 12.

³ SPS 520, paragraph 13.

⁴ SPS 520, paragraph 14.

⁵ SIS Act, s 120.

Other factors to consider: Other factors outlined in SPG 520 include whether the person:

- has demonstrated a lack of willingness to comply with legal obligations, regulatory requirements or professional standards, or been obstructive, misleading or untruthful in dealing with regulatory bodies or a court
 - has breached a fiduciary obligation
 - has perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices
 - has been reprimanded, disqualified or removed, by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct
 - has seriously or persistently failed to manage personal debts or financial affairs satisfactorily in circumstances where such failure caused loss to others
 - has been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management
 - is of bad repute in any business or financial community or any market,
- or
- was the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, which were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct) and which reflected adversely on the person's competence, diligence, judgement, honesty or integrity.

Conduct and events that took place overseas may also be relevant to the assessment.

Auditors

Fit and proper criteria: CSC's (external) auditors must be fit and proper.⁶ They will be assessed by CSC against the criteria set out above for all responsible persons, and against the following additional criteria which apply only to auditors, prior to their engagement and annually during the term of their engagement:

- the person must be registered as an auditor under the *Corporations Act 2001* (Corporations Act), or be the Auditor-General or a delegate of the Auditor-General of the Commonwealth, a State or Territory
 - the person must not be the CEO or a director of CSC, or of a related body corporate or connected entity of CSC
 - the person must have a minimum five years' relevant experience in the audit of the business operations of RSE licensees
 - the person must have experience relating to the business operations of RSE licensees that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the audit of the business operations of RSE licensees
 - the person must not be the actuary of CSC or any RSE within CSC's business operations
 - the person must not be an employee or director of a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind of which CSC's actuary is an employee or director
 - the person must not be a partner of CSC's actuary
 - the person must not be an employee of CSC
 - the person must be a member of a recognised professional body
 - the person must be ordinarily resident in Australia,
- and
- whether there is a risk that the independent professional judgement of the person may be unduly influenced by their other duties and interests.

⁶ These SPS 520 and SIS provisions do not apply to internal auditors.

Actuaries

Fit and proper criteria: Any actuaries engaged by CSC for SIS-related purposes must be fit and proper. They will be assessed by CSC against the criteria set out for all responsible persons, and against the following additional criteria which apply only to actuaries, prior to their engagement and annually during the term of their engagement:

- the person must have appropriate formal qualifications
 - the person must not be the CEO or a director of CSC, or a related body corporate (except when that related body corporate is a connected entity of CSC)
 - the person must not be the auditor of CSC or any RSE within CSC’s business operations
 - the person must not be the approved auditor of CSC or any RSE within its business operations, an employee or director of an entity of which the approved auditor is an employee or director, or a partner of the approved auditor
 - the person must have a minimum of five years’ relevant experience in the provision of actuarial services to RSE licensees and RSEs or in superannuation more generally, that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the provision of actuarial services to the business operations of RSE licensees
 - the person must not be an employee of CSC
 - the person must be a Fellow or Accredited Member (however described) of the Institute of Actuaries of Australia
 - the person must be ordinarily resident in Australia,
- and
- whether there is a risk that the independent professional judgement of the person may be unduly influenced by their other duties and interests.

Assessment and appointment process

Who will conduct fit and proper assessments on behalf of CSC: Fit and proper assessments will be conducted by the following persons within CSC:

Category of responsible person	Who conducts the fit & proper assessment
Directors	Assessments prior to appointment – Chief Executive Officer in consultation with the General Manager, Corporate (documents are provided by the Department of Finance) Annual assessments post appointment – General Manager, Corporate
CSC general managers, CIO and the Head of Risk	Chief Executive Officer
Chief Executive Officer	General Manager, Corporate in consultation with the Chair
Auditors, actuaries	General Manager, Corporate
Others	General Manager, Corporate

Where reference is made in this policy to CSC conducting a fit and proper assessment, the reference will be to the person who is listed in this table, as appropriate.

