

# HUB24 Report on Internal Controls

For the year ended 30 June 2022

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HUB24 Custodial Services Ltd | ABN 94 073 633 664 | AFSL 239 122

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*This report, including the description of tests of controls and results thereof is intended solely for the information and use of the Service Organisation, user entities of the Service Organisation's system related to during some or all of the period, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used or relied upon by anyone other than these specified parties.*

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# SECTION I

## STATEMENT BY THE MANAGEMENT OF HUB24 CUSTODIAL SERVICES LTD (HUB24 CS)

## SECTION I

### STATEMENT BY THE MANAGEMENT OF HUB24 CUSTODIAL SERVICES LTD (HUB24 CS)

The accompanying description has been prepared for customers who have used Custody, Asset Management, Superannuation Member Administration, Investment Administration, Registry and Information Technology services provided to our customers and their auditors who have a sufficient understanding to consider the description, along with other information including information about controls operated by customers themselves, when assessing the risks of material misstatements of customers' financial reports/statements. HUB24 CS confirms that:

- a. The accompanying description in Section II fairly presents the Custody, Asset Management, Superannuation Member Administration, Investment Administration, Registry and Information Technology and system for processing customers' transactions throughout the period 1 July 2021 to 30 June 2022. The criteria used in making this statement were that the accompanying description:
  - i. Presents how the system was designed and implemented, including:
    - The types of services provided, including, as appropriate, classes of transactions processed.
    - The procedures, within both information technology and manual systems, by which those transactions were initiated, recorded, processed, corrected as necessary, and transferred to the reports prepared for customers.
    - The related accounting records, supporting information and specific accounts that were used to initiate, record, process and report transactions; this includes the correction of incorrect information and how information was transferred to the reports prepared for customers.
    - How the system dealt with significant events and conditions, other than transactions, including the impact of COVID 19 on the service organisation as detailed in the "Impact of COVID 19" section in the description.
    - The process used to prepare reports for customers.
    - Relevant control objectives and controls designed to achieve those objectives, including the control objectives for asset management, custody, superannuation member administration, investment administration, registry, and information technology services provided in Guidance Statement 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*.
    - Controls that we assumed, in the design of the system, would be implemented by customers, and which, if necessary to achieve control objectives stated in the accompanying description, are identified in the description along with the specific control objectives that cannot be achieved by ourselves alone.

- Other aspects of our control environment, risk assessment process, information system (including the related business processes) and communication, control activities and monitoring controls that were relevant to processing and reporting customers' transactions.
  - ii. Includes relevant details of changes to the service organisation's system during the period 1 July 2021 to 30 June 2022.
  - iii. Does not omit or distort information relevant to the scope of the system being described, while acknowledging that the description is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the system that each individual customer may consider important in its own particular environment.
- b. The controls related to the control objectives stated in the accompanying description were suitably designed and operated effectively throughout the period 1 July 2021 to 30 June 2022. The criteria used in making this statement were that:
- i. The risks that threatened achievement of the control objectives stated in the description were identified;
  - ii. The identified controls would, if operated as described, provide reasonable assurance that those risks did not prevent the stated control objectives from being achieved; and
  - iii. The controls were consistently applied as designed throughout the period 1 July 2021 to 30 June 2022.

Signed on behalf of management



Craig Lawrenson  
Chief Operating Officer  
Director, HUB24 Custodial Services Ltd  
21 September 2022

## SECTION II

### MANAGEMENT'S DESCRIPTION

## SECTION II

### MANAGEMENT'S DESCRIPTION

#### 1. Introduction

The purpose of this report is to outline the operational internal controls within HUB24 Custodial Services Ltd relating to the Custody, Asset Management, Superannuation Member Administration, Investment Administration, Registry and Information Technology services provided to our customers.

The information in this report is prepared with consideration to the guidelines outlined in the AASB's Guidance Statement GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*.

#### 2. Company Profile

HUB24 Limited (HUB24) is a publicly listed company on the Australian Securities Exchange (ASX: HUB). The business is focused on the delivery of the HUB24 Investor Directed Portfolio Service (IDPS) & Superannuation Platform, through its wholly owned subsidiary HUB24 Custodial Services Ltd (AFSL 239122) (HUB24 CS). HUB24 CS develops and operates the HUB24 IDPS and Superannuation Platform through HUB24 branded products and white label arrangements. Further, HUB24 CS also provides custody, administration and customer reporting services, including private label platform services. Additional information on HUB24 CS is available in our Financial Services Guide (FSG), issued to customers prior to establishing access to the financial products outlined and available on our website.

#### 3. Summary of Related Services

HUB24 CS is the Operator of the HUB24 Invest Service, which is an IDPS operated in accordance with ASIC Class Order [CO 13/763]. HUB24 CS is also the custodian of the IDPS and has appointed BNP Paribas Securities Services and Clearstream Australia Limited as sub-custodians for the holding and safe keeping of assets.

HUB24 Invest provides access to a range of investments, including managed portfolios, Australian and international listed securities, managed funds, term deposits and cash.

HUB24 Super (the Fund) is a public offer superannuation fund offering accumulation and pension divisions. Our external Trustee, HTFS Nominees Pty Ltd (ABN 78 000 880 553, AFSL 232 500) (Trustee) was the RSE for the Fund for the period 1 July 2021 to 30 June 2022. The Trustee has appointed HUB24 CS as the Administrator, Promoter and Custodian of the Fund under relevant agreements. HUB24 CS holds cash on trust in an omnibus account with HSBC Bank Australia Limited and has appointed BNP Paribas Securities Services and Clearstream Australia Limited as sub-custodians for the purpose of holding and safekeeping of assets, including settlement of securities.

HUB24 Managed Portfolio Service ('Scheme') is a non-unitised registered managed investment scheme that provides access to a range of managed portfolios. Ironbark Asset Management (Fund



Services) Limited (ABN 63 116 232 154 AFSL 298626) (Ironbark) is the Responsible Entity for and issuer of interests in the Scheme. Ironbark has appointed HUB24 CS as the Custodian, Administrator and Investment Manager for the Scheme.

HUB24 CS as investment manager of the Scheme appoints portfolio managers to design, construct and advise on the managed portfolios within the Scheme.

HUB24 CS has Investment Guidelines in place as a statement of the intentions of HUB24 CS and the principles adopted in relation to the administration and investments that are accessible by customers through HUB24 Invest.

HUB24 CS does not make investment decisions on behalf of customers and nor does it provide financial product advice to customers.

The HUB24 Invest and the HUB24 Super are collectively referred to as the Platform throughout this report.

## 4. Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and response of governments in dealing with the pandemic has impacted the community and economy. Even though many industries in Australia have been impacted by the COVID-19 pandemic, HUB24 CS has continued to operate successfully.

HUB24 CS' priority has been, and remains, ensuring the health and safety of the team whilst continuing to operate our business to meet the needs of licensees, advisers, and customers as well as other key stakeholders.

HUB24's Business Continuity Plan (BCP) has been effective in supporting our teams to work remotely, leveraging our robust infrastructure and technology capabilities. We have assisted staff to set themselves up to work from home, ensured they have regular interaction with our customers and colleagues, and encouraged them to seek assistance through our Employee Assistance Program if needed.

### Operating Environment

Monitoring of the COVID-19 impact on controls considered the following:

- Lockdowns, travel restrictions, social distancing requirements, and associated changes in behaviour.
- Markets, geographical and demographic spheres, and parts of the value chain in which we operate.
- How we engage with those markets or spheres (products, customer segments and distribution methods) and the basis on which we compete.
- Resources (financial, human, intellectual, environmental, and technological) and relationships (customers, suppliers, key stakeholders) that are necessary to our operations.
- How the business model uses IT in its interactions.
- HUB24 CS' structure and scale of operations.

## **Risk Assessment**

Our risk assessment approach is regularly reviewed to ensure it remains appropriately responsive.

Risks considered include:

- Revenue, supply chain, technology, and other infrastructure disruption.
- Key person risk and process impacts (e.g. highly technical areas, significant judgments) and delegation of authority.
- Delays in processing of transactions, processing being performed by different people due to illness, changed working hours and loss of productivity.
- Processes that are highly manual, require dual key authorizations, or are being performed without normal physical oversight.
- Restricted access to offices.
- Areas that are increasingly susceptible to fraud (e.g. money movement).
- Cyber-attack when normal operation of IT systems is changed or disrupted.
- Reliability of key subservice organisations.

## **Design of Controls**

Control design was reviewed in line with the change in operating environment during the previous financial year. Adjustments were made in response to remote working arrangements and revisions to internal policies relating to manual and on-site controls or those with a physical review requirement.

# **5. Service Providers**

HUB24 CS uses a selection of sub-service organisations for the delivery of the Platform. This report and related control environment descriptions do not address the controls and related control objectives of these sub-service organisations.

HUB24 CS has appointed Clearstream Australia Limited and BNP Paribas Securities Services to provide certain custody services, which support the Platform used by HUB24 CS customers. HUB24 CS has appointed additional service providers to undertake broking services (Market Participants), insurance services (Insurance Providers) and investment research. Service level agreements are in place across these sub-service organisations.

HUB24 CS has also appointed Global Switch and NextDC to provide primary and secondary data centre facilities in Sydney and Melbourne respectively and LoopSecure to provide IT security monitoring, detection, analysis, response and advice services.

# **6. Complementary User Entity Controls**

Internal controls, no matter how well designed and operated, can provide only reasonable, not absolute, assurance to management and customers regarding achievement of an entity's control objectives. The likelihood of achievement is affected by the limitations inherent in all internal control systems.

In addition, there are certain features of the controls that HUB24 CS believes to be the responsibility of the customers and users. Such controls include, but are not limited to:

- Instructions and information provided to HUB24 CS from the customer is in accordance with any applicable governing agreements or documents between HUB24 CS and the customer. (A10, B10, D5).
- Changes in individuals authorised to instruct HUB24 CS regarding activities on behalf of the customer are communicated to HUB24 CS on a timely basis. (A11, B9, D8, E7, F11)
- Data provided to HUB24 CS through any channel are authorised, complete, accurate and timely. (A11, B9, D8, E7, F11).
- Instructions from the customer to HUB24 CS should be transmitted through secure electronic channels supported by HUB24 CS to reduce the risks associated with emailed, faxed or manual instructions. Customers have a responsibility to ensure the access controls over the instructions are appropriate. (G2)

## 7. Control Environment, Risk Assessment and Monitoring

The control environment is an essential component of HUB24's governance structure and includes the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

Our objectives of an internal control structure are to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial information, the protection of assets from unauthorised use or disposition, and that transactions are executed in accordance with relevant authorisations and customer instructions.

The management of HUB24 CS has established and maintained an internal control structure that monitors compliance with established policies and procedures.

The Group Executive management ('Group Executive') are accountable to the Board of Directors of HUB24 CS for monitoring the system of internal control within the business. The Group Executives have implemented an internal control system designed to facilitate effective and efficient operations. The control environment is designed to enable management to respond appropriately to significant business, operational, financial, product, regulatory, compliance, technology and other risks. The system of internal control contributes to ensuring adequate control of internal and external risk reporting and compliance with applicable laws and regulations.

HUB24 CS regards its internal control environment as fundamental to its HUB24 Limited business strategy and risk management process. All business development initiatives are required to adhere to control standards.

Controls are tested and action plans put in place to ensure controls are continually strengthened in accordance with the needs of the business and the products and services offered. The controls and their related operation are described in more detail in Section III of this report.

In determining the controls and control objectives the following criteria was considered:

- The risks that threatened achievement of the control objectives stated in the description were identified;
- The identified controls would, if operated as described, provide reasonable assurance that those risks did not prevent the stated control objectives from being achieved; and
- The description of the controls and control environment does not omit relevant information.

Our established processes ensure risks are identified, assessed, monitored and controls in place to ensure risks are managed in light of tolerance levels.

Further, HUB24 CS Board has established committees that are responsible for monitoring and overseeing the effective implementation of HUB24 CS risk management in accordance with our Risk Management Framework and compliance plan. These include the Risk & Compliance Committee, Due Diligence Committee and the Investment Committee.

It is the responsibility of the Chief Operating Officer and executive management to ensure that effective internal controls are in place for the Platform Operations.

Management has a low tolerance for non-compliance with its policies and procedures and a zero tolerance for breaches of its Code of Conduct. Non-adherence to these policies and procedures may be treated as incidents and managed in line with our Incident and Breaches Policy. The Incident Management arrangements are overseen by the General Counsel and Chief Risk Officer. Incidents rated moderate or above are reported to the Risk and Compliance Committee.

## 8. Ongoing Compliance, Appointed Committees

### Risk & Compliance Committee

HUB24 CS has established a Risk & Compliance Committee (R&CC) to oversee compliance, risk and governance of the Platform. The R&CC is required to meet at least six times each financial year and the HUB24 CS Board typically meets four times each financial year. The R&CC has five (5) internal members of which three members are also directors of HUB24 CS. The fourth member is HUB24 Limited's General Counsel. Matters arising from R&CC meetings are documented in an action register and monitored until completion. The Chair of the R&CC is the HUB24 Managing Director. The R&CC provides oversight that management teams identify and implement regulatory change, comply with regulatory obligations and identify, assess and manage material business and compliance risks in line with the risk management framework and risk appetite.

Additionally, the HUB24 Super (established under a trust deed dated 11 May 2012 (as amended)) is subject to governance of the Trustee. On a quarterly basis, HUB24 CS provides a Custodian, Promoter, Administration Compliance declaration to the Trustee affirming compliance with the trust deed, relevant laws and regulatory requirements.

