

Seven Consulting Regulatory Compliance

Australia's Best
Program Delivery Company



Official Partner
of the



1. Program Delivery



We deliver some of Australia's most complex and challenging agile, traditional and hybrid programs. We work with our clients to understand their organisational and program characteristics. These inform how we design our delivery approach to produce the best outcome for our clients. The majority of our Consultants are scaled agile (SAFe) certified and we have over \$3bn of Agile and traditional Programs under direct management.

2. PMO Services



We provide PMO establishment and management, PMO analyst and scheduling services, and tools for some of the largest organisations in Australia.

3. Delivery Consulting



We provide delivery capability uplift, sponsor and project manager training, portfolio and program reviews to assist our clients improve their program delivery.

All of our clients are reference sites

Our Clients

Seven Consulting has a proven track record delivering critical outcomes for Australian organisations across industries and domains. 100% of our clients are reference sites.



Our clients and staff are our top priority

Client Satisfaction Survey Results

Year	Satisfaction rating	Survey questions
2020	98.87%	14,455
2019	99.08%	14,949
2018	98.65%	15,450
2017	99.08%	9,691
2016	98.94%	10,336
2015	99.35%	5,655
2014	99.26%	3,520

100% of our clients are reference sites

Staff Satisfaction Survey Results

Survey Date	Satisfaction rating
Dec'20	97.90%
Jun'20	98.51%
Dec'19	98.30%
Jun '19	98.82%
Dec '18	96.44%
Jun '18	96.40%



"It is clear that you only recruit PM's that are the best in the business"



"No fuss, just good, honest and consistent project delivery"



"Very professional"
"Great consulting skills"



"Seven have gone above and beyond to make this implementation a success. With short notice their consultants jumped in and made a significant impact."



"Highly professional staff, great support from the broader organisation. Clear about what they are good at and stick to this"



How do we get 98%+ client satisfaction?

Why all our clients are reference sites.



Hands-on ownership



High staff engagement, low turnover with no contractors



At a minimum, there is monthly Quality Assurance review of the consultant's work.



Bench support available to all consultants at no cost to the client



Extensive mentoring and training support, strong IP and knowledge sharing



Holiday and sick leave cover for assignments



Strong in-house tooling to support consultants, clients and quality assurance

How our values impact our delivery?



Teamwork

Teamwork has to be at the core because you can't deliver big projects without great teamwork – we focus on ensuring that the Seven team, the client team and vendors work seamlessly together.



Transparency

Assumptions and poor communications kill projects, whereas openness is the foundation of good relationships and reliable delivery. We remain a completely independent consultancy.



Delivery

A focus on outcomes focuses the team and grows confidence. With a confident attitude, expert personnel and effective teams we always deliver to clients high expectations.

The cost of non-compliance is significant (both financial penalties, loss of trust and reputational damage) and in some cases prohibitive (loss of license to operate). As new legislation is passed, organisations are increasingly faced with pressure from the regulators to comply with new the legislation in compressed timeframes and at significant cost to the organisations.

This capability statement outlines considerations across a variety of compliance obligations for companies spanning banking, payment, utilities and Consumer goods. It summarises Seven Consulting extensive experience in the area and high lights examples of how we can and are assisting clients in meeting their obligations.

Faced with high demand for change, constrained project budgets and a changing compliance landscape, we have seen business struggle to ensure the process and systems controls needed are in place and robust. Increased reliance on technology to meet compliance obligations had introduced a greater risk of systemic failure resulting in large volumes of non-compliance. Compliance program funding competes with other investment opportunities that often have strong projected financial or customer satisfaction returns. But similar to public investment often the full impact of non-compliance is not factored in when funding is allocated.

Regulator attitudes and public opinion has dramatically shifted in the past years and companies have come to realise that non-compliance is not an option. The real cost of non-compliance have been laid bare and they are broad. Negative consumer sentiment, significant reductions in market capitalisation, remediation costs, executive and board turnover and in extreme cases companies shutting down have all been outcomes from not taking compliance obligations seriously. This has raised pressure on companies to successfully and rapidly deliver on compliance obligations and play their part in society in a more responsible way.