Timing of assessments: Responsible persons are assessed against the criteria outlined under **Fitness and propriety standards** prior to appointment and annually during the term of their engagement.

Fit and proper criteria and prudent judgement: RSE licensees are required to apply prudent judgement in determining whether the person should be considered fit and proper for the responsible person position. CSC will make a prudent conclusion based on the provision of information as outlined within this policy. Depending on the circumstances, a factor may not be relevant to that assessment. Where a matter is relevant, CSC may consider it in conjunction with other relevant matters such as materiality, elapsed time since the event, and repetition or duration of the behaviour.⁷

For example, a person may be assessed as unfit for a particular responsible person position because of a lack of competence for that position or because of a conflict of interest that applies to the duties of that position. However, the person may still be fit and proper for another responsible person position because the competencies or conflicts were specific to the position.⁸

Actions to be taken where a person is assessed as being not fit and proper: Where a person is found to be not fit and proper due to a lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive in their interactions with APRA and its supervision processes, that person will normally not be suitable for any responsible person position.⁹ See **Failure to be fit and proper**.

Reasonable enquiries to obtain relevant information: CSC will make all reasonable enquiries to obtain relevant information. The kind of information that can be taken into account in making a fit and proper assessment, in addition to the self-assessment forms completed by (potential) responsible persons and the results of a police check, can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

Disclosure of information relevant to a fit and proper assessment: Staff, directors and contractors are encouraged to disclose information that may be relevant to a fit and proper assessment to CSC. This information can also be disclosed to APRA. However it is encouraged that this information initially be reported to CSC for assessment and resolution.

Conflicts of interest: Conflicts of interest are disclosed in accordance with CSC's **Conflicts Management Framework** and **Conflicts Management Policy**. This includes the completion of a **Disclosure of Duties and Interests declaration** (Attachment D) by responsible persons on appointment and on an ongoing basis, and being provided with the opportunity to declare any interests at each Board meeting.

File information and reporting: CSC will maintain on file information related to the fit and proper assessment of all current and recently past responsible persons. Fit and proper assessment results are available to the Chair and tabled annually at a Board meeting.

Annual assessments: Assessment against the fit and proper requirements is also made annually to ensure continuing compliance with the required standards.

CSC becomes aware of information that may result in the person being assessed as not fit and proper: Where a responsible person has been assessed as fit and proper, but CSC subsequently becomes aware of information that may result in the person being assessed as not fit and proper, CSC will take all reasonable steps (including collecting further information) if relevant, to ensure that it can prudently conclude that no material fitness and propriety concern exists. Where a concern exists, a full fit and proper assessment will be conducted.

⁷ SPG 520, paragraph 25.

⁸ SPG 520, paragraph 26.

⁹ SPG 520, paragraph 27.

Copy of the policy to be provided prior to appointment: All responsible persons (and potential responsible persons) are provided with a copy of this policy prior to their appointment. Directors nominated by a nominating body (the President of the ACTU and the Chief of the Defence Force) will be provided with a copy of the policy as soon as possible after nomination.

Sufficient documentation to be retained: Sufficient documentation for each fit and proper assessment will be retained to demonstrate the fitness and propriety of CSC's current, and recently past, responsible persons.

Additional director assessment and appointment processes

Appointments by the Minister for Finance: Directors are appointed by the Minister for Finance. The Chair is appointed by the Minister for Finance, subject to the Board's agreement.

Director nominations: The President of the Australian Council of Trade Unions (ACTU) may nominate 3 persons and the Chief of the Defence Force may nominate 2 persons to serve as directors. Before nominating persons, the President of the ACTU and the Chief of the Defence Force must consult with one or more relevant organisations. The Minister for Finance chooses the remaining 5 other directors in consultation with the Defence Minister.¹⁰

The Minister for Finance and the Department of Finance: The Minister for Finance or the Department of Finance will notify CSC of the intention to approve a director's appointment. The Department of Finance co-ordinates obtaining documentation in accordance with CSC's **Fit and proper policy**. Candidates for election or appointment as a director are required to receive a copy of this policy as soon as possible after the candidate is nominated. Documentation obtained as part of this process includes:

- an agreement and declaration for appointment as a director of CSC
 - CSC **Fit and Proper Certification** (Attachment A)
 - director self-assessment ratings supported by a curriculum vitae (Attachment C)
 - a **Disclosure of duties and interests** (Attachment D),
- and
- a police check.