HUB24 Limited has an Audit, Risk and Compliance Committee (ARCC) in place. The ARCC provides oversight of risk and compliance activities across the HUB24 Limited Group and monitors the implementation of regulatory change and actions to reduce risk. The Chief Risk Officer and General Counsel (also R&CC members) provide reporting to the ARCC on risk and compliance matters.

## Due Diligence Committee

The directors of HUB24 CS have appointed a Due Diligence Committee (DDC) to oversee the governance of product disclosure documentation issued by HUB24 CS. The DDC has six (6) internal members representing business units within the organisation, including Operations, Investments, Legal, Product, and Sales. The Chair of the DDC is a Director of HUB24 CS. The DDC is governed by the HUB24 DDC Planning Memorandum which outlines the rules of engagement and process to be undertaken on product disclosure document publication and/or release. This includes (but not limited to) enquiry, scoping, drafting, verification, sign off and ongoing due diligence. Matters arising from the DDC are communicated to both the R&CC and the directors of HUB24 CS.

## Investment Committee

The HUB24 Investment Committee (HUBIC) is governed by the HUB24 Investment Guidelines. These guidelines are a statement of the intentions of HUB24 CS and the principles it has adopted in relation to investment management, in respect of the investments available through HUB24 Invest, HUB24 Super and the HUB24 Managed Portfolio Service.

The HUBIC shall consist of a minimum of four (4) members and chair. The HUBIC primarily has administrative and oversight duties but may from time to time consult on investment matters/duties with appointed portfolio managers, other investment managers and product manufacturers and with external legal and or professionals for advice.

The HUBIC generally meets monthly but with a minimum of 9 meetings annually. The HUBIC has a delegated authority from HUB24 CS.

### **HUB24 Invest**

The HUBIC has overall responsibility for the oversight of the composition and ongoing monitoring, review and reporting to the HUB24 CS Board and HUB24 CS R&CC in respect of the investment menu for HUB24 Invest, including but not limited to the HUB24 managed portfolios made available through HUB24 Invest.

HUBIC is accountable for:

- adding and removing investment options;
- fulfilling due diligence on new managed portfolios prior to approving them for inclusion on the HUB24 Invest investment menu;
- routine ongoing monitoring of managed portfolios operating in accordance with prescribed mandates as outlined in the PDS for the relevant managed portfolios and relevant agreements with the portfolio managers;
- other investment related monitoring activities across listed securities, cash, fixed interests and managed funds;
- overseeing remedial actions if issues relating to operational governance arise and availability of investments.

The HUBIC is not accountable for the ongoing performance of any of the investments available through HUB24 Invest (including any managed portfolios).

### **HUB24 Super**

HTFS Nominees is the Trustee of HUB24 Super. HUB24 CS has been appointed by HTFS Nominees to advise and invest and manage the assets of HUB24 Super. HUBIC also has a limited delegated authority from HTFS Nominees in accordance with the HUB24 Super Investment Policy Statement.

HUBIC is accountable for:

- making recommendations to HTFS Nominees regarding adding and removing investment options;
- fulfilling due diligence on new managed portfolios prior to seeking HTFS Nominees approval for their inclusion on the HUB24 Super investment menu;
- routine ongoing monitoring of managed portfolios operating in accordance with prescribed mandates as outlined in the PDS for the relevant managed portfolios and relevant agreements with the portfolio managers;
- other investment related monitoring activities across listed securities, cash, fixed interests and managed funds;
- overseeing remedial actions if issues relating to operational governance arise and availability of investments

### **HUB24 Managed Portfolio Service**

Ironbark is the responsible entity of the HUB24 Managed Portfolio Service (HUB24 MPS). Ironbark has appointed HUB24 CS as the custodian, administrator and investment manager for the HUB24 MPS.

Ironbark and HUB24 have agreed on an Operating Model for Investment Governance to ensure the effective management of new and ongoing monitoring of managed portfolios included in the Scheme.

HUBIC is accountable for:

- making recommendations to Ironbark regarding adding and removing investment options.
- fulfilling due diligence on new managed portfolios prior to seeking Ironbark's approval for their inclusion in the Scheme.
- routine ongoing monitoring of managed portfolios operating in accordance with prescribed mandates as outlined in the PDS for the relevant managed portfolios and relevant agreements with the portfolio managers.

### **HUB24 CS Board**

The HUB24 CS Board includes the Chief Financial Officer, Chief Operating Officer and Director of Strategic Development, Managing Director and General Counsel. HUBCS Board meetings are held regularly throughout the financial year to oversee the operations of the business with the Chief Information Officer and Chief Risk Officer in attendance.

The Chair of the HUB24 CS Board is the Managing Director of HUB24 Limited, executive director of HUB24 Limited, director and responsible manager of HUB24 CS.

## 9. Overview of Processing Controls

### Overview

HUB24 CS services and interacts with its customers across a broad range of financial products available through the Platform and services via the following channels:

COMMUNICATION TYPE	COMMUNICATION CHANNEL	DESCRIPTION
PHONE	1300 854 994	
CUSTOMER INTERFACE	InvestorHUB:	Purpose built system for Customers
	AdviserHUB:	Purpose built system for Financial Advisers and Licensees
	ManagerHUB:	Purpose built system for appointed Portfolio Managers
	SupportHUB:	Technological solution to facilitate customers interactions through chat, email, and manage workflow and enquiries.
WRITING	Email:	<a href="mailto:admin@hub24.com.au">admin@hub24.com.au</a>
	Registered post:	GPO Box 529, Sydney NSW 2001
	Fax:	1300 781 689

All transaction requests received via the above communication channels are received, entered and processed in our core registry system (AdminHUB). Any transaction received via the relevant Customer interfaces are automatically entered into AdminHUB. Transactional and service requests received via phone or in writing are typically facilitated by HUB24 Customer Service officers and entered into the registry system. AdminHUB is the investment administration system for HUB24 IDPS and HUB24 Super.

Superannuation member administration activities are performed within an Administration system for Superannuation and Investment products which is continually updated to remain compliant with current legislation (Super Registry). Our Super Registry system is used to ensure the administration of members of the HUB24 Super fund accounts is maintained in accordance with APRA Prudential standards and the Superannuation laws.

There are documented operational procedures in place that articulate the process steps required by operational staff on completing all aspects of processing transactions in the AdminHUB and Super Registry system.

The HUB24 Administration registry system (AdminHUB) has an in-built core task dependency list that ensures that core tasks are completed in a logical order and any exceptions arising are monitored and managed to completion.

Customer reports are accessible online from InvestorHUB (for customers) and AdviserHUB (for Advisers and Licensees). Further, HUB24 offer a full suite of report templates that a customer can generate at any point in time. There is a direct link between the HUB24 Administration registry system (AdminHUB) and the customer interfaces such as AdviserHUB, InvestorHUB, ManagerHUB and SupportHUB.

## White Label and Private Label Solutions

In addition to its own label platform, HUB24 CS offers white label and private label platform solutions.

The white label solution allows a business' branding and product name to be displayed across the product documentation, adviser and customer interfaces including desktop, mobile app, customer communications and reports.

For private labels, HUB24 provides custodial and administrative services only. The private label solutions operate under their own trustee and IDPS operator which allows them to tailor their own investment menu, fee structure, branding and product name. They may also utilise a managed portfolio solution fully integrated into the platform.

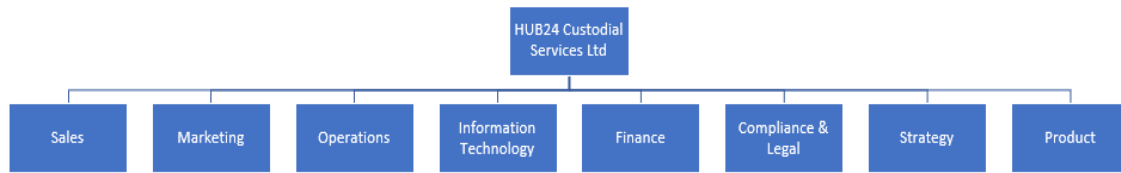
The transition to HUB24 CS is overseen by specialist project managers and consultants. Business objectives are first established, existing customer accounts reviewed, and transition requirements assessed. An implementation plan is developed for customers, relevant business areas and stakeholders. The transition is project managed to finalisation, with regular status reports provided to the business.

## Segregation of Duties

HUB24 CS structure is segregated by value chain function, with a defined description of roles, responsibilities and reporting lines within each business unit. Within each business unit, teams are further structured with roles defined to ensure the level of segregation of core business activities are adequately maintained at all times, with emphasis on ensuring no process is executed in isolation and are carried in accordance with our governance policies, procedures and internal controls.



HUB24 CS is structured as follows:



Further, within the Operations and Technology departments, there is further segregation of duties with teams structured by process to ensure adequate segregation is maintained between customer on boarding and establishment processes, to transaction processing, execution, monitoring, reporting, reconciliations of transactions and monitoring risk and compliance.

## Procedures, Manuals and Checklists

Documented procedures and checklists are in place for customer related account activities including (but not limited to):

- Account opening, identification and reporting requirements in accordance with AML/CTF, FATCA and CRS requirements;
- Account administration, contributions processing, cash and asset transaction processing;
- Trading, execution, corporate actions, reconciliations and settlement processes;
- Superannuation member administration and fund accounting;
- Customer valuation, transactional, performance tax reporting, fee collection and invoicing; and
- Archiving, service enquiries, account and adviser administrative activities.

## Monitoring of Risks

Risk assessments are carried out annually to facilitate risk profiling and a review of our control environment. Controls are reviewed to ensure they remain adequate and are operating effectively. The control self-assessment is undertaken by each business unit and reviewed by the Risk & Compliance department. Outcomes are reported to Business unit heads as appropriate and the R&CC.

## Risk & Compliance reporting

A Risk Report is provided by the Chief Risk Officer (CRO) to each R&CC meeting for consideration, review and noting.

- The Risk Report typically contains information on the following:
- Key and emerging risks
- The status of Risk Management activities during the relevant period against each of the risk classes
- Material incidents, breaches, customer impacts and deviations from Risk Appetite

A Compliance Report is provided by the General Counsel and CRO to each R&CC meeting for consideration, review and noting.

The Compliance Report typically contains information on the following:

- Key and emerging compliance matters
- Anti-money laundering and counter terrorism financing (AML/CTF)
- Complaints (new/open/resolved)
- Incidents and breaches (new/ open/ resolved)
- Fraud & controls monitoring/observations
- Regulatory changes (emerging, regulatory projects being implemented)
- Regulator contact arising during the period
- Mandatory training requirements and monitoring of key employees

Actions arising from the meeting are maintained on a register and monitored by R&CC until completion.

## 10. IT System Description

### Information Technology & Key Systems

The HUB24 CS Registry system (AdminHUB) is maintained and enhanced by our Group Technology team. HUB24 CS has developed and made available several Straight Through Process (STP) functions that are initiated electronically using customer specific portals such as AdviserHUB, InvestorHUB, and ManagerHUB. These STP processes include a number of online customer tools such as establishing online applications, account maintenance, transacting for listed securities (domestic and international), managed funds, term deposits, managed portfolios and real time customer reporting. SQL Reporting and Integration Services are also utilised to complement the SQL Server engine.

Further, HUB24 CS has developed and maintains SupportHUB, an online workflow customer interaction and enquiry tracking system that provides adviser support and an up-to-date status on the progress of their enquiries and queries. This includes a searchable Help Centre and ability to submit and manage customer support tickets as well as online chat support. Updates to tickets are automatically sent to the user through email as they become available. Requests or enquiries received by email also trigger an automatic creation of a support ticket.

New accounts are onboarded via Temenos where customer details are captured. Upon submission new account information is transferred through an API to the HUB24 CS Registry system (AdminHUB).

The stated internal control objectives and related controls included in this report apply to HUB24 CS related in-house Registry system (AdminHUB), the Super Registry system (Acurity), the Customer Onboarding System (Temenos), and the associated databases and related infrastructure. Other tools and portals mentioned in the preceding paragraphs are not included in scope as they do not contain relevant automated controls and/or customer data which is being processed or recorded.

### IT Governance

HUB24 CS maintains a formally established company-wide information management system, including policies, standards and procedures and undertakes the identification and monitoring of

relevant risks, including annual reviews. Further, HUB24 CS has developed procedures for operational areas specific to the HUB24 CS system including data centre operations, development, operational systems management, infrastructure management quality assurance, release management, security operations & cyber resilience, hiring and terminations. These procedures were developed with the objective of achieving an appropriate level of segregation of duties and enforcing responsibilities based on job functionality.

## Physical Security

HUB24 CS utilises internal and third-party organisations from time to time in hosting its production and failover systems. Data for live production systems and Research and Development (R&D) are segregated. Production data centre facilities are managed by the HUB24 Group Technology team in commercial data centres located within Australia. Physical access to the data centre is restricted to authorised personnel.

In order for authorised visitors and HUB24 CS employees to gain entrance to the data centre, site visits must be scheduled in advance prior to attendance. Proof of identity must be provided to on-site security personnel. Only authorised HUB24 CS employees may be given access to data centres and visitors must be approved and escorted throughout.

The route from security reception outside the data centre to the physical servers requires authentication at multiple checkpoints, including biometric fingerprint scan and identification check. Successful and failed access attempts are logged and are available to the Group Technology Team for review.