This creates a need to think about meeting compliance obligation as part of everything the company does wherever this is possible, not as a separate activity.

How are compliance programs viewed?

Based on our considerable experience in compliance projects, Seven Consulting would offer the following observations on how organisations view their compliance portfolios.

First, Regulatory and Compliance programs have a very important but often ignored “image problem” within project management and delivery communities:

- They are perceived by many people as having no real benefits
- They are generally exposed to higher levels of change and uncertainty as regulators refine their legislation
- They typically involve working with at least some old, poorly maintained “legacy” systems
- They are not seen as important as some “cool” new customer-facing projects
- They rarely involve and leading-edge or innovative technology
- They are often seen by senior management as a burden rather than an opportunity
- They are not perceived as great career-building opportunities

These perceptions add an additional layer of organisational and people-related complexity to already complex projects. Our advice:

- Take them seriously
- Invest in them properly
- Prioritise them at or near the top of your list
- Execute them to high standards
- Ensure active “C-Level” governance

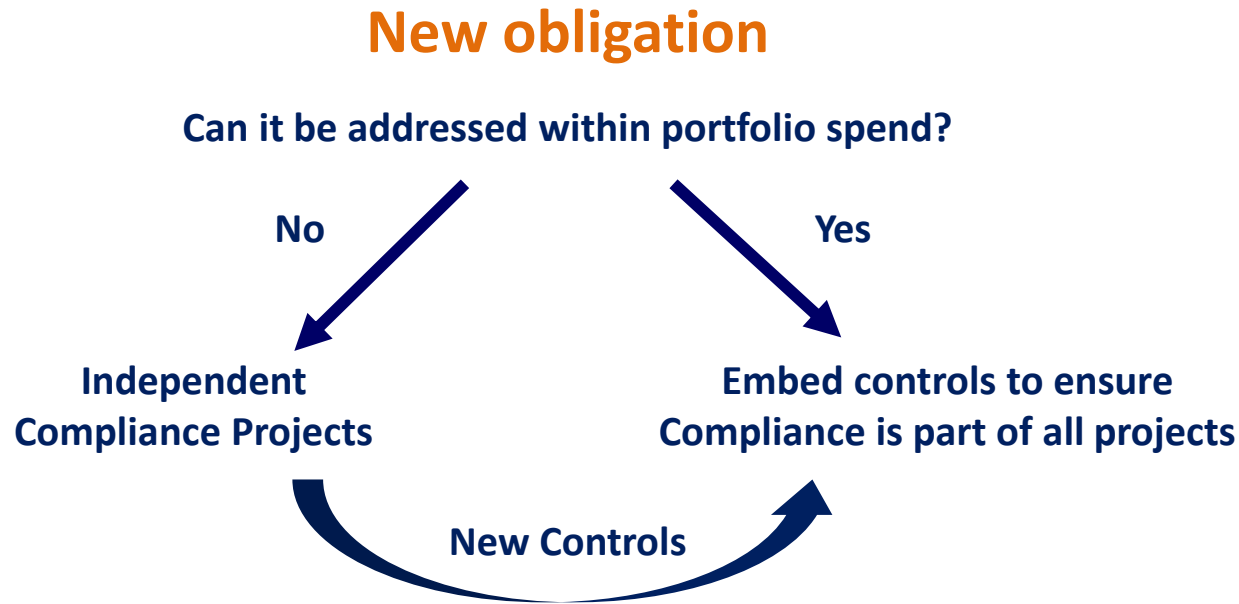
Not doing so introduces a very real and significant risk of organisations losing their ‘social’ license as was seen with financial services during the Royal commission.

