

**Executive Summary**

**Independent Review**

**Code Compliance Monitoring Committee**

(The Executive Summary reproduced here appears as Chapter 2 of the full report of the Independent Review. The full report can be found at the review website: [http://ccmcreview.crkhoury.com.au/.](http://ccmcreview.crkhoury.com.au/))

**Phil Khoury**

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## EXECUTIVE SUMMARY

I have been asked by the CCMC to provide an independent review of the effectiveness of their Code compliance monitoring operations. This review is triggered by my parallel independent review of the Code – which comes at a time of significant community pressure on the banking industry.

1. I found that industry were largely satisfied with the performance of the CCMC. Code signatories identified value from the CCMC's work – more value from work aimed at good practice and less from work that was focused on breaches.
2. I found significant dissatisfaction amongst non-industry stakeholders with the overall effectiveness of the CCMC, however this was not a reflection of the performance of the CCMC, but a criticism of the framework (the Code, its Mandate and its resourcing) within which it operates.
3. Although some urged the CCMC towards more of a quasi-regulatory role, I concluded that it should be focused on public assurance through more visible, transparent monitoring – and adding value to the industry through a greater focus on good practice and continuous improvement.
4. I set out my view of these strategic and role issues in a detailed section (Chapter 20. of the Code Report and reproduced here at Attachment 2) which sets out 19 Recommendations aimed at future role and approach.
5. I also reviewed each of the main functions of the CCMC for the effectiveness of its current practices (within the current constrained framework) and found that its monitoring activities, investigations, public reporting and stakeholder engagement are being delivered professionally and to a good standard.
6. Nonetheless, it is clear that this effort is not meeting stakeholder expectations. I expect that the recommendations I have made in the Code Report, if adopted, will significantly shift stakeholder perceptions, however this may take some time.
7. While some recommendations in the Code Review and this Review may need to await a new Code, some can be taken up immediately and for others, the CCMC will have sufficient guidance from the banking industry's initial response to the Code Review to begin to move in the proposed directions in the short-to-medium term. I see this movement as essential to community confidence in implementation of a new Code.
8. I have made 6 recommendations in this Report focused mainly on initiatives that the CCMC could take up ahead of a settled new Code and Mandate.

As with my approach to the Code Review, I have chosen not to take a narrow technical approach, rather I have looked to the higher level objective of how the Code can deliver improved trust. I see a more visible, more analytical, more innovative, more collaborative CCMC as a critical part of delivering on that objective.