## Logical Security

HUB24 CS maintains a list of all employees with access to the HUB24 CS System detailing their role and level of functional access. Approval for a new employee's access to a HUB24 CS System requires the Manager to initiate an 'IT User Access Request Form' to the Group Technology team.

Access to the production environment supporting the HUB24 CS System is appropriately restricted to the Operations Group and back-office teams that requires approval from the General Manager for Platform Operations.

## Access Authentication

Access to maintain the production infrastructure supporting the HUB24 CS system is restricted to authorised personnel within the Group Technology team. Access to the system and its relevant infrastructure requires a separate login ID. Business users can only access the HUB24 CS production environment through individual network login and approved system access. In the event an employee joins, an 'Onboarding: IT User Access Request Form' is initiated by the employee's Line Manager and actioned by the Group Technology team. The form triggers tasks for the Group Technology team, including required access to the HUB24 CS.

## Access Removal

In the event an employee is terminated, an 'Offboarding: IT User Access Form' is initiated by the employee's Line Manager and actioned by the Group Technology team. The form triggers tasks for

the Group Technology team, including disabling access to the HUB24 CS System and disabling of the profile in Windows Active Directory in a timely manner.

## Password Policy

The password parameters for Windows AD and HUB24 CS System meet company policies and standards. The controls such as frequency of password changes, minimum password length, maximum password age, password history, complexity enabled etc is outlined within the policy.

## Access Reviews

Logical access is reviewed at a minimum annually to verify that terminated users have been removed. Exceptions identified are tracked to closure.

## IT Processing

Most IT processing is performed in real-time with automated messages being generated for failed processes. Overnight batch processing is performed for large complex transactional processes. These processes are monitored by the DevOps Team and generate automated messages for failed processes.

## Cyber Threat and Vulnerability

HUB24 have implemented and continue to improve strategies to mitigate cyber security incidents. These include: -

- Multi factor authentication, patching of operating systems and applications, backup of data, application control and configuration and controlling privileged users.
- A managed detection and response service that includes, antivirus and end point detection and response software, centralised logging and monitoring of security event information and incident response.
- Annual penetration testing of the HUB24 CS Platform.

## Physical Environment

The data centre has Tier III+ environmental controls in place including uninterruptible power supplies (UPS), air-cooling systems and fire detection/prevention equipment. These are designed to be robust, fault tolerant, and concurrently maintainable.

HUB24 documents and maintains physical inventories of all production systems for the HUB24 CS Systems and inventories are maintained at a level of granularity deemed necessary for tracking and reporting.

## Change and Release

Change management procedures include appropriate segregation of duties for initiation, solution design, test, approval and implementation stages. The procedures outline the activities to be performed during each phase of the change process and the supporting tasks that need to be completed for each activity.

Changes are implemented during a scheduled and business-approved maintenance window to minimise user impact.

## Change of Data

Data migration or modification can occur when a new application release is being deployed or an existing application is being configured. All existing data converted to a new system follows the same change and release process. Refer to Change and Release above.

## Data Backup

HUB24 CS utilises real-time data replication to protect Provider Data in the production environment. HUB24 CS primary production infrastructure is fully replicated to a secondary data centre located in a different state. Access to backup data is restricted to authorised individuals.

The Group Technology team monitors the real-time replication through a Monitoring Screen, with automated notifications given for any replication failures. Backups are performed on a daily basis for AdminHUB and Acurity. In case of any failure, notifications are automatically triggered to HUB24 Group Technology team for further corrective actions.

Monthly Backup tapes are taken offsite to a secure tape storage facility.

## Operation Monitoring

The Group Technology team monitors the performance of system and data centre operations in real-time, including database size and disk usage, with information updated and refreshed every few minutes for Acurity and Admin Hub respectively. Automated notifications are sent to the Group Technology team for any potential errors and are investigated immediately.

## Business Continuity

HUB24 CS has developed a Business Continuity Program and Disaster Recovery Plan. The BCP/DR is tested, reviewed and updated annually. Testing is undertaken at the nominated BCP/DR premises.

During 2022 HUB24 activated components of its BCP in response to the COVID 19 pandemic. This included a broad activation of our remote working capabilities and shut down of our offices across Australia. The activation was orderly and resulted in no outages or impact to service or product delivery across the group. Some minor enhancements and learnings have been incorporated into the Business Continuity Plan due to the pandemic.

HUB24's BCP continues to be effective in supporting teams to work remotely during the COVID-19 pandemic. All processes were completed, and products and services delivered in full during BCP activations..

## IT Service Management

An in-house built Administration Tasks management system is used by the DevOps Team to review the status of automated feeds in real-time. Errors automatically trigger an email to the team. The team then investigates the error and rectifies it appropriately.

Major/unresolved incidents and unusual system performance is noted in a monthly ServiceHUB report.

## 11. Controls objectives not applicable

Control objective reference	Control objective	Explanation for exclusion
A7	Securities lending programs are authorised and loan initiation, maintenance and termination are recorded on an accurate and timely basis.	This control objective is not relevant to the operation of HUB24 CS's investment management service because the service does not offer securities lending, and so has not been addressed by related controls.
A8	Loans are collateralised in accordance with the lender's agreement and the collateral together with its related income is recorded completely, accurately and on a timely basis.	This control objective is not relevant to the operation of HUB24 CS's investment management service because the service does not offer securities lending, and so has not been addressed by related controls.
A9	Collateral is completely and accurately invested in accordance with the lender's agreement.	This control objective is not relevant to the operation of HUB24 CS's investment management service because the service does not offer securities lending, and so has not been addressed by related controls.
A19	Asset positions and details of securities lent (including collateral) are reported to interested parties accurately and within the required time scale.	This control objective is not relevant to the operation of HUB24 CS's investment management service because the service does not offer securities lending, and so has not been addressed by related controls.
D14	Appointments of subservice organisations, including those providing superannuation member administration, are approved, subservice organisations are properly managed and their activities are adequately monitored on a timely basis.	This control objective is not relevant to the operation of HUB24 CS's investment management service because HUB24 does not outsource the Superannuation member administration.
E14	Appointments of subservice organisations, including those providing investment administration, are approved, subservice organisations are properly managed and their activities are adequately monitored on a timely basis.	This control objective is not relevant to the operation of HUB24 CS's investment management service because HUB24 does not outsource the investment administration service.

Control objective reference	Control objective	Explanation for exclusion
E19	Differences between tax and accounting treatments are identified and calculated in accordance with tax policy or as agreed with clients and reported in a timely manner to clients.	Any differences between tax and accounting treatments are disclosed to investors in the footnote of the Annual Tax Statement. HUB24 CS does not provide accounting reports, only Annual Investor Statements, Quarterly Statements & Annual Taxation Statements.
E20	Current and deferred tax balances in the general ledger are accurately recorded in accordance with the tax computation, and processed in a timely manner in accordance with tax policy or as agreed with clients.	This control objective is not relevant to the operation of HUB24 CS's investment management service because the service does not provide accounting reports, and so has not been addressed by related controls.
F8	Where issued capital is fixed, the number of shares in the registry records match the number of shares on issue.	This control objective is not relevant to the operation of HUB24's investment management service because the service does not have fixed issued capital, and so has not been addressed by related controls.
F14	Lost and stolen certificates are recorded in a timely manner.	This control objective is not relevant to the operation of HUB24's investment management service because the service does not use certificates, and so has not been addressed by related controls.
F16	Appointments of subservice organisations, including those providing registry services, are approved, subservice organisations are properly managed and their activities are adequately monitored on a timely basis.	This control objective is not relevant as HUB24 CS provides the registry services inhouse, and so has not been addressed by related controls.
G12	Information technology services provided to clients are approved, managed and performance thresholds met in accordance with the requirements of the client agreement.	This control objective is not relevant to the operation of HUB24's investment management service because the service does not provide information technology services to clients, and so has not been addressed by related controls.

Control objective reference	Control objective	Explanation for exclusion

## 12. Management Summary

### People, Development and Training

Group Executives all have a minimum of 15 years' experience within the financial services industry. Learning and development opportunities are available to staff at all levels to build skills and capabilities suitable to their role ensuring competency and knowledge is maintained. Employees' performance is reviewed annually in accordance with our Performance development framework.

Further, all staff, Responsible Managers and Officers are required to complete mandatory compliance related employee training such as Code of Conduct, Workplace Health & Safety, AML/CTF, Cyber Resilience, Fraud awareness, Privacy, Complaint handling Anti-bullying, Anti-harassment and discrimination. Employee training is undertaken in accordance with our HUB24 Training Policy.

### Recruitment

HUB24 CS adopts a minimum two-stage interview process for prospective employees whereby the candidate's skills, prior experience and capabilities are assessed in accordance with the requirements of the role profile, position description and HUB24 Limited corporate values. The two-stage interview process is further supported with external reference checks and regulatory (AML) screening prior to making an offer of employment.

### Ethical Framework and Application of Controls

Our Code of Conduct provides clear guidelines for all staff to understand what is expected of them as an employee of HUB24 Limited, such as our commitment to comply with our legal obligations, to act ethically and responsibly, honestly and in the best interests of HUB24 Limited and our customers to ensure we comply with relevant statutory requirements.

HUB24's Modern Slavery Statement is available on its website. It is made in accordance with the Australian Modern Slavery Act 2018 (Cth) and sets out the actions HUB24 has taken to identify, assess and address modern slavery risks in our operations and supply chains.

The combination of HUB24 policy standards, internal controls, IT Infrastructure and extensive staff experience provide the HUB24 Custodial Services Ltd Board with comfort that the appropriate controls have been consistently applied during the period 1 July 2021 to 30 June 2022.



## SECTION III

### CONTROL OBJECTIVES AND SERVICE AUDITOR'S TESTS OF CONTROLS

This section presents the following information provided by HUB24 CS:

- The control objectives specified by the management of HUB24 CS.
- The controls established and specified by HUB24 CS to achieve the specified control objectives.

Also included in this section is the following information provided by Deloitte Touche Tohmatsu:

- A description of the tests performed by Deloitte Touche Tohmatsu to determine whether HUB24CS's controls were operating with sufficient effectiveness to achieve specified control objectives. Deloitte Touche Tohmatsu determined the nature, timing, and extent of the testing performed.
- The results of Deloitte Touche Tohmatsu's tests of controls.

It is each user's responsibility to evaluate the information included in this report in relation to internal control in place at individual user entities to obtain an understanding and to assess control risk at the user entities. The controls at user entities and HUB24CS's controls should be evaluated together. If effective customer controls are not in place, HUB24 CS's controls may not compensate for such weaknesses.

Controls that are performed by HUB24 CS's users remain their responsibility and were not tested as part of this engagement.

# CONTROL OBJECTIVES, CONTROL ACTIVITIES, TESTING OF DESIGN AND IMPLEMENTATION AND OPERATING EFFECTIVENESS

## Accepting New Clients

Process and controls overview	<p>Account information captured through application forms is scanned to automated workflow queues where it is reviewed, verified and entered manually in line with approved procedures by a segregated, specialised account opening team into key investment and superannuation administration systems.</p> <p>System interfaces record the account data automatically to the relevant underlying custody management systems.</p> <p>System validation controls are in place to ensure mandatory information is captured.</p> <p>Accounts are auto activated which were created using Temenos Online Application where the applicant's identification have been verified and their digital consent provided.</p>		
Relevant services	Custody, Asset Management, Superannuation Administration, Investment Administration, Registry		
Control objective(s)	<p>A1. New accounts are set up completely and accurately in accordance with client agreements and any applicable regulations.</p> <p>B1. New accounts are set up completely and accurately in accordance with client agreements and any applicable regulations.</p> <p>D1. New Accounts for superannuation funds and sub-plans are set up completely and accurately in accordance with client agreements and any applicable regulations.</p> <p>E1. New accounts are set up completely and accurately in accordance with client agreements and any applicable regulations.</p> <p>F1. New accounts are set up completely and accurately in accordance with client/issuers agreements.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A1.1	All new accounts are set up based on a completed and signed application form. The application form outlines the terms and conditions applicable to the clients for using the service. Incomplete and pending applications are followed up with the adviser or client	Inspected a sample of new accounts that were set up during the period to test whether each application form: · Was completed and signed by the client prior to being	No deviations noted.
B1.1			

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
E1.1	on a regular basis and are not established unless additional information is provided.	archived.	
E1.1		· Included terms and conditions applicable to the client.	
F1.1		Obtained email evidence from a sample of applications with insufficient identification requirements to test whether they were not established until complete information was provided by the client.	
A1.2	There is a documented account opening procedure in place that staff refer to when establishing a new account. All new accounts are set up in accordance with AML/CTF/FATCA Policy & KYC conditions.	Inspected a sample of new accounts that were set up during the period. Tested whether each new account application form:	No deviations noted.
B1.2		· was completed and signed by the client prior to being archived	
E1.2		· included terms and conditions applicable to the client.  Refer to A1.3 for quality review by an independent processor.	
A1.3	A quality control check is performed by the Platform Administrator for all new accounts set up, with information in the client application form compared to that in the system.	From the sample of new accounts selected in A1.1, inspected applications and email communication for quality control checks (comparing the application form received from client to the information entered into system before approval and AML/CTF/FATCA Policy & KYC checks) and authorisation by an independent processor.	No deviations noted.
B1.3			
E1.3			
A1.4	Temenos performs electronic verification including KYC of eligible applications received through and can be activated by AdminHUB when they are submitted.	Observed the Temenos system functionality to test whether the system configuration of validation checks including KYC/AML checks and prevention of duplicate accounts activation in AdminHUB.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	Applications with attachments are referred to the Platform Admin – New Accounts Team for physical verification. Refer to A1.1, A1.2 and A1.3 for controls around physical verification.		
<b>D1.1</b>	The Trustee signs off on all white label and private label arrangements and product disclosure statements (PDS) prior to going live.	Inquired with management and inspected the list of current White Labelled arrangements to corroborate that no new White Labelled were onboarded in the period 1 July 2021 to 30 June 2022.	This control could not be tested as there was no instance during the period.
<b>D1.2</b>	All new accounts and sub-plans (white label and private label arrangements) are established in accordance with the agreed distribution agreement and PDS.	Inquired with management and inspected the list of current White Labelled arrangements to corroborate that no new White Labelled were onboarded in the period 1 July 2021 to 30 June 2022.	This control could not be tested as there was no instance during the period.
<b>D1.3</b>	Product features, fees and other core parameters are entered into the registry by two independent processors from the Investment Administration and Technology teams. A checklist is in place to ensure a segregation of duties exists from the set-up into the registry and a review is performed.	Inquired with management and inspected the list of current White Labelled arrangements to corroborate that no new White Labelled were onboarded in the period 1 July 2021 to 30 June 2022.	This control could not be tested as there was no instance during the period.
<b>D1.4</b>	A quality control check is performed by the Platform Administrator for all new accounts set up, with information in the client application form compared to that in the system.	Inquired with management and inspected the list of current White Labelled arrangements to corroborate that no new White Labelled were onboarded in the period 1 July 2021 to 30 June 2022.	This control could not be tested as there was no instance during the period.