CSC to conduct the fit and proper assessment: CSC conducts the fit and proper assessment. CSC will inform the Minister for Finance's department on a candidate director's compliance with this policy. If the available information is insufficient to allow a view to be formed, or gives rise to any questions about the fitness and propriety of the candidate director, these will be discussed with the Minister for Finance or the Minister's department, by either the Chair or the General Manager, Corporate, as appropriate, and action will be agreed to address any issues or obtain further information.

¹⁰ GAGSS Act s12(4).

Other appropriate searches: Prior to a director's appointment, other appropriate searches, such as National Bankruptcy and ASIC searches, can be conducted where CSC becomes aware of information that may result in a director being assessed as not fit and proper.

Instruments of appointment: An instrument of appointment, signed by the Minister for Finance, is provided by the Department of Finance confirming the appointment.

Communication processes prior to director appointment

The ACTU, the Chief of the Defence Force and the Minister for Finance have been advised of CSC's fit and proper standards. The Minister for Finance has advised that the Chair will be consulted on potential candidates for future employer director appointments to assist in determining whether they meet the required standards.

The Board seeks to assist in the nomination and appointment process by communicating to the President of the ACTU, the Chief of the Defence Force (nominating bodies) and the Minister for Finance. In communicating with nominating bodies and the Minister for Finance, the Board aims specifically to:

- optimise the composition of the Board in terms of collective experience, knowledge and skills, taking CSC's strategic and corporate plans into account, and may note any skill issues regarding the current Board membership
- participate in succession planning strategies for the Chair and the Board
- ensure that organisational knowledge and continuity is preserved through staggered terms of office for directors
- outline the Board's expectations regarding time commitments for service and continuity of tenure, and
- seek balance by having diversity in relation to gender, age, experience, skills and qualifications through merit based appointments.

Board expectations of potential candidate and director appointment assessments: In accordance with APRA Prudential Practice Guide, SPG 510 Governance, the Board expects that nominating bodies and the Minister for Finance will assess:

- the current and past associations of candidates
- the appropriateness of other directorships held by the candidate director, especially directorships of other RSE licensees
- the skills and capabilities of nominated candidates against the role and responsibilities of the vacancy and the Board as a whole, including consideration of committee vacancies, and
- the fitness and propriety of nominated candidates, taking the CSC **Fit and proper policy** into account.

Processes where a nomination or appointment of a director is made that the Board considers unsuitable: If a nomination of a director is considered unsuitable, the Chair (or the Board where the nomination relates to the Chair) will communicate and seek to resolve this issue with the Minister for Finance, and nominating bodies if appropriate. Where an appointment is made that is considered unsuitable, the Chair (or the Board where the appointment relates to the Chair) can communicate their concerns with the Minister for Finance, and nominating bodies if appropriate. An appointment of a director can be considered unsuitable if their performance is below expectation. The Chair may also wish to raise issues of diversity as they impact the Board.

Material that may be included in the communication: Communication to nominating bodies and the Minister for Finance may include the following materials:

- CSC's **Fit and proper policy**, with particular reference to the fitness and propriety standards
- collective assessment of directors' skills against the **Board skills matrix** contained in this policy, identifying areas of skill shortage or excess across the Board
- CSC's **Governance Framework** and **Conflicts management policy**,

and

- the **Board charter**, with particular reference to the Board's responsibilities.

Conflicts of interest may be considered: Communication with nominating bodies and the Minister for Finance may also refer to potential conflicts of interest for candidate directors holding a Board position on more than one superannuation entity, where one or more of those entities compete to attract the same members.