There need to address compliance in two ways:

To ensure compliance costs don't become an unreasonable financial burden it is important that we look to address compliance within existing projects unless new requirements emerge that require additional focus.

Through the enterprise portfolio ensuring that all programs and projects have compliance at the core, designed appropriate controls and quality assurance to ensure that as the business changes it maintains or enhances it's level of compliance.

When new compliance obligations are identified robust assessment is needed to assess the most efficient mechanism to reach compliance. This could be achieved through adding scope to existing projects and programs or creating stand alone projects and programs with the sole focus of reaching compliance.



The Royal Commission into Misconduct in the Banking, Superannuation & Financial Services Industry, also referred to as the “Hayne Report”.

Background:

On the 14 December 2017 Commissioner Kenneth M Hayne was instructed to conduct a commission into the misconduct in the Banking, Superannuation and Financial Services industries. The central task of the Commission was to inquire into, and report on, whether any conduct of financial services entities might have amounted to misconduct and whether any conduct, practices, behaviour or business activities by those entities fell below community standards and expectations.

Steps were taken to gather submissions and information from the public. The public submitted more than 10,000 complaints about financial services entities. Three rounds of public hearings were conducted:

1. The first concerning superannuation (between 6 August 2018 and 17 August 2018),
2. the second concerning insurance (between 10 September 2018 and 21 September 2018), and
3. the third (between 19 November 2018 and 30 November 2018) took evidence from CEOs, board chairs and the heads of ASIC and APRA.

An Interim Report was submitted to the Governor General on 28 September 2018. A final report was published was published on the 1st of February 2019. The full report can be read here: <https://www.royalcommission.gov.au/sites/default/files/2019-02/fsrc-volume-1-final-report.pdf>

Commissioner Hayne’s final report made 76 recommendations and 24 referrals for potentially criminal conduct. The findings called for major reforms in the culture, governance and remuneration structures of the banking industry.

The Royal Commission concluded that many entities had systematically conducted business that financially benefited the entities at the cost of the clients they were serving, often breaking the law with little or no recourse.

A very high-level summary of the findings is that the conduct identified and described in the Commission's Interim Report and the further conduct identified and described in the final Report included conduct by many entities that took place over many years causing substantial loss to many customers but yielded substantial profit to the entities concerned. Some of the conduct broke the law. Those entities that broke the law were not properly held to account. And if it had not broken the law, some of the conduct fell short of the kind of behaviour the community not only expects of financial services entities but is also entitled to expect of them.

Key findings included:

- A strong alignment between product sellers and product manufacturers, resulting in cross-selling of products and conflicts of interest
- Low transparency with and respect for customers, and making the best interests and objectives of the customer secondary to those of the financial services provider
- Boards and senior management focusing on their best interests (or to the benefit of shareholders) to the detriment of customers
- A lack of voice and accountability in identifying, escalating and dealing with risk and compliance issues
- Significant cultural and leadership issues exhibited across the industry which Senior Executives and Boards have either failed to influence or failed to manage and address



Example Compliance Obligations & Seven Consulting's experience

Banking Royal Commission – How Seven Consulting can help



Based on our considerable experience in compliance projects, Seven Consulting can help organisations plan and execute regulatory and compliance programs set up to address the recommendations of the Banking Royal Commission.

Consider the Macro level considerations:

1. Separation of Duties

- a) Changes to organisational structures
- b) Changes to roles and accountabilities

2. Product set changes

- a) Removing and migrating off products
- b) Introducing new compliant products

3. System updates required

- a) To remediate system and process issues
- b) To eliminate complexity
- c) To implement new controls
- d) Implement automated risk & compliance reporting

4. Resilience built into current and future systems

Seven Consulting's value proposition:

Extensive experience in helping organisations define new target operating models considering the various aspects that define success, and then running programs to successfully implement the changes. **(Ref our experience 17-19)**

Extensive experience in working with the business to define and build target state business capability and successfully migrating significant amounts of highly complex data to the new systems **(Ref our experience 17-19)**