Control objective(s)	<p>A2. Complete and authorised client agreements are established prior to initiating custody activity.</p> <p>B2. Complete and authorised client agreements, including investment guidelines and restrictions, are established prior to initiating investment activity.</p> <p>E2. Complete and authorised client agreements are established prior to initiating accounting activity.</p> <p>F2. Complete and authorised client agreements are established prior to initiating accounting activity.</p>
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A2.1	The registry system prevents any custody activity whilst an account is on a pending status. The pending status prevents any investment activity on an account. Refer to A1.1 for authorisation of signed application forms.	Observed the registry system functionality with regards to accounts with a 'pending' status to test whether investment activity could be processed whilst in the 'pending' state.	No deviations noted.
B2.1			
E2.1			
F2.1			

Control objective(s)	D2. Member accounts are set up completely and accurately in accordance with fund rules and individual investment and insurance elections.
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
D2.1	All new accounts are set up based on a completed and signed application form. The application form outlines the terms and conditions applicable to the clients for using the service.	Selected a sample of new accounts set up in the period and inspected each application form to test whether it was completed and signed by the client and that it outlined the terms of the PDS.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
D2.2	There is a documented account opening procedure in place that staff refer to when establishing a new account. All new accounts are set up in accordance with AML/CTF Policy and KYC conditions. Refer to F18.1 and F18.2 for additional controls in respect to non-resident applications.	Inspected the documented "Client Set Up" procedures for new accounts to test whether it included references to AML/CTF Policy & KYC conditions.	No deviations noted.
		Refer to controls F18.1 and F18.2 for test procedures in respect to additional requirements for non-resident applications.	Refer to controls F18.1 and F18.2 for test results.
D2.3	A quality control check is performed by the Platform Administrator for all new accounts set up, with information in the client application form compared to that in the system.	From the sample of new accounts selected in D2.1, inspected applications and email communication for quality control checks (comparing the application form received from client to the information entered into system before approval) and authorisation by an independent processor.	No deviations noted.
D2.4	New member accounts are input and verified in the Registry system by a Client Services Officers within the New Business Team.	From the sample of new accounts selected in D2.1, inspected email communications obtained to test whether a quality control check was performed by a Client Service Officer.	No deviations noted.
D2.5	When setting up a new account in AdminHUB, validations by the Client Services Officer are in place to prevent duplicated accounts from being established.	Observed the validation process for preventing duplicated accounts to test whether the AdminHub system enforces duplicate account validations when onboarding that are manually cleared by the Client Services Officer.	No deviations noted.
D2.6	A welcome letter/communication advice is sent to the member once the account has been established. The	From the sample of new accounts selected in D2.1, inspected email communication to test whether a	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	member will also receive another separate communication on their initial deposit/contribution.	<p>welcome letter/communication advice was sent to the new member and another separate communication on sent on initial deposit/contribution.</p> <p>Observed the set up in AdminHUB for the automated functionality of a welcome letter to be generated when an officer activates an account.</p>	
<b>D2.7</b>	The client has real time/full visibility of their account once activated. This provides transparency of all the external adviser dealings on their account.	Observed a user log in and performed a sample transaction in AdminHUB. After completion of the transaction, immediately inspected InvestorHUB to test whether the transaction had been updated in real-time.	No deviations noted.

## Authorising and Processing Transactions

Process and controls overview	<p>The majority of customer transactions are instructed electronically, with full auditable transaction histories. These transactions are executed within the registry systems with automated downstream trading monitored by our investment administration team.</p> <p>A small number of manual transactions initiated on customers behalf are electronically recorded via voice or workflow systems, and executed with dual authorisation on high value or high-risk transactions.</p> <p>Specialist resources establish and process corporate actions, with either electronic or workflow instructions recorded from the customer. Dividend and Distribution transactions are electronically consumed from our Sub-Custodians, with our Investment Administration team completing data integrity reviews.</p> <p>A separate team reconciles cash and asset positions on a daily basis to ensure overall integrity.</p> <p>Encumbered securities have electronic restrictions in place to prevent unauthorised trading.</p>
Relevant services	Custody, Asset Management, Superannuation Administration, Investment Administration, Registry, Information Technology
Control objective(s)	<p>A3. Investment and related cash and foreign exchange transactions are authorised and recorded completely, accurately and on a timely basis in accordance with client instructions.</p> <p>A4. Investment and related cash and foreign exchange transactions are settled completely, accurately and on a timely basis and failures are resolved in a timely manner.</p> <p>B3. Asset investment transactions are properly authorised, executed and allocated in a timely and accurate manner.</p> <p>B4. Transactions are undertaken only with approved brokers.</p> <p>B5. Asset investment and related cash transactions are completely and accurately recorded and settled in a timely manner.</p> <p>B7. Client new monies and withdrawals are processed and recorded completely and accurately, on a timely basis, and withdrawals are authorised.</p> <p>D3. Contributions and transfers in are correctly classified and allocated to members' accounts, processed accurately and on a timely basis.</p> <p>E3. Portfolio transactions are recorded completely, accurately and on a timely basis.</p>



Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A3.1 B5.1 B7.1 E3.1	Investment transactions are submitted online by advisers nominated by the client and registered for the service. These are authorised by the adviser using a secure password.	Inspected the system functionality of the platform and verified whether investment transactions submitted online by the adviser are authorised using a secure password.	No deviations noted.
A3.2 B5.2 B7.2 E3.2	Asset reconciliations from HUB24 CS to sub-custodian records are performed daily by Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
A3.3 B5.3 B7.3 E3.3	In-specie securities transfers are only processed after receipt of complete and valid documentation. A check is performed by the processor to confirm the in-specie form is signed by the relevant parties and supporting documentation is complete.	Inspected a sample of in-specie transfers to test whether the supporting documentation was complete and authorised by the relevant parties and tested whether a quality control check was performed by the processor.	No deviations noted.
A3.4 B5.4 B7.4	Foreign exchange transactions are reconciled on a daily basis. The foreign exchange rates are provided by the custodian electronically. The foreign exchange transactions are then loaded and authorised by the Investment Administrator.	Observed foreign exchange transactions loaded electronically into AdminHUB and tested whether they were authorised by the Investment Administrator.  Inspected the Operational Task Register for sample of days to test whether the foreign exchange transactions were	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
E3.4		reconciled and authorised by the Investment Administration staff for international equities.	
A4.1 E3.5	Asset reconciliations between HUB24 CS and sub-custodian records are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
A4.2 B5.5 E3.6	Cash reconciliations between AdminHUB and bank accounts are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.
B3.1	Trade data is retrieved from sub-custodians on a daily basis. Pre and post trade activities are performed by Investment Administrators as per the Operational Task Register within AdminHUB. There are validations within the system to prevent proceeding with tasks that have core dependencies in place e.g. no trade transactions can be processed until previous day's asset and cash reconciliations have been completed.	<p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected the daily Operational Task Register in AdminHUB to test whether the Investment administrator has reviewed the pre and post trade activities in the system.</p> <p>Observed the system functionality to test whether the system dependencies are in place which prevents certain tasks from being actioned until the preceding task has been completed.</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
B4.1	Equity trades are executed and undertaken with only HUB24 CS appointed market participants (brokers)	For a sample of days, inspected daily trade confirmation emails and inspected the task register that HUB24 CS monitors brokers in accordance with trading instruction to test whether trades had been executed by appointed market participants.	No deviations noted.
D3.2	Cash & Asset Reconciliations are performed daily by Investment Administration staff. Allocations to accounts are performed within the system. Any exceptions are investigated prior to the completion of the reconciliation process.	Inspected a sample of cash and asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
D3.4	All original documentation is forwarded to office via registered PO Box address or couriered to business office address. Upon receipt of mail, staff open, review documentation for completeness. Any cheques received are banked same day. Withdrawal and switch requests are typically received via the AdviserHUB online portal. On occasion, written instruction may be received and the Client Services Officer will process in accordance with client requests. Any manually entered value transactions are verified by a second independent staff processor.	<p>Inspected the cheque deposit process that is contained within the "Deposits/ Contribution Procedure" document.</p> <p>Selected a sample of cash receipts by cheque and inspected email communication to test whether authorisation by a second independent processor including that these had been processed accurately and banked promptly.</p> <p>Observed the system functionality for investment switches initiated by advisers and inspected system screenshots that these were in line with pre-set parameters from the Approved Product List.</p> <p>Observed the authorisation of withdrawals by two independent signatories using a secure HSBC token</p> <p>Inspected a sample of manually entered value transactions to test whether they were verified by a second independent staff processor.</p>	No deviations noted.

Control objective(s)	<p>A5. Corporate actions are identified, actioned, processed and recorded on a timely basis.</p> <p>B6. Corporate events are identified and generated, respectively, and then actioned, processed and recorded accurately and in a timely manner.</p> <p>E4. Corporate actions are actioned, processed and recorded accurately and on a timely basis.</p> <p>F9. Distribution payments and reinvestments are complete, calculated in accordance with the authorised distribution and processed in a timely manner.</p>
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A5.1	Corporate actions are reviewed and updated daily based on comparison to ASX data feed, including ASX website checks where necessary. An assigned Investment Administrator checks these details each day to confirm the system has updated accordingly. Any exceptions are reviewed and resolved. The Investment Administrator then signs off the 'corporate actions' task in the Operational Task Register as evidence of completion.	Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.	No deviations noted.
B5.6			
B6.1			
E4.1			
F9.1	Asset reconciliations between HUB24 CS and sub-custodian records are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of asset reconciliation reports to evidence whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
F9.2	Cash reconciliations between AdminHUB and bank accounts are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.	No deviations noted.
Control objective(s)	D9. Investment earnings are accurately allocated (using authorised crediting rates or unit prices) to member accounts, in accordance with trustee directions and fund rules.		

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
D9.1	Investment earnings are receipted via overnight data feeds from the sub-custodian when advised. This information is uploaded into the registry and reconciliations are performed. Earnings are allocated to relevant member's accounts.	<p>Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.</p> <p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.</p>	No deviations noted.