Expectations regarding time commitments and continuity of tenure may be discussed:

Communication may also include the Board's expectations regarding time commitments for service and continuity of tenure.

Communication regarding reappointments: In relation to the consideration of an existing director for reappointment, communication may, in addition, include details of the director's:

- contribution to the Board and committees
- current disclosed interests and appointments
- current skills
- date of initial appointment,

and

- where appropriate, the Board's view of an incumbent if that director is seeking re-appointment, including advising if the Board is dissatisfied with the performance of the director.

Upcoming appointment expiry dates: The General Manager, Corporate will notify the Board in advance of upcoming appointment expiry dates. The Board will communicate to the Minister for Finance prior to the expiration of the appointment. The Board will communicate to the President of the ACTU and the Chief of the Defence Force regarding engagement with the Chair of the Board prior to nominations being made to the Minister for Finance.

Ongoing director fitness and propriety assessments

Ongoing assessments on an annual basis: CSC will undertake the following ongoing assessment on an annual basis:

- obtain **CSC Fit and Proper Certification** (Attachment A)
- assess competencies against the **Board Skills Matrix** which lists required attributes of directors (Attachment B)
- undertake police check searches as a matter of course every 3–5 years and where CSC becomes aware of information that may result in a director being assessed as not fit and proper
- undertake bankruptcy/insolvency searches, such as National Bankruptcy and ASIC searches, as a matter of course for directors whose appointments to the Board extend beyond 3 years
- assess candidates against a self-assessment process (Attachment C),

and

- assess candidates against a **Disclosure of duties and interests** (Attachment D).

Board Skills Matrix and skills audit: As part of this process, CSC assesses its fitness and propriety against the **Board Skills Matrix** outlined in Attachment B. To assist with the assessment of directors' fitness for office, the Board Governance Committee conducts a skills audit, comparing the skill mix with the skills required and the Board Skills Matrix. The requirements take into consideration the operations, nature, size and complexity of CSC's operations and schemes managed, the strategy and future focus of CSC, and the skills required to adequately manage the external risk environment. The attributes reflect legislative requirements, standards or best practice statements.

Process to be conducted at least annually: This process is conducted at least annually, or as required, such as where material information adverse to fitness and propriety standards or the skills mix becomes known.

Board composition: These processes help provide a Board comprising directors with knowledge and experience in a wide range of fields including the financial services and superannuation industry, investment principles and practices, government, defence force, legal and union representation.

General Managers

Staff that are considered senior managers under SPS 520: CSC's general managers, the CEO, the CIO and the Head of Risk are within the scope of the definition of a senior manager as outlined under paragraph 16 of SPS 520.

Where they are assessed as not fit and proper: Where they are judged not to meet the appropriate standards, then that person will not be appointed to the position or will be removed from the position, pending resolution of any outstanding issues.

Fit and proper assessment: They are assessed as fit and proper prior to their appointment and annually thereafter during the term of their employment. This is conducted by:

- completing the **Responsible Person Fit and Proper Certification** (Attachment A) prior to appointment and on an annual basis
- a national police check application form is lodged prior to appointment, as a matter of course every 3–5 years and where CSC becomes aware of information that may result in a General Manager, the CEO, the CIO and the Head of Risk being assessed as not fit and proper
- other relevant searches, such as National Bankruptcy and ASIC searches, are conducted where CSC becomes aware of information that may result in a General Manager, the CEO, the CIO and the Head of Risk being assessed as not fit and proper
- the assessment will consider relevant information such as statements of attainment and referee reports obtained during the recruitment process, and
- completing a **Disclosure of duties and interests** (Attachment D) prior to appointment and on an annual basis.

Auditors and actuaries

Fit and proper assessments to be undertaken prior to engagement: Relevant personnel are required to complete the fit and proper assessment documentation prior to commencing their engagement and to submit police checks which have been conducted within the relevant time frame.