Extensive experience in consolidating legacy systems to remove duplication and unnecessary complexity, or building either bespoke or OOTB target state solutions. **(Ref our experience 17-19)**

Extensive experience in building resilient, future-proof solutions **(Ref our experience 17-19)**

Anti Money Laundering (AML)

AML/CTF regulations set by AUSTRAC requires corporates to make sure they adopt a risk-based and principles-based approach to regulation and places the onus on reporting entities to identify, mitigate and manage their ML/TF risk, comply with AML legislation, frequently report on any suspicious activity to fight money laundering

Consider the Macro level considerations:

1. Creation of Risk Framework

- a) Define AML risk assessment framework
- b) Define AML risk scoring approach

2. Define AML processes, governance and reporting

- a) Create/reengineer AML processes and SOP (Standard Operating Procedure)
- b) Define AML governance model and operating rhythm
- c) Define AML roles and responsibilities
- d) Define AML reporting requirements
- e) Train staff on new AML processes

3. Update AML systems

- a) Review new AML requirements
- b) Enhance, implement and test new AML systems

Seven Consulting's value proposition:

Extensive experience in working with businesses to define risk assessment framework and risk scoring approach to direct regulatory efforts towards vulnerabilities and high-risk entities
(Ref our experience 17-19)

Extensive experience in leading businesses to define or reengineer their AML processes, create SOP's, define and implement operating models with roles and responsibilities, define AML reporting requirements, train staff and successfully transition to the new operating model to prevent future non-compliance, and ensure that businesses meet their AML obligations
(Ref our experience 17-19)

Extensive experience in leading AML system requirements review and enhancing / implementing AML systems to help detect and report suspicious activity including the predicate offenses to money laundering
(Ref our experience 17-19)

Energy Trading – 5 Minute Settlement

On 28 November 2017, the AEMC made a final ruling to reduce the settlement period for the electricity spot price from 30 minutes to 5 minutes, starting in 2021. This change requires the collection, storage and delivery of revenue metering data, to be based upon 5-minute intervals for use in energy settlement, network and retail billing.*

Consider the Macro level considerations:

1. Upgrading IT Systems to store and process SMS

- a) Changes to Core Trading and Reporting systems (i.e. Billing, Pricing, Risk, and others)
- b) Boosting Data Storage capabilities to report and store increased data points
- c) Updating integration and system testing with external providers

2. Upgrading Metering to provide SMS data

- a) Analysis of current Metering capabilities and required remediation
- b) Upgrading or replacing impacted Metering Hardware

3. Updating Contract T&C's and Operating Processes

- a) Updating of current and future contractual T&C's (Terms & Conditions)
- b) Changes to product offerings and review of future product roadmaps
- c) Review current Operating processes and remediating impacts

4. Review of current and future investment opportunities

- a) Review and realignment of current investments to match industry changes
- b) Review of new industry investment opportunities stemming from SMS disruption

Seven Consulting's value proposition:

Extensive experience in running system gap analysis and establishing solution roadmaps. Extensive experience in consolidating legacy systems to remove duplication and unnecessary complexity. Significant experiences with implementing tech capability uplifts.
(Ref our experience 17-19)

Extensive experience in running large scale remediation programs of works including regulatory compliance works.
(Ref our experience 17-19)

Experience working with the business to define and build target state business capability. Extensive experience in successfully migrating highly complex workflow to target state with minimal impact to operations
(Ref our experience 17-19)

Extensive experience in establishing Benefit Realisation Frameworks and setting up governance processes for Final Investment Decision (FID)
(Ref our experience 17-19)

*AEMC Timelines currently under review due to COVID impacts. Some requirements are expected to be shifted to 2022

European Data Privacy – General Data Protection Regulation (GDPR)

Introduction of European Union General Data Protection Regulation (GDPR) in 2018 requires any Australian business established in Europe, or dealing with European customers or their data to comply with this privacy law. The implication stems from the requirement of implementing measures ensuring compliance with a set of privacy principles and taking a 'privacy by design' approach.