Control objective(s)	<p>A6. Cash receipts and payments are authorised, processed and recorded completely, accurately and on a timely basis.</p> <p>B5. Asset investment and related cash transactions are completely and accurately recorded and settled in a timely manner.</p> <p>B7. Client new monies and withdrawals are processed and recorded completely and accurately, on a timely basis, and withdrawals are authorised.</p> <p>E5. Expenses are appropriately authorised and recorded in accordance with the service level agreement and/or client instructions, on a timely basis.</p> <p>D4. Superannuation benefits payable and transfer values are calculated and recorded accurately, and payments are authorised and made on a timely basis.</p> <p>D5. Instructions from members and trustees regarding investment elections and investment switch requests are actioned and accurately processed.</p> <p>D6. Deductions from member accounts, including insurance premiums, administration fees and contribution tax, are calculated in accordance with member elections, fund rules, relevant legislation and regulations and accurately recorded.</p> <p>D7. Expenses and tax deducted are remitted to the appropriate parties on a timely basis.</p>
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A6.1	Cash payments are processed by the Investment Administrator in accordance with client instructions and applied on the effective date of receipt.	Inspected a sample of cash payments to test whether the payment was authorised by the client through a client instruction and approved for payment by an independent processor or reviewer on the effective date of receipt.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
B5.7			
B7.5			
E5.1			
A6.2	Cash receipts via cheque are processed by Client Services staff and are authorised by a second independent processor.	Inspected the cheque deposit process that is contained within the "Deposits/ Contribution Procedure" document.	No deviations noted.
B5.8		Selected a sample of cash receipts by cheque and inspected email communication to test whether authorisation by a second independent processor had occurred including that these had been processed accurately and banked promptly.	
B7.6			
E5.2			
A6.3	Cash receipts into bank accounts and payments are reconciled by Investment Administrators daily. Exceptions are investigated, resolved and escalated to management for review on the date they arise.	Inspected a sample of cash reconciliation reports and the daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.	No deviations noted.
B5.9			
B7.7			
E5.3			
B7.8	Withdrawals are initiated online by Client and/or Financial Advisers via Adviser HUB. Once the withdrawal is processed by the system, the physical cash payments are input and authorised by two independent HUB24 CS signatories with a secure HSBC token each.	Observed the authorisation of withdrawals by two independent signatories using a secure HSBC token.	No deviations noted.
B7.9	A client ‘Call back’ process is only undertaken for any cash withdrawal request received by clients whereby nominated bank account details previously held in	Inspected the 'Withdrawal Procedure' document to test whether it documented the call-back requirement.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	AdminHUB system is different from the written withdrawal request received from customers and the specimen signature on written instruction, differs to the specimen signature held in customer's file.	Inspected sample of bank account change requests and related Zendesk tickets to test whether a call back process was undertaken by a Client Services Officer.	
D3.1	Cash receipts via cheque for contributions and rollovers in are processed by the Client Services Officer and verified by the Investment Administrator.	<p>Inspected a sample of cash receipts by cheque and inspected email communication to evidence authorisation by a second independent processor including that these had been processed accurately and banked promptly.</p> <p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.</p>	No deviations noted.
D3.3	Contributions and rollovers in received via SuperStream are uploaded into the registry by the Investment Administrator. Monies unable to be allocated are escalated to the Client Service Officer to resolve. Any return of funds is reviewed and authorised by the Investment Administrator.	Inspected a sample of Superstream suspense reports to test whether all the unallocated contributions were identified and investigated.	No deviations noted.
D4.1	Superannuation benefit payments are processed by the Platform Administrator and authorised by a second Platform Administrator in accordance with the Fund's Benefit Payment procedures.	Inspected a sample of benefit payment transactions to test whether they were authorised by the adviser/client, verified by the Super Administrator, and independently reviewed by a second Platform Administrator in accordance with the Fund's Benefit Payment procedures.	No deviations noted.
D4.2	All exit details are verified by a second independent processor against relevant documentation before authorising payments. Exit statement templates are in accordance with regulatory requirements.	For a sample of exit details, inspected correspondence from second independent processor to test whether exit details were confirmed before authorising payment and that the correct exit statement template was used.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
D4.3	Cash & Asset Reconciliations are performed daily by Investment Administration staff. Allocations to accounts are performed within the system. Any exceptions are investigated prior to the completion of the reconciliation process.	Inspected a sample of cash and asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
D4.4	Once a benefit payment has been authorised and processed, a confirmation advice is provided to the member via an automated email.	Observed the Super Administrator authorise and process a benefit payment transaction where a notification of confirmation advice was provided to the member automatically.	No deviations noted.
D5.1	Investment elections are received via the AdviserHUB online portal. Approved investments and parameters are pre-set in the system in accordance with the Investment Strategy Policy issued/approved by the Trustee and the PDS.	Observed that approved investments and parameters are pre-set in the system.  Inspected a sample of investment elections to test whether approved investments and parameters are pre-set in the system and are in accordance with the Investment Strategy Policy.	No deviations noted.
D5.2	Instructions for non-approved investments cannot be entered by the Adviser/Client.	Observed the Investment menu functionality within the AdminHUB system. Observed on AdviserHUB that investments not available to Super could not be entered by the Adviser.	No deviations noted.
D5.3	Investment switches are executed by the Adviser/Client via the AdviserHUB online portal. The adviser has the ability to perform a switch provided it is within the pre-approved investment/product list.	Observed the system functionality for investment switches initiated by advisers and inspected system screenshots that these were in line with pre-set parameters from the Approved Product List.	No deviations noted.
D5.4	System generated email notifications are automatically sent to clients when a portfolio manager reweights or	Observed a portfolio manager re-weight and reallocation of a client portfolio in AdminHUB and evidenced whether a	No deviations noted.



Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	performs a reallocation within a managed portfolio investment.	system generated email notification was sent to the client when a portfolio was re-weighted or re-allocated.	
D5.5	The HUB24 Investment Committee (HUBIC) oversees the Trustee's Investment Strategy Policy to ensure only approved investments are available on the AdviserHUB online portal.	Inspected a sample of monthly HUBIC meeting minutes to evidence whether the committee oversees the Investment Strategy and inspected the approved investment listing in AdminHUB to test whether only approved investments are made available on AdviserHUB.	No deviations noted.
D5.6	The investment team (as delegate for the HUBIC) will ensure that only approved investments are added to the super fund menu as it is their responsibility to manage the new investment additions to the super menu in conjunction with the investment administration team.	Inspected samples of recommendations from the HUBIC to the Trustee to test whether they were approved.  Inspected screenshots of the AdminHUB system to test whether the approved recommendations were uploaded into AdminHUB accurately.	No deviations noted.
D6.1	Administration fee calculations are performed within the AdminHUB registry system. The Super Administrator reviews the monthly reports (which includes administration fees and other cash transactions) and exceptions noted will be forwarded to CSO. Any non-system fee calculations are input and then verified by an independent Client Service Officer for accuracy, in accordance with scheme rules.	Observed the system function within AdminHUB to test whether it automatically calculates deductions, including investments, administration fees and adviser fees. (Refer to control B13.1.)	No deviations noted
E5.4	Calculations for Contribution tax deductions are performed within the Acurity registry system. Any non-system fee calculations are input and then verified by an independent Client Service Officer for accuracy in accordance with scheme rules.	Observed the system function within Acurity to test whether that it automatically calculates tax deductions.  Selected a sample of months and inspected email evidence that reviews of monthly reports are being performed by the Super Administrator.	
D6.2	Insurance premiums are established and calculated as per agreed schedule with each member. When entering Insurance Policy information into AdminHUB, the system	Observed the system function within AdminHUB to test whether it enforces dual verifications when entering Insurance Policy information.	No deviation noted

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
E5.5	will request a second authorisation to check that the correct policy information has been entered.		
D6.3 E5.6	Once an insurance policy is accepted, it is activated by a Client Services Officer and the policy details are available on InvestorHUB for the adviser and client to view.	Observed a sample of insurance acceptance emails or system screenshots to test whether acceptance notices were made available to members on InvestorHUB.	No deviations noted.
D6.4 E5.7	Monthly group insurance premiums are processed and then authorised by an independent Client Service Officer.	Obtained screenshots of the Group Insurance month end process to test whether insurance inputs into the AdminHUB system are processed, and then authorised by an independent Client Services Officer.	No deviations noted.
D6.6 E5.8	Upon receipt of a taxable contribution or rollover-in, the Acurity system automatically calculates and provisions contributions tax, which is overseen by the Super Technical team. When an ATO remittance is due, a processor deducts the required amount from the member's cash account within AdminHUB, which requires authorisation in AdminHUB by a second processor.	<p>Inspected a sample of ATO remittances to test whether they were processed and verified by two processors.</p> <p>Observed the system function within Acurity to test whether that it automatically calculates tax deductions.</p> <p>Inspected a sample of monthly contribution tax calculations to test whether they were processed and verified by two Client Servicer Officers.</p>	No deviations noted.
D7.1 E5.9	<p>All expenses and tax deductions are remitted in accordance with timeframes specified by the Trustee/Fund PDS. Where a timeframe has not been specified, payments are made within reasonable timeframes. Any non-system payments are input and verified by a second independent processor.</p> <p>The Super Administrator maintains expenses and tax deduction schedules in accordance with regulatory, Trustee &amp; PDS timeframes.</p>	<p>Inspected 'HUB24 Super Administrator Compliance Declaration' which includes the statutory timeframes for tax deductions reporting to test whether it has been completed and signed off by AFSL Responsible Manager.</p> <p>Inquired with management if there were any non- system payments for superannuation member administration. Inspected payments schedules to corroborate that there were no system payments processed in the period under review.</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		<p>Observed the system function within AdminHUB to test whether it automatically calculates deductions, including investments, administration fees and adviser fees. (Refer to control B13.1.)</p> <p>Observed the system function within Acurity to test whether that it automatically calculates tax deductions.</p> <p>Selected a sample of months and inspected email evidence to test whether reviews of monthly reports were performed by the Super Administrator.</p> <p>Inspected a sample of ATO remittances to test whether they were processed and verified by two processors.</p>	
E5.10	Adviser fees detailed in the client agreement are entered into system when the account is set up. A quality control check is performed by a second Platform Administrator, with fees in the client agreement compared to those in the system.	Selected a sample of new accounts set up in the period and inspected system screenshots to evidence that the adviser fee set up in the system agrees to the client agreement and that there was evidence of a quality control check by a second independent processor.	No deviations noted.
E5.11	Managed Portfolios fees detailed in the short form client disclosure agreement are entered into the system when the portfolios are established. Fees are reviewed by an independent HUB24 staff member, with fees in the agreement compared to those in the system.	<p>Selected a sample of new portfolio set-ups in the period and inspected system screenshots and client disclosure documentation to test whether the portfolio fees in the system agreed to supporting documentation and were checked by a second independent processor.</p> <p>Selected one client account and reperformed the accuracy of managed portfolio fee calculations to test whether is agrees with the AdminHUB.</p>	No deviations noted.
E5.12	Changes to fees across dealer groups, as well as for white label and private label arrangements are authorised by the client in a fee template agreement. Fees changes are	Selected a sample of changes to fees across dealer groups and white labelled arrangements and inspected the fee agreement to test whether the client had authorised the change of fees.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	reviewed by an independent HUB24 staff member prior to being amended in the system.	Inspected the AdminHUB system fee tables to test whether the fee changes had been approved by an independent HUB24 CS employee.	
<b>E5.13</b>	Changes to managed portfolio fees are authorised by the portfolio manager prior to entry into the system. An amendment to the original agreement is documented by the Investment Products Team and the change in fee is reviewed against the updated short form client disclosure document.	<p>For a sample of changes to managed portfolio fees during the period, inspected email evidence that the change in fee was authorised by the portfolio manager and reviewed by the Investment Products Team.</p> <p>Inspected a sample of updated short form client disclosure documents to test whether the managed portfolio fee was accurately recorded in AdminHUB.</p>	No deviations noted.
Control objective(s)	<p>F3. New share/unitholder activity is clearly established and recorded completely, accurately and in a timely manner.</p> <p>F4. Share/ unitholder applications, redemptions and switches received are checked, sorted and distributed for processing in a timely manner.</p> <p>F5. Share/unitholder transactions and adjustments are authorised, processed accurately, completely and in a timely manner.</p> <p>F6. Cash receipts are processed accurately and banked promptly.</p> <p>F7. Cheques and confirmation letters issued are accurately generated, matched and authorised prior to dispatch.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>F3.1</b>	Transactions are based on instructions received from clients/advisers. Cash and asset reconciliations between AdminHUB and bank accounts and sub-custodian records are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>F4.1</b>	All original documentation is forwarded to office via registered PO Box address or couriered to business office address. Upon receipt of mail, staff open, review documentation for completeness. Any cheques received are banked same day. Withdrawal and switch requests are typically received via the AdviserHUB online portal. On occasion, written instruction may be received and the Client Services Officer will process in accordance with client requests. Any manually entered value transactions are verified by a second independent staff processor.	<p>Inspected the cheque deposit process that is contained within the "Deposits/ Contribution Procedure" document.</p> <p>Selected a sample of cash receipts by cheque and inspected email communication to test whether authorisation by a second independent processor including that these had been processed accurately and banked promptly.</p> <p>Observed the system functionality for investment switches initiated by advisers and inspected system screenshots that these were in line with pre-set parameters from the Approved Product List.</p> <p>Observed the authorisation of withdrawals by two independent signatories using a secure HSBC token</p> <p>Inspected a sample of manually entered value transactions to test whether they were verified by a second independent staff processor.</p>	No deviations noted.
<b>F4.2</b> <b>F5.1</b>	Cash and asset reconciliations between AdminHUB and bank accounts and sub-custodian records are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash and asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
<b>F5.2</b>	Adjustments are processed and independently verified within the Investment Operations team. The Investment Operations team oversees the reconciliation of those entries. Any exceptions arising are escalated to a team leader or manager within Investment Operations.	<p>Observed the system function within AdminHUB to test whether it enforces dual verifications when entering updating bank account details.</p> <p>Inspected for a sample of bank account changes to test whether the change was authorised by two Platform Administrators before being processed</p> <p>Inspected a sample of asset reconciliation reports to test whether exceptions were escalated to the team leader or</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		<p>manager in Investment Operations, investigated and resolved in a timely manner.</p> <p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.</p>	
<b>F6.1</b>	Client Cheques are verified for authenticity, entered and independently verified by a Client Services Officer. Daily deposits are reconciled and independently reviewed by the Investment Administration team. In accordance with the "Deposits/contribution" procedures.	<p>Inspected the cheque deposit process that is contained within the "Deposits/ Contribution Procedure" document.</p> <p>Selected a sample of cash receipts by cheque and inspected email communication to test whether authorisation by a second independent processor including that these had been processed accurately and banked promptly.</p> <p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.</p>	No deviations noted.
<b>F6.2</b>	Cash reconciliations from HUB24 to sub-custodian records are performed daily by Investment Administration staff. Any exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.
<b>F7.1</b>	Advisers/Clients have the ability to opt into daily trade confirmations. Further, all transactions are made available and published via AdviserHUB online reports. HUB24 may issue trade confirmations for any transactions executed within a Managed Portfolio but at the discretion of the Portfolio Manager.	Obtained email evidence of the automated system notification for trade confirmations for a transaction executed within a managed portfolio.	No deviations noted.