Police checks: Police checks will also be requested as a matter of course every 3–5 years and where CSC becomes aware of information that may result in an auditor or actuary being assessed as not fit and proper.

Additional certification for auditors: Potential auditors must complete the Auditor Certification (Attachment E) and attach supporting documentation to substantiate their fitness and propriety. Additional searches, such as National Bankruptcy and ASIC searches may be conducted where CSC becomes aware of information that may result in an auditor being assessed as not fit and proper.

Additional certification for actuaries: Potential actuaries must complete the Actuary Certification (Attachment F) and attach any supporting documentation to substantiate their fitness and propriety. Additional searches, such as National Bankruptcy and ASIC searches may be conducted where CSC becomes aware of information that may result in an actuary being assessed as not fit and proper.

Timing of assessments: An assessment is made of their fitness and propriety in accordance with this policy by the General Manager, Corporate, on appointment and annually (if required) thereafter.

Interim appointments and APRA determination

Interim appointments to be assessed against fit and proper standards within 90 days: Where an interim appointment (i.e. not permanent) is made to a responsible person position, CSC will endeavour to assess that person against the fit and proper standards as soon as practicable, and in any event within 90 days of that person's interim appointment. Interim appointees will be subject to the same assessment as permanent responsible persons.

Fit and proper assessments where APRA has determined a person to be a in a responsible person position: The fit and proper assessment may also be conducted after a person is appointed, if APRA determines that that person's position is a responsible person position. In that case, CSC will conduct the fit and proper assessment within 28 days of APRA's determination.

Professional development

Maintenance of fit and proper standards: CSC maintains fitness and propriety standards by maintaining a professional development program and undertaking assessments of individual and collective fitness and propriety.

Skills audit and training objectives: On appointment and annually thereafter (or as close to annually as practicable), responsible persons undertake a skills audit and develop individual training objectives over a three year time frame to provide comprehensive and uniform training; and, from time to time, complete a Board evaluation questionnaire which is used to identify shortfalls.

Training upon commencement: Upon commencement, CSC's general managers who are responsible persons are provided with an initial in house induction program based on the individual's requirements conducted by senior staff. Induction sessions are scheduled regularly so that all staff, including responsible persons, are able to attend a session as close as possible to their appointment. New directors also attend an induction session, in addition to an ongoing program of directors' briefings developed and co-ordinated by management to enable directors to gain in-depth knowledge of the operations of CSC and its service providers.

Ongoing professional development: Professional development is included in all CSC staff's key performance indicators. Directors also are required to avail themselves of suitable professional development opportunities on a regular basis. Training activities may include local and international conferences, seminars and workshops, training courses and study tours on specific matters relevant to CSC's functions.

Providing reports and sharing information: Responsible persons who undertake professional development activities are expected, where appropriate, to provide reports to CSC and to distribute relevant papers to other directors and staff.

Register of conference or course attendance: A register of conference or course attendance is maintained and participants are encouraged to provide comment and feedback regarding professional development opportunities and assist others choose the appropriate professional development for their needs.

Failure to be fit and proper

Termination of appointment or responsible person not appointed: If a CSC staff member who is a responsible person fails to meet CSC's fit and proper standards (either initially, or ongoing thereafter) CSC will either not appoint that person, or will terminate that person from their responsible person position (as appropriate). Responsible persons who become a disqualified person or deliberately mislead CSC on personal compliance with fitness and propriety are required to resign or their appointment is terminated immediately.¹¹

Information that may result in the assessment of a person as not fit and proper: Where such a responsible person has been assessed as being fit and proper, but CSC later becomes aware of information that may result in the assessment of that person as not fit and proper, CSC will immediately conduct a fit and proper assessment, including obtaining a national police check of that person if this is considered appropriate.

Directors who fail to meet CSC's fit and proper standards: If a CSC director fails to meet CSC's fit and proper standards (either initially, or ongoing thereafter) CSC will advise the Chair who will advise the Minister for Finance.

