



22 June 2018

PGPA Act and Rule Independent Review Secretariat
Public Governance, Performance and Accountability
Department of Finance
One Canberra Avenue, Forrest ACT 2603

**Response to Independent Review Public Governance, Performance and
Accountability Act 2013 and Rule Consultation Draft**

Review Secretariat,

APRA thanks the Independent Review Secretariat for the opportunity to provide feedback on the Independent Review of the PGPA Act and Rule Consultation Draft.

We have considered the 46 recommendations proposed as to their potential impact to APRA. The following recommendation is the only one which we would suggest be further considered.

Recommendation 15: "The independence of audit committees should be strengthened by requiring all audit committee members to be independent, with independence defined as not being an official or employee of a Commonwealth entity".

Our recommendation would be that the majority of audit committee members be independent rather than all. As independent audit committee members are not an integral part of the day to day operations of our business we believe an internal representative [an APRA Member in our case] is an essential member of the committee by bring an executive and operational perspective. We fully support the Chair of the Audit Committee being an independent member.

Whilst other relevant recommendations may require changes to some of our internal processes and practices we generally support these.

Yours sincerely,

A black rectangular box redacting the signature of Therese McCarthy Hockey.

Therese McCarthy Hockey
Executive General Manager Strategy / Chief Risk Officer
Enterprise Performance Division