Control objective(s)		G4. IT processing is authorised and scheduled appropriately and deviations are identified and resolved in a timely manner.	
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
G4.1	Data file exchanges between systems are actively monitored to ensure they are processed in accordance with the agreed schedule. Any failed or non-executed jobs are attended to be resolved in a timely manner.	<p>Obtained and inspected the automated system procedure and batch job scheduler to test if all critical automated procedures are scheduled/documented.</p> <p>Obtained and inspected sample email notifications and ticket logged to test if errors are notified via email and a ticket subsequently created.</p> <p>Obtained and inspected samples of failed or non-executed jobs to test if the failures are attended to be resolved in a timely manner.</p>	No deviations noted.
G4.2	Relationship Managers escalate any processing matters with business representatives as required.	Obtained and inspected samples of failed batch jobs (processing matters) to test if these were escalated to business representatives as required.	No deviations noted.

## Maintaining Financial and Other Records

Process and controls overview	<p>The majority of customer records are maintained on-line, with direct electronic access to update details. These updates have full audit traceability.</p> <p>Customer records can be updated manually, with either a voice record, or electronic workflow record created to fully track the request. Procedures are in place to verify the request source, and where transactions are high value or high risk, dual authorisation is required.</p> <p>All customer positions, both cash and assets, are reconciled on a daily basis to the sub-registry holdings, by a segregated team. Unreconciled items are suspended and followed up until resolved.</p> <p>All product and fee related information is established under dual authorization, with all subsequent fees calculation and executed electronically.</p>		
Relevant services	Custody, Asset Management, Superannuation Administration, Investment Administration, Registry,		
Control objective(s)	<p>A10. Accounts are administered in accordance with client agreements and any applicable regulations.</p> <p>B8. Accounts are administered in accordance with client agreements and/or offer documents.</p> <p>E6. Accounts are administered in accordance with client agreements.</p> <p>F10. Accounts are administered in accordance with client agreements.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A10.1	The Operational Task Register exists in the system. This list contains dependencies that ascertain all tasks are done on a daily basis (for example, no trade transactions can be processed until previous day's asset and cash reconciliations have been completed). Validations are built within the system to prevent proceeding with tasks that have core dependencies in place.	Inspected the Operational Task Register in AdminHUB and observed the system functionality and tested whether system dependencies are in place which prevent certain tasks from being actioned until the preceding task has been completed.	No deviations noted.
B8.1			
E6.1			
F10.1			



Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A10.2	All account changes made by the Platform Administrator are based on client or adviser instructions received in writing or via the AdviserHUB portal. Changes made to bank account details are reviewed by a second Platform Administrator, with bank account details in instructions compared to those in the system.	Observed the system function within AdminHUB to test whether it enforces dual verifications when entering updating bank account details.	No deviations noted.
B8.2			
F10.2		Inspected for a sample of bank account changes to test whether the change was authorised by two Platform Administrators before being processed.	
A10.3	Compliance report is prepared on quarterly basis and presented to the committee by the CRO. This report highlights how HUB24 has complied with applicable regulations (AFSL, AML/CTF/ FATCA and CO 13/763 for IDPS ).	Inspected a sample of monthly Risk & Compliance Committee meeting minutes to evidence the oversight, including by the Risk and Compliance team, across applicable regulations.	No deviations noted.
B8.3			
E6.2			
F10.3			

Control objective(s)	<p>A11. Changes to non-monetary static data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.</p> <p>B9. Changes to non-monetary client data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.</p> <p>D8. Changes to members' standing data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.</p> <p>E7. Changes to non-monetary static data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.</p> <p>F11. Changes to non-monetary share/unitholder data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.</p>
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>A11.1</b> <b>B9.1</b> <b>E7.1</b> <b>F11.1</b>	<p>All account changes made by the Platform Administrator are based on client or adviser instructions received in writing or via the AdviserHUB portal. Changes made to bank account details are reviewed by a second Platform Administrator, with bank account details in instructions compared to those in the system.</p>	<p>Observed the system function within AdminHUB to test whether it enforces dual verifications when entering updating bank account details.</p> <p>Inspected for a sample of bank account changes to test whether the change was authorised by two Platform Administrators before being processed.</p>	No deviations noted.
<b>D8.1</b>	<p>Account Changes are based on client or adviser instructions received in writing or via the Adviser HUB online portal. All Changes are entered by Client Service Officer and verified by Super Administrator. The verification is done by reviewing the change made in the registry back to client/adviser instruction and processed within agreed service level timeframes.</p>	<p>Observed the system function within AdminHUB to test whether it enforces dual verifications when entering updating bank account details.</p> <p>Inspected for a sample of bank account changes to test whether the change was authorised by two Platform Administrators before being processed.</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		Inspected a sample of monthly Risk & Compliance Committee meeting minutes to test if appropriate oversight was performed across applicable regulations.	

Control objective(s)	<p>A12. Investment income and related tax reclaims are collected and recorded accurately and on a timely basis.</p> <p>A13. Asset positions for securities held by third parties such as sub custodians and depositories are accurately recorded and Regularly reconciled.</p> <p>B10. Investment income and related tax are accurately recorded in the proper period.</p> <p>B11. Investments are valued using current prices obtained from independent external pricing sources or an alternative basis in accordance with client agreements.</p> <p>B12. Cash and securities positions are completely and accurately recorded and reconciled to third party data.</p> <p>D9. Investment earnings are accurately allocated (using authorised crediting rates or unit prices) to member accounts, in accordance with trustee directions and fund rules.</p> <p>E8. Investment income and related tax are accurately calculated and recorded on a timely basis.</p> <p>E9. Investments are valued using current prices obtained from independent external pricing sources, or an alternative basis in accordance with client agreements.</p> <p>E11. Cash and securities positions are completely and accurately recorded and reconciled to third party data on a daily basis.</p> <p>E12. Reconciliations between different systems, including the investment ledger, general ledger and administration system, are performed on a timely basis.</p> <p>F12. Registrar records accurately reflect shares, units and cash held by third parties.</p> <p>F13. Share/unit activity is recorded completely, accurately and positions are regularly reconciled.</p>		
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>A12.1</b>	Australian and International Listed Securities (equity) dividends are accrued in the asset management registry system (AdminHUB)	Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	<p>For Australian Listed Securities these are accrued via data feed from the market information system. For International Listed Securities (equity) dividends these are verified back to Bloomberg. The dividend information is retrieved by an Investment Admin team member via Bloomberg (market information system) and entered into AdminHUB.</p> <p>Dividends received are reconciled to those accrued and the physical monies received in the Custodial settlement account. Exceptions are monitored as part of the daily reconciliation process.</p>		
<b>A12.2</b>	For IDPS, AdminHUB automatically calculates and deducts the relevant tax based on whether the member has provided a TFN or not. Payment from the Settlement account to the ATO is performed on a monthly basis.	<p>Observed the system functionality within the cash withdrawal screen of AdminHUB which includes the calculation of withholding tax movement.</p> <p>Inspected screenshots from the ATO Business Portal and bank statements to test whether TFN withholding tax was paid to the ATO for three months during the period.</p>	No deviations noted.
<b>B10.1</b> <b>E8.1</b>	Reconciliation of dividends and distributions are performed daily by Investment Administration staff.	<p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of corporate actions and daily Operational Task Registers to evidence whether the corporate actions tasks had been signed off by an Investment Administration team member.</p> <p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
B10.2 E8.2	The Registry system has been developed to ensure that tax components are in line with current legislation. Investment specific information made available by regulators (ATO and other foreign regulators for international investments) are reviewed prior to generating Annual Tax Statements to clients.	Observed an account set-up with tax components in AdminHUB to test whether the account details set-up can determine whether the tax will be withheld on certain investments.  Inspected email communication from the external tax team to test whether a review was performed by the external tax team for the international tax rates and components set up in the system in accordance with the tax policy contained in the current Product Disclosure Statement (PDS) and the Tax Guide.	No deviations noted.
B10.3 E8.3	On an annual basis an external accounting firm is engaged to perform an independent tax review, which includes an overview of Australian tax considerations that may impact on the tax calculations and reports prepared by HUB24 CS for investors for that financial year.	Obtained email communication between the external tax accounting firm and investment management consultants to evidence that a tax review was performed by an external accounting firm during the period.	No deviations noted.
B10.4 E8.4	Expected investment income is reconciled by the Investment Administrator against actual income when received.	Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.  Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.
B10.5 E8.5	On a monthly basis, the Investment Administrator calculates and processes non-resident withholding tax in accordance with ATO requirements, which is then reviewed by a second Investment Administrator. On an	Inspected a sample of withholding tax calculation reports for non-residents to test whether calculations were processed and reviewed by a second investment administrator on a monthly	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	annual basis an external accounting firm reviews the non-resident withholding tax rates to be applied.	<p>basis.</p> <p>Inspected email communication from the external tax firm to test whether a review was performed by the external tax team for the international tax rates applied.</p>	
<p><b>B10.6</b></p> <p><b>E8.6</b></p>	IRS Withholding payments are withheld at the time of the dividend processing and transferred to a segregated US dollar account with our sub-custodian. US tax withheld is checked each quarter monthly, reconciled to the segregated US dollar account and paid to the IRS.	<p>Observed the system's functionality to withhold tax when dividends are paid, and that withholding tax is transferred to a segregated account.</p> <p>Inspected samples of monthly IRS Payment Requests to evidence that taxes withheld were remitted to the IRS and that payments from the excel reconciliation workings were reconciled to the segregated accounts.</p>	No deviations noted.
<p><b>B11.1</b></p> <p><b>E9.1</b></p>	Price files are received daily from appointed sub-custodians and market data providers and loaded into the Registry system (AdminHUB). The Investment Administration team member then verifies and signs off the 'import prices' task in the Operational Task Register.	<p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.</p> <p>Further evidenced from the time stamp of the task register that corporate actions were updated in the system on a timely basis.</p>	No deviations noted.
<b>E9.2</b>	In-specie securities transfers are only processed after receipt of complete and valid documentation. A check is performed by the processor to confirm the in-specie	Inspected a sample of in-specie transfers to test whether the supporting documentation was complete and authorised by	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	form is signed by the relevant parties and supporting documentation is complete.	the relevant parties and verified whether a quality control check was performed by the processor.	
<b>E9.3</b>	Foreign exchange transactions are reconciled on a daily basis. The foreign exchange rates are provided by the custodian electronically. The foreign exchange transactions are then loaded and authorised by the Investment Administrator.	Observed foreign exchange transactions loaded electronically into AdminHUB and verified whether they were authorised by the Investment Administrator. Inspected the Operational Task Register for sample of days to test whether the foreign exchange transactions were reconciled and authorised by the Investment Administration staff for international equities.	No deviations noted.
<b>A13.1</b> <b>B12.1</b>	Unit positions are reconciled daily to sub custodian records by Investment Administration staff. Differences are followed up the same day that they are identified.	Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
<b>A13.2</b> <b>B12.2</b>	Cash reconciliations between AdminHUB and bank accounts are performed daily by Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
<b>D9.1</b>	Investment earnings are receipted via overnight data feeds from the sub-custodian when advised. This information is uploaded into the registry and reconciliations are performed. Earnings are allocated to relevant member's accounts.	Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.  Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures		Result of test procedures
D9.2	Investment earnings are allocated by an Investment Administrator as received and in accordance with the Fund PDS and Trustee requirements.	Inspected a sample of monthly investment earnings reports to test whether they were reviewed by an Investment and Superannuation Administrator.	No deviations noted.	
E10.1	Unit positions are reconciled daily to sub-custodian records by Investment Administration staff. Differences are investigated and resolved in a timely manner.	<p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of corporate actions and daily Operational Task Registers to evidence whether the corporate actions tasks had been signed off by an Investment Administration team member.</p> <p>Further evidenced from the time stamp of the task register that corporate actions were updated in the system on a timely basis.</p>	No deviations noted.	
E11.1	Asset and cash reconciliations between HUB24 CS and sub-custodian records are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.	No deviations noted.	
F12.1				
F13.1		<p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.</p>		



Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		Further evidenced from the time stamp of the task register that corporate actions were updated in the system on a timely basis.	