Auditors who fail to meet CSC's fit and proper standards: If a CSC auditor, being a statutory appointment, fails to meet CSC's fit and proper standards (either initially, or ongoing thereafter), CSC's CEO will advise the Board who may, for example, decide to write to the Auditor-General to bring this matter to his or her attention.

Actuaries who fail to meet CSC's fit and proper standards: If a CSC actuary, who has been appointed by the Department of Finance, fails to meet CSC's fit and proper standards (either initially, or ongoing thereafter), CSC's CEO will advise the Board who may decide to write to the Department of Finance to bring this matter to their attention. Or, where an actuary has been appointed by CSC, CSC will either not appoint that person, or will terminate that person from their responsible person position (as appropriate).

¹¹ In addition, pursuant to the Governance of Australian Government Superannuation Schemes Act 2011 (GAGSS Act) and the Public Governance, Performance and Accountability Act 2013, CSC's responsible persons or directors may also be terminated from holding their position if they contravene various provisions of this Act. For example, due to misbehaviour or physical or mental incapacity, making assignment of his or her remuneration for the benefit of his or her creditors or contravening general duties of officials. More information is outlined in CSC's Board Charter.

Informing APRA

Information to be provided to APRA: CSC is required to inform APRA, within 14 days, of the following information for every responsible person:

- the title of the responsible person position;
 - the person's full name;
 - the person's date of birth;
 - the person's position and main responsibilities;
- and
- a statement of whether the person has been assessed under this policy.

Timing and format of information: CSC will update this information from time to time as changes occur. APRA will be informed within 14 days of any changes (including new appointments). Where CSC has assessed a responsible person as being no longer fit and proper, APRA will be informed within 14 days. The information or notification will be provided in accordance with APRA procedures.

Whistleblowing

Reporting information: As set out in CSC's **Whistleblower protection and public interest disclosure policy**, all directors and employees may report information that would indicate that a responsible person does not meet CSC's fit and proper standards or where CSC has not complied with SPS 520. They may report this either to CSC directly or to APRA in accordance with the processes outlined in the Whistleblower protection and public interest disclosure policy.

Informing the Chair where another director does not meet the fit and proper standard: If a director is of the view that another director does not meet the fit and proper standard, then that director has an obligation to inform the Chair of this view and the reasons for it.

Consent to disclose information to APRA: CSC (and its connected entities) hereby consents to any person who holds or held a responsible person position within CSC (or one of its connected entities) to disclose information or provide documents to APRA relating to their reasons for resignation, retirement or removal.

Review of policy

This policy will be reviewed biennially or as required by CSC management and must be approved by the Board. The Board Governance Committee will review any proposed revisions and make a recommendation to the Board in regard to the Board’s approval of any amendment.

Date	Author	Comments
February 2009	Corporate Secretary	Approved by Board 10 February 2009 (Minute no 0554).
March 2012	General Counsel Group/Corporate Secretary	Approved by Board 22 March 2012 (Minute no 0201).
May 2013	General Counsel Group	Revised draft –Governance Committee review (1 May 2013, 13 May 2013), for recommendation to Board
20 June 2013	General Counsel Group	Board approval 20 June 2013
17 June 2015	General Counsel Group	Board Governance Committee review 5 May 2015 meeting; Board approval 17 June 2015.
25 July 2017	General Counsel team	Biennial review. Board Governance Committee meeting 15 June 2017; Board meeting 25 July 2017.

Responsible Person Fit and Proper Certification (Attachment A)

I..... (full name) (date of birth)

- Confirm that I am not a disqualified person under the SIS Act, Banking Act or Insurance Act, and am not prohibited from being a responsible person under the Corporations Act or similar overseas legislation, and that I am ordinarily resident in Australia.
- Confirm that I have never been convicted of any offence of dishonesty in any jurisdiction, whether in Australia or overseas.
- I have not perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices.
- Will immediately resign and inform CSC should I become disqualified or prohibited from being a responsible person, or fail to meet CSC’s fit and proper standards.
- Believe my competence, character, diligence, experience, honesty, integrity and judgment to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake because

.....