Consider the Macro level considerations:

1. Establishing Information Data Governance

- a) Implementation of strategic information governance framework
- b) Coordinated implementation of unified information policies and procedures, including information security
- c) Enhance contractual compliance by contractors and sub-contractors handling the data

2. Changes to data processing landscape

- a) Implementation of required data processing, protection and monitoring mechanisms following the 'data protection by default and design' principle
- b) Changes to traceability and security
- c) Implementation of new controls over data transfers
- d) Implement automated risk & compliance reporting

Seven Consulting's value proposition:









Extensive experience in working with clients in establishing and running large-scale governance programs in response to changes in the compliance environment and increased oversight by the respective industry regulation bodies

(Ref our experience 17-19)








Extensive experience in helping organisations to drive discovery and capturing compliance requirements and translation of those into solutions bringing together people, processes, technology and data

(Ref our experience 17-19)










Our compliance experience

Organisation	Engagement description
	Program Management of Regulatory Compliance, 5 Minute Settlement and Dynamic Pricing programs
	Consultancy on FIRB (Foreign Investment Review Board) Remediation
	FOFA (Future Of Financial Advice) and Stronger Super Ready Program
	Program management and PMO of various programs including Project Custos, Financial Crime Data Assurance, Align Advice Closure Program and Regulatory Reform Program. Quality Assurance of Retail Advice Products Upgrade
	Program Management and PMO of Supervisory and Monitoring Program
	Program management of 5 Minute Settlement and global Settlement Program
 	Program management of Apollo/Mercury - Audit Remediation

Our compliance experience

Organisation	Engagement description
	Program management of Lendlease's Sustainability Reporting
 Lifestyle Solutions	Project management of Government Action Plan
	Program management of Link/SuperPartners eContributions program
 	<p>Program management of various projects to establish NAB/MLC's SuperStream capabilities and compliance projects to support contributions and rollovers.</p> <p>Program Management of ASIC Product Disclosure Project and ATO Roadmap/eCommerce Simplification</p> <p>Quality Assurance of Encompass and of Financial Advice (FOFA)</p> <p>Program Management of Retail Trade Ups and Insurance Remediation</p>
	Program management of the Insurance Remediation program
	PMO management of Telstra's Structural Separation Undertaking

Our compliance experience

Organisation	Engagement description
 	Program management of multiple programs to establish NAB/MLC's SuperStream capabilities including: StrongerSuper Reporting and Disclosure program, SuperStream eRollovers program and SuperStream eContributions program
	Technical program management of CBA's SuperStream capabilities to support contributions and rollovers
	Program management of the eContributions program which introduced the SuperStream electronic messaging for contributions. Program management of the Insurance Remediation program
	Quality assurance and testing for AMP's SuperStream projects
 	<p>Program management of the following programs:</p> <ul style="list-style-type: none"> • Advisor Service Fees (ASFs) to address issues raised by the Royal Commission regarding obligations relating to ASFs • Plum Compliance program • ATO Roadmap/eCommerce Simplification program • Controls Transformation program • ASIC Product Disclosure project • Customer Response Initiative
 	<p>Delivery assurance reviews of the following programs:</p> <ul style="list-style-type: none"> • StrongerSuper program • Claims Transformation program • SSBO and Regulatory Change Office

Seven Consulting is a proud sponsor of Australia's National Football side, the Westfield Matildas



We are extremely proud to be official sponsors of Australia's best team. The Westfield Matildas are now ranked 7th in the world and were finalists in the Asian Cup.

*We are also providing paid internships for a number of the team (**Tameka Yallop**, and **Elise Kellond-Knight**), to support their post sporting careers.*





Australia's Best Program Delivery Company

Award Winning Company

WOOLWORTHS GROUP

Woolworths Group IT
Exceptional Services Award
Winner 2018



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