<b>E12.1</b>	Reconciliations are performed daily by Investment Administration staff. Investment information is received from a number of external sources via data files and validated for completeness. HUB24 CS is reliant on the external data files and will only validate based on the information provided by the sending institution.	<p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers to evidence sign-off by Investment Administration staff and that exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of corporate actions and daily Operational Task Registers to test whether the corporate actions tasks had been signed off by an Investment Administration team member.</p> <p>Further evidenced from the time stamp of the task register that corporate actions were updated in the system on a timely basis.</p>	No deviations noted.
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Control objective(s)	B13. Investment management fees and other account expenses are accurately calculated and recorded in accordance with client agreements and/or offer documents.		
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>B13.1</b>	Adviser fees detailed in the client agreement are entered into system when the account is set up. A quality control check is performed by a second Platform Administrator, with fees in the client agreement compared to those in the system.	Selected a sample of new accounts set up in the period and inspected system screenshots to evidence that the adviser fee set up in the system agrees to the client agreement and that there was evidence of a quality control check by a second independent processor.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>B13.2</b>	Managed Portfolios fees detailed in the short form client disclosure agreement are entered into the system when the portfolios are established. Fees are reviewed by an independent HUB24 staff member, with fees in the agreement compared to those in the system.	<p>Selected a sample of new portfolio set-ups in the period and inspected system screenshots and client disclosure documentation to test whether the portfolio fees in the system agreed to supporting documentation and were checked by a second independent processor.</p> <p>Selected one client account and reperformed the accuracy of managed portfolio fee calculations to test whether is agrees with the AdminHUB.</p>	No deviations noted.
<b>B13.3</b>	Changes to fees across dealer groups, as well as for white label and private label arrangements are authorised by the client in a fee template agreement. Fees changes are reviewed by an independent HUB24 staff member prior to being amended in the system.	<p>Selected a sample of changes to fees across dealer groups and white labelled arrangements and inspected the fee agreement to test whether the client had authorised the change of fees.</p> <p>Inspected the AdminHUB system fee tables to test whether the fee changes had been approved by an independent HUB24 CS employee.</p>	No deviations noted.
<b>B13.4</b>	Changes to managed portfolio fees are authorised by the portfolio manager prior to entry into the system. An amendment to the original agreement is documented by the Investment Products Team and the change in fee is reviewed against the updated short form client disclosure document.	<p>For a sample of changes to managed portfolio fees during the period, inspected email evidence that the change in fee was authorised by the portfolio manager and reviewed by the Investment Products Team.</p> <p>Inspected a sample of updated short form client disclosure document and evidenced whether the managed portfolio fee was accurately recorded in AdminHUB.</p>	No deviations noted.

## Safeguarding Assets

Process and controls overview	<p>HUB24 maintains an electronic registry of all customer details and assets, reconciled daily to market positions held by sub-custodians. Reconciliation of these positions is undertaken daily by a segregated team.</p> <p>HUB24 maintains a Cyber security environment, with active 24/7 monitoring of external threats, and regular penetration testing. We maintain separate and secure data facilities with appropriate and segregated backups.</p>		
Relevant services	Custody, Asset Management, Superannuation Administration, Registry, Information Technology		
Control objective(s)	<p>A14. Assets held (including investments held with depositories, cash and physically held assets) are safeguarded from loss, misappropriation and unauthorised use.</p> <p>A15. Assets held are appropriately registered and client money is segregated.</p> <p>B14. Investments are properly registered and client money is segregated.</p> <p>B15. Appropriate segregation exists between the service organisation's asset management and custody services, which may give rise to a conflict of interest.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A14.1	Asset reconciliations from HUB24 CS to sub-custodian records are performed daily by Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.
A14.2	Cash reconciliations between AdminHUB and bank accounts are performed daily by the Investment Administrator. Exceptions are investigated and resolved in a timely manner.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>A15.1</b>	System interface built to automatically process underlying client transactions from AdviserHUB online portal (where trades initiated) to Administration system (where trades recorded/ registry system).	Observed the system interface and determined that client transactions from the AdviserHUB platform are automatically reflected on the AdminHUB system.	No deviations noted.
<b>A15.2</b>	All assets are held with sub-custodians, and daily asset reconciliations are performed by Investment Administration staff at the client and custody levels.	<p>Observed the AdminHUB system registry to ascertain that client money is segregated.</p> <p>Inspected the Omnibus Policy to evidence that appropriate segregation was in place and that it was reviewed and approved by the Board.</p> <p>Refer to D3.2 for test procedures on daily monitoring of the settlement account.</p> <p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p>	No deviations noted.
<b>B14.1</b>	<p>Cash &amp; Asset Reconciliations are performed daily by Investment Administration staff.</p> <p>Allocations to accounts are performed within the system.</p> <p>Any exceptions are investigated prior to the completion of the reconciliation process.</p> <p>Refer to A3.4 for foreign exchange transaction controls.</p>	<p>Inspected a sample of cash and asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Refer to A3.4 for test procedures related to foreign exchange transactions.</p>	<p>No deviations noted.</p> <p>Refer to A3.4 for test results related to foreign exchange transactions.</p>
<b>B14.2</b>	Registry system has been purposely built to segregate the accounts. The system also has a designated custody settlement clearing account for clearing purposes for any unallocated monies. The Operator has a Board approved Omnibus Policy in place that specifies this arrangement. Settlement Account is monitored on a daily	<p>Observed the AdminHUB system registry to ascertain that client money is segregated.</p> <p>Inspected the Omnibus Policy to evidence that appropriate segregation of client monies was in place and evidenced that it was reviewed and approved by the Board.</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	basis and any unallocated monies are returned after 28 days. Reconciliations are done on a monthly basis.	<p>Refer to D3.2 for test procedures on daily monitoring of the settlement account.</p> <p>Inspected a sample of monthly cash reconciliations to test whether the reconciliations were being performed on a monthly basis.</p>	
<b>B14.3</b>	In-specie securities transfers are only processed after receipt of complete and valid documentation. A check is performed by the processor to confirm the in-specie form is signed by the relevant parties and supporting documentation is complete.	Inspected a sample of in-specie transfers to test whether the supporting documentation was complete and authorised by the relevant parties and verified whether a quality control check was performed by the processor.	No deviations noted.
<b>B14.4</b>	Investment transactions are submitted online by advisers nominated by the client and registered for the service. These are authorised by the adviser using a secure password.	Inspected the system functionality of the platform and verified whether investment transactions submitted online by the adviser are authorised using a secure password.	No deviations noted.
<b>B15.1</b>	<p>Custodian activities are outsourced to sub-custodians. The appointment of custodians is done by the directors of HUB24 CS and monitoring is done by the Risk &amp; Compliance Committee (R&amp;CC).</p> <p>The HUB24 Investment Committee (HUBIC) oversees and monitors the Investment Menu available within Platform Service. Approvals, amendments, exclusions on the APL are tabled in the monthly Investment Committee.</p> <p>Approvals on Investment decisions may also occur via email circular resolution when required.</p>	<p>Inspected a sample of monthly HUBIC meeting minutes to evidence that the Approved Products List were being monitored by the HUBIC.</p> <p>Inquired with management and inspected R&amp;CC minutes to corroborate that there were no changes to sub-custodian contracts.</p> <p>Inspected a sample of monthly R&amp;CC meeting minutes to evidence that sub-custodians are monitored.</p> <p>Inspected the service provider review schedule and evidenced that the Head of Operations monitors sub-service organisation's activities on a regular basis (quarterly).</p>	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		Inspected a sample of sub-custodian's third-party assurance reports to test whether the third-party assurance reports for key sub-custodians were reviewed.	

<b>B15.2</b>	The chair of the Investment Committee is a Responsible Manager of the AFSL. Committee members are senior staff across Investment Products, Operations, Finance and Product. There is an Investment Guidelines Policy for IDPS and Investment Strategy Policy for Super. The Trustee for Super also has an independent Investment Committee that delegates certain decisions to the Operator of the service.	<p>Inspected HUBIC Guidelines and the HUB24 Super Investment Strategy documents to test whether appropriate segregation between asset management and custody activities are documented.</p> <p>Inspected a sample of monthly HUBIC meeting minutes to test if the Approved Products List were being monitored by the HUBIC and chaired by a responsible manager.</p>	No deviations noted.
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Control objective(s)	D10. Superannuation fund, sub-plan and member data is appropriately stored to ensure security and protection from unauthorised use.
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>D10.1</b>	Access to the registry system is restricted to authorised personnel. There are also varying access levels based on skill set and staff member role.	Refer to G2 for test procedures in respect to general access to systems.	No deviations noted.

<b>D10.2</b>	A cash, asset and investment holding reconciliation performed on a daily basis that ensure members assets are safeguarded. This reconciliation is performed between the appointed sub-custodian records and HUB24 CS records. This reconciliation is performed by the Investment Admin team, separate to the processing of member records teams undertaken by Platform Admin and Super Admin.	<p>Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.</p> <p>Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.</p>	No deviations noted.
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		Inspected a sample of Superstream suspense reports to test whether all the unallocated contributions were identified and investigated.	
Control objective(s)	G5. Appropriate measures, including firewalls and anti-virus software, are implemented to counter the threat from malicious electronic attack. G6. The physical IT equipment is maintained in a controlled environment.		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
G5.1	Automated anti-virus, spyware, and firewalls software is used. Software is monitored and maintained by the IT Development team.	<p>Obtained and inspected the software solution to test if the anti-virus, spyware, and firewall software is enabled and monitored by IT teams.</p> <p>Obtained and inspected the anti-virus, spyware, and firewall software settings to test if the software cannot be turned-off without administrative access.</p>	No deviations noted.
G5.2	System Penetration testing is performed by an Independent and external IT Consulting company on a yearly basis. Findings are assessed internally and prioritised for remediation.  (Timelines for low-risk exceptions are not formalised)	Obtained and inspected the yearly penetration testing report to test whether it was performed.	No deviations noted.
G6.1	Both the production and Disaster Recovery Sites are maintained in a controlled environment where fire detection/protection, temperature, humidity and power are monitored.	Obtained and inspected ISO certifications as well as formal technical specifications for both data centers to test if adequate environmental controls are in place.	No deviations noted.

## Monitoring Compliance

Process and controls overview	<p>HUB24 maintains an electronic workflow system, to track and monitor resolution of errors in a timely fashion. Errors of value are recorded according to HUB24's incident policy and monitored and managed to resolution with senior manager oversight and reporting.</p> <p>All adjustment transactions on customer accounts are annotated, with any significant errors being specifically communicated to the customer.</p> <p>HUB24's electronic registry enforces contribution rules and is regularly updated to ensure currency against superannuation rules and legislation.</p>
Relevant services	Custody, Asset Management, Superannuation Administration, Investment Administration, Registry

Control objective(s)	<p>A16. Transaction errors are rectified promptly.</p> <p>B17. Transaction errors are rectified promptly in accordance with the service level agreement and/or offer document or client instructions.</p> <p>D12. Transaction errors are identified, notified to members or trustees in accordance with client agreements and rectified promptly if required.</p> <p>E13. Errors are identified, notified to clients and rectified promptly in accordance with client agreements.</p> <p>F15. Transaction errors are identified, notified to clients and share/unit holders in accordance with client agreements and rectified if necessary.</p>
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>A16.1</b> <b>B17.1</b> <b>E13.1</b> <b>F15.1</b>	Cash reconciliation is performed daily by Investment Administration staff. Exceptions arising through errors are rectified promptly. Any material errors are escalated to Senior representatives for resolution.	Inspected a sample of cash reconciliation reports and daily Operational Task Registers for sign-off by Investment Administration staff and exceptions were investigated and resolved in a timely manner.	No deviations noted.
<b>A16.2</b> <b>B17.1</b> <b>E13.2</b> <b>F15.2</b>	Asset reconciliations from HUB24 CS to sub-custodian records are performed daily by Investment Administration staff. Any exceptions are investigated and resolved in a timely manner.	Inspected a sample of asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.



Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>A16.3</b> <b>E13.3</b> <b>F15.3</b>	Any transaction errors arising are investigated in the first instance and entered on the Incident Management Database (IMD) for independent assessment and monitoring by the Compliance Team until resolved. Material incidents are also referred to the Risk & Compliance Committee (R&CC).	Inspected the Issues & Incident Register and selected a sample of incidents to test whether they were tracked and investigated until resolved within the Issues & Incident Register.  Inspected a sample of R&CC meeting minutes to evidence the governance and oversight arrangements in operation.	No deviations noted.
<b>A16.4</b> <b>E13.4</b> <b>F15.4</b>	Further, HUB24 have a complaint handling policy in place to ensure any client dissatisfaction resulting in material transactional errors are resolved to the satisfaction of parties involved. Complaints are monitored by Compliance and reviewed by the Risk & Compliance Committee (R&CC) on a monthly basis.	Inspected a sample of complaints received to test whether they were tracked and investigated until resolved to the satisfaction of parties involved in accordance with the complaints handling policy.  Inspected a sample of R&CC meeting minutes to evidence the governance and oversight arrangements in operation.	No deviations noted.
<b>B17.2</b>	Any transaction errors arising are investigated in accordance with our Incident Management Policy and once confirmed an incident, Compliance are entered on the Incident Management Database (IMD) for independent assessment by Compliance. Any material matters arising are escalated and also referred to the Risk & Compliance Committee (R&CC). Further, HUB24 CS have a complaint handling policy in place to ensure any client dissatisfaction resulting in material transactional errors are resolved to the satisfaction of parties involved. Complaints are monitored by Complaints Officer and reviewed by the R&CC.	Inspected the Issues & Incident Register and selected a sample of incidents and noted that they were tracked and investigated until resolved.  Inspected a sample of complaints received to test whether they were tracked and investigated until resolved in accordance with the complaints handling policy.  Inspected a sample R&CC meeting minutes to evidence monitoring of complaints and incidents.	No deviations noted.
<b>D11.2</b>	The settlement account is monitored on a daily basis and any unallocated monies are returned after 28 days. Reconciliations are completed on a monthly basis.	Inspected a sample of cash and asset reconciliation reports to test whether exceptions were investigated and resolved in a timely manner.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		Inspected a sample of Superstream suspense reports to test whether all the unallocated contributions were identified and investigated.	
<b>D12.1</b> <b>E13.5</b>	Any Transaction errors arising are investigated by Risk & Compliance team in accordance with HUB24 CS Incident Management Policy. The transaction error if deemed an incident, is entered on the Incident Management Database (IMD) for independent assessment by the Risk & Compliance (R&C) department. Incidents are monitored by the Compliance team to resolution.	Inspected the Issues & Incident Register and selected a sample of incidents to test whether they were tracked and investigated until resolved within the Issues & Incident Register.  Inspected a sample of R&CC meeting minutes to evidence the governance and oversight arrangements in operation.	No deviations noted.
Control objective(s)	B16. Client portfolios are managed in accordance with investment objectives, monitored for compliance with investment guidelines and restrictions and performance is measured.		

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>B16.1</b>	Policies and procedures are in place around managing client portfolios in accordance with investment objectives. Exceptions are monitored on a monthly basis and any incidents arising are managed in accordance with the Incident Management Policy. HUBIC oversees all available Managed Portfolios offered in the Platform Service and meets on a regular basis.	Observed the system functionality within ManagerHUB for automated mandate checks on weight change requests.  For a sample of months, inspected the monthly mandate exception reports to evidence that exceptions were monitored in accordance with the Incident Management Policy.  Inspected a sample of HUBIC meeting minutes to test whether there are governance and oversight arrangements in operation at HUBIC for managed portfolios.	No deviations noted.

Control objective(s)	B18. Broker exposures are monitored in accordance with client agreements and/or offer document.
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>B18.1</b>	HUB24 CS has appointed external brokers that are licensed as Market Participants to facilitate our Direct Market Trading and Aggregated Trading Services. The external Broker must execute orders in accordance with ASIC Market Integrity and Operating rules. All orders are received via AdviserHUB, ManagerHUB and InvestorHUB by external parties and executed in the market via the appointed brokers. The Investment Operations group monitors all trades sent to the brokers through the end day processes.	For a sample of days, inspected daily trade confirmation emails and inspected the task register to evidence that HUB24 CS monitors brokers in accordance with trading instruction.	No deviations noted.
<b>B18.2</b>	On a monthly basis, the Investment Operations team monitors the Brokerage numbers report, in relation to market exposure to the external brokers and trades executed in the market for the previous month.	For a sample of months, inspected the Brokerage numbers report to evidence that the Investment Operations team monitors market exposure to external brokers.	No deviations noted.

Control objective(s)	D11. Contributions are received in accordance with fund rules and relevant legislation.
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>D11.1</b>	All contributions are received in accordance with Fund rules, including only receiving rollovers from a complying super fund. Non-complying contributions are not processed.	Observed the system functionality for non-complying contributions for clients under the Work Test Declaration and confirmed that the system will not process non-complying contributions  Inspected a sample of rollovers to test whether a completed Rollover Benefit Statement (RBS) form was	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		submitted to evidence that rollovers were processed from a complying super fund.  Inspected a sample of Superstream suspense reports to test whether all the unallocated contributions were identified and investigated.	
Control objective(s)	D13. Benefits payable and transfer values are calculated and paid in accordance with superannuation fund rules, relevant legislation and regulations.		

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>D13.1</b>	Superannuation benefit payments are processed by the Platform Administrator and authorised by a second Platform Administrator in accordance with the Fund's Benefit Payment procedures.	Inspected a sample of benefit payment transactions to test whether they were authorised by the adviser/client, verified by the Super Administrator, and independently reviewed by a second Platform Administrator in accordance with the Fund's Benefit Payment procedures.	No deviations noted.

## Monitoring Subservice Organisations

Process and controls overview	<p>HUB24 has processes in place for the review and selection of subservice organisations.</p> <p>HUB24 conducts regular reviews of subservice organisations to monitor performance and efficacy.</p>
Relevant services	Custody, Asset Management and Information Technology
Control objective(s)	<p>A17. Appointments of subservice organisations, including sub-custodians, are approved, subservice organisations are managed in accordance with the requirements of the client agreement and their activities are adequately monitored.</p> <p>B19. Appointments of subservice organisations, including those providing asset management services, are approved, properly managed and their activities are adequately monitored on a timely basis.</p>

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A17.1 B19.1	There are legal agreements in place with the sub-custodians to ensure that activities are approved and managed accordingly.	<p>Inquired with management and inspected R&amp;CC minutes to corroborate that there were no changes to sub-custodian contracts.</p> <p>Inspected a sample of monthly R&amp;CC meeting minutes to evidence oversight of sub-custodians.</p> <p>Inspected service provider review schedule and evidenced that the Head of Operations monitors sub-service organisation's activities on a regular basis (quarterly).</p>	No deviations noted.
A17.2 B19.2	The sub-custodian's third party assurance reports relating to their internal controls are obtained and reviewed by a Responsible Manager of the AFSL and/or members of the Compliance Team.	Inspected a sample of sub-custodian's third-party assurance reports to test whether the third-party assurance reports for key sub-custodians were reviewed.	No deviations noted.
B19.3	HUBIC utilises the services of external providers to access independent research and investment information, as required, to assist with the investment onboarding and investment review processes. These external providers are	Inquired with management and inspected HUBIC minutes to corroborate that there were no changes to investment research providers contracts.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	reviewed, as required, to ensure their services remain relevant to the needs of the HUBIC	<p>Inspected calendar meeting invites between the Investment Products team and the research providers to evidence that monitoring activities occur.</p> <p>Obtained a sample of HUBIC meeting minutes and evidenced that information from the investment reports is reviewed by the Head of Investment Products and reported to the HUBIC.</p>	

Control objective(s)	G13. Appointment of subservice organisations, including those providing IT services, are approved, subservice organisations are managed in accordance with the requirements of the client agreement and their activities are adequately monitored.		
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>G13.1</b>	Outsourced activities are documented in an appropriate Service Level Agreement and there is regular monitoring by IT personnel.	<p>Obtained and inspected the service provider agreement with Temenos, Global Switch, NextDC and LoopSecure to test if the outsourced activities are documented.</p> <p>Obtained and inspected the monthly reports from LoopSecure to test that the outsourced activities are monitored and documented.</p> <p>Obtained and inspected the quarterly reports from Global Switch and NextDC to test that the outsourced activities are monitored and documented.</p> <p>Observed managements monitoring of Temenos controls.</p>	No deviations noted.

## Reporting to Clients

Process and controls overview	<p>HUB24 maintains an electronic registry, available continuously to customers with a full history of transactions and taxes. This registry is regularly reviewed and updated to maintain currency with its governing rules and regulations.</p> <p>HUB24 runs regular processes to review the quality of its data, including an annual project for the finalization and production of members reporting. This reporting undergoes rigorous and independent testing.</p>
Relevant services	Custody, Asset Management, Superannuation Administration, Investment Administration, Registry
Control objective(s)	<p>A18. Client reporting in respect of client asset holdings is complete and accurate and provided within required timescales.</p> <p>B20. Client reporting in respect of portfolio transactions and holdings (including collateral) is complete and accurate and provided within required timescales.</p> <p>D15. Periodic member statements issued to members are accurate and complete and distributed on a timely basis.</p> <p>E15. Periodic reports to clients, including calculation of net asset value if required, are accurate and complete and distributed on a timely basis.</p> <p>E16. Annual reports and accounts are prepared in accordance with applicable laws and regulations.</p> <p>F17. Client reporting is complete and accurate and processed within required timescales.</p>

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
A18.1	Quarterly and annual statements are produced for clients including a portfolio evaluation and details of investment transactions, income and expenses. The system has a number of user reports that can be generated by the Client/Adviser at any time.	Observed the system functionality to confirm it automatically produces quarterly/annual investor statements.	No deviations noted.
B20.1			
E15.1		Inspected a sample of statements (one quarterly and one annual) and obtained evidence that the statements had been created and posted to the Client's online interface.	
E16.1			
F17.1			
A18.2	A sample of statements are checked by HUB24 CS Operations and Product teams prior to deploying material system/template changes. A sample of statements are also reviewed prior to release to investors.	Inquired with management and inspected the template annual investor statement to corroborate that there were no changes to the template for the FY20/21 reporting period.	This control could not be tested as there was no instance during the period.
B20.2			
E15.2			

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>E16.2</b>			
<b>F17.2</b>			
<b>A18.3</b>	Daily reports are available to clients and advisers. These reports are downloaded by the client/adviser from the platform.	Observed the system functionality within AdminHUB for downloading daily reports by clients and advisers.	No deviations noted.
<b>B20.3</b>			
<b>E15.3</b>			
<b>E16.3</b>			
<b>F17.3</b>			
<b>A18.4</b>	Annual statements are prepared and the related controls are reviewed by an independent auditor.	Inspected the IDPS Report to test whether the independent auditor has reviewed the internal controls and other procedures as they relate to annual statements.	No deviations noted.
<b>B20.4</b>			
<b>E15.4</b>			
<b>E16.4</b>			
<b>F17.4</b>			
<b>D15.1</b>	Annual member statements are made available to clients and advisers via online portals (InvestorHUB and AdviserHUB) within regulatory timeframes.	Observed the system functionality to confirm it automatically produces annual investor statements.	No deviations noted.
<b>E15.5</b>		Inspected a sample of statements (one quarterly and one annual) and obtained evidence that the statements had been created and posted to the Client's online interface.	
<b>E16.5</b>		Inspected the Super Periodic Statement Checklist and obtained evidence of review by both the Super Administrator, Client Service Officer and the Products	



Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		team.	
<b>D15.2</b>	Member Data (Static information) and transaction data are reviewed annually by the Super Administration team in preparation for the production of periodic statements to members. Once Statements are produced, they are sample checked (data integrity) prior to dispatch to members.	Inspected the Integrity Check document that Super Administration maintains to determine that the member data has been checked by Super Administrator at the end of FY prior to annual statement issue.	No deviations noted.
<b>E15.6</b>			
<b>E16.6</b>			

## Taxation

Process and controls overview	<p>HUB24 conducts and annual review of its application of tax, inclusive of its non-resident withholding responsibilities.</p> <p>A sample of tax statements and positions at a member level is conducted manually to ensure correct application of law and policy.</p>
Relevant services	Investment Administration, Registry

Control objective(s)	<p>E17. Tax policy is updated and reviewed on a timely basis.</p> <p>E18. Tax information components and attributes used in the preparation of the income tax computation (current and deferred) are complete and calculated accurately in accordance with tax policy or as agreed with clients.</p> <p>F18. Withholding tax for non-residents, or where no TFN/ABN has been provided, is calculated completely, accurately and on a timely basis.</p>
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Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>E17.1</b> <b>E18.1</b>	The system has been developed to ensure that tax components are in line with current ATO legislation, in accordance with the tax policy contained in the current Product Disclosure statement (PDS) and the Tax Guide provided to investors with their annual statements.	<p>Observed an account set-up with tax components in AdminHUB to test whether the account details set-up can determine whether the tax will be withheld on certain investments.</p> <p>Inspected email communication from the external tax team to test whether a review was performed by the external tax team for the international tax rates and components set up in the system in accordance with the tax policy contained in the current Product Disclosure Statement (PDS) and the Tax Guide.</p>	No deviations noted.
<b>E17.2</b> <b>E18.2</b>	On an annual basis, the HUB24 team prepares and reviews the Tax Guide in alignment with legislative changes. An external tax specialist then reviews the Tax Guide to ensure it is in line with relevant Tax legislation.	Obtained email communication between the external tax accounting firm and investment management consultants to evidence that a tax review was performed by an external accounting firm during the period.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>E17.3</b>	<p>As per the current PDS, a quality control check is performed by the independent processor to ensure that all non-resident accounts are not accepted for taxation purposes to the Service unless otherwise approved by HUB24 CS.</p> <p>HUB24 CS maintains a List of Approved Countries for Non-Resident Investors for Tax Purposes. Tax guidance is sought prior to inclusion on the list if there is no DTA in place with Australia. A Responsible Manager or Chair of the HUBIC approves all new countries prior to accepting non-resident investors.</p>	<p>Selected a sample of non-resident accounts and inspected email communication to test whether quality control checks were performed to ensure that all non-resident accounts were not accepted for taxation purposes to the service unless otherwise approved.</p> <p>Obtained and inspected email evidence of a responsible manager's approval of a sample of new countries added to the approved country list maintained by HUB24 CS after consideration of tax guidance from external advisors.</p>	No deviations noted.
<b>E18.3</b>			No deviations noted.
<b>F18.1</b>			
<b>E18.4</b>	<p>Upon establishment of a new account for a non-resident investor, the country of residence is set up in AdminHub for tax purposes.</p>	Obtained and inspected the documented non-resident withholding tax procedure.	No deviations noted.
<b>F18.2</b>	<p>On a monthly basis, the Investment Administrator calculates and processes non-resident withholding tax in accordance with ATO requirements, which is then reviewed by a second Investment Administrator. On an annual basis an external accounting firm reviews the non-resident withholding tax rates to be applied.</p>	<p>Selected a sample of adjustments to withholding tax and inspected the withholding tax calculation report for non-residents to test whether calculations were performed and reviewed by a second investment administrator on a monthly basis.</p> <p>Inspected email communication that annual reviews are undertaken by external advisors to evidence appropriate rates are applied.</p>	
<b>E18.5</b>	<p>All IDPS clients applications are required to include a client Identification form in accordance with ATO/IRS requirements. The Platform Administrator will follow up with the client if a completed form is not held.</p>	<p>Selected a sample of new accounts and inspected applicants' Client Identification Form to evidence that the form was complete in accordance with ATO/IRS requirements.</p>	No deviations noted.
<b>F18.3</b>			

## Restricting Access to Systems and Data

Process and controls overview	<p>HUB24's registry systems are located in secure facility, with strong physical security provided by independent providers.</p> <p>HUB24 maintains a user access capability, across system, database and process. User roles