I have the educational and technical qualification, knowledge and skills relevant to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake.

I authorise CSC, to make due enquiries in relation to this declaration. I note that this may include a National Police Check, a National Bankruptcy search and ASIC searches.

Signed:

Date:

Board Skills Matrix (Attachment B)

Please complete both Part A (Skills) and Part B (Qualifications & Experience)

PART A – Skills	Brief description	Self-Assessment rating (Scale of 1–10) 1 being little or no knowledge or understanding and 10 being expert knowledge	Comment
Decision making	The ability to make informed decisions in the best interest of beneficiaries.		
Trust law	An understanding of basic trustee duties, including the ‘Trustee Covenants’ stated within Section 52 of the SIS Act (<i>copy of covenant attached</i>)		
Investment environment	A basic knowledge of asset classes, the risks associated with investment, sources of investment advice and an awareness of developments in the investment environment.		
Business knowledge	An understanding of, and experience in, the development of strategies for success in a competitive business environment, both within and outside the public sector.		
Compliance & Risk knowledge	A knowledge of sound compliance and risk management practices.		
Legal	A basic knowledge of legal practices, superannuation law in particular.		
Financial	An ability to interpret and apply financial data.		
Operational	A knowledge of the procedural aspects of the Trustee’s business		
Comprehension	The ability to understand advice received from technical experts in the superannuation field.		

Part B

Professional Qualifications		Details
	Accounting	
	Business/Commerce	
	Economics	
	Finance	
	Law	
	Superannuation	
	Investment	
	Other – please specify	
Employment Background		
	Actuarial	
	Insurance	
	Investment	
	Legal	
	Tax	
	Superannuation	
	Public Sector	
	Other – Please specify	
Level of Experience		
	Management	
	Board/Director positions	
	Professional	
	Technical	
Industry Training/Professional Development		
Professional Association Memberships		
Other comments:		

Directors' Self-Assessment Ratings (Attachment C)

The process to confirm candidates' claims involves a self-assessment process by each candidate against the **evidence provided within their Curriculum Vitae**. The Board Skills Matrix sets out the **collective** minimum requirement for educational, technical or practical qualifications.

Name	
Position	
Trustee Fit and Proper Certification and Trustee Internal Induction Program	Date:
Superannuation qualification (including Accounting, Business, Economics, Finance, Law or related qualifications)	/10
Years of experience working in management, board level positions for professional organisations	/10
Finance Services Sector employment or appointments in positions including actuarial, insurance, investment, legal and superannuation.	/10
Public Service employment or appointments including communications, HR, IT and risk management.	/10
Other Professional Board Experience.	/10
Professional association membership including courses conferences seminars	Name: Course: Hrs:

The rating scale to be use is as follows:

1	No knowledge or understanding
2	Limited knowledge or understanding
3	Background knowledge or understanding
4	Limited experience or qualifications
5	Experience or qualifications in related matters
6	Relevant experience or qualifications
7	Relevant experience and qualifications
8	Extensive experience and qualifications
9	Expert with all relevant qualifications and years of experience
10	Recognised expert with all qualifications with many years of experience

Disclosure of duties and interests (Attachment D)

Chair/Chief Executive Officer/ General Manager, Corporate ~~[strike out whichever is not appropriate]~~
Commonwealth Superannuation Corporation

Disclosure of duties and interests

Under relevant legislation I advise that I have no duties or interests that could reasonably be expected to conflict with my duties as a responsible person of CSC.

I acknowledge that I will advise:

- if any event has changed my continuing compliance with the responsible person qualification requirements set out in the *Superannuation Industry (Supervision) Act 1993* and relevant prudential standards;

or

- if I am required to make any disclosures of duties or interests;

or

if any change in my business relationships has occurred that might have a connection with CSC's duties or activities.

Further, I will maintain appropriate records of my dealing in securities and will provide a copy of these records to the

Chair/Chief Executive Officer/ General Manager, Corporate ~~[strike out whichever is not appropriate]~~
if requested by CSC.

Signed:

Dated:

Fit and Proper Certification for Auditors (Attachment E)

I..... (full name) (date of birth)
confirm that

1. I am not a disqualified person under the SIS Act, Banking Act or Insurance Act, and am not prohibited from being a responsible person under the Corporations Act or similar overseas legislation;
2. I have never been convicted of any offence of dishonesty in any jurisdiction, whether in Australia or overseas;
3. I have not perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices;
4. I will immediately resign and inform CSC should I become disqualified or prohibited from being a responsible person, or fail to meet CSC's fit and proper standards;
5. I believe my competence, character, diligence, experience, honesty, integrity and judgment to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake because

.....
.....
.....
.....
.....

I have the educational and technical qualification, knowledge and skills relevant to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake;

1. I am registered as an auditor under the *Corporations Act 2001*, or the Auditor-General or a delegate of the Auditor-General of the Commonwealth, a State or Territory;
 2. I am not the CEO or a director of CSC, or of a related body corporate or connected entity of CSC;
 3. I have a minimum five years' relevant experience in the audit of the business operations of RSE licensees;
 4. I have experience relating to the business operations of RSE licensees that is sufficiently relevant and recent to provide reasonable assurance that they are familiar with current issues in the audit of the business operations of RSE licensees;
 5. I am not the actuary of CSC or any RSE within CSC's business operations;
 6. I am not an employee or director of a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind of which CSC's actuary (if any) is an employee or director;
 7. I am not a partner of CSC's actuary (if any);
 8. I am not an employee of CSC;
 9. I am a member of a recognised professional body
 10. I am ordinarily resident in Australia;
- and
11. There is no risk that my independent professional judgement may be unduly influenced by my other duties and interests.
 12. I authorise CSC, to make due enquiries in relation to this declaration. I note that this may include a National Police Check, a National Bankruptcy search and ASIC searches.

On assessment of appointment this statement is supported by the attached current curriculum vitae and copy of a National Police Check.

Signed:

Date:

Fit and Proper Certification for Actuaries (Attachment F)

I..... (full name) (date of birth)
confirm that

1. I am not a disqualified person under the SIS Act, Banking Act or Insurance Act, and am not prohibited from being a responsible person under the Corporations Act or similar overseas legislation;
2. I have never been convicted of any offence of dishonesty in any jurisdiction, whether in Australia or overseas;
3. I have not perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices;
4. I will immediately resign and inform CSC should I become disqualified or prohibited from being a responsible person, or fail to meet CSC's fit and proper standards;
5. I believe my competence, character, diligence, experience, honesty, integrity and judgment to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake because

.....
.....
.....
.....
.....

I have the educational and technical qualification, knowledge and skills relevant to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake;

1. I have appropriate formal qualifications;
2. I am not the CEO or a director of CSC, or a related body corporate (except when that related body corporate is a connected entity of CSC);
3. I am not the auditor of CSC or any RSE within CSC's business operations;
4. I am not an employee or director of an entity of which CSC's auditor is an employee or director;
5. I am not a partner of CSC's auditor;
6. I have a minimum of five years' relevant experience in the provision of actuarial services to RSE licensees and RSEs or in superannuation more generally, that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the provision of actuarial services to the business operations of RSE licensees;
7. I am not an employee of CSC;
8. I am a Fellow or Accredited Member (however described) of the Institute of Actuaries of Australia;
and
9. I am ordinarily resident in Australia;
and
10. There is no risk that my independent professional judgement may be unduly influenced by my other duties and interests.
11. I authorise CSC, to make due enquiries in relation to this declaration. I note that this may include a National Police Check, a National Bankruptcy search and ASIC searches.

On assessment of appointment this statement is supported by the attached current curriculum vitae and copy of a National Police Check.

Signed:

Date:



Email
employer.service@csc.gov.au



Phone
1300 338 240



Fax
(02) 6275 7010



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Canberra ACT 2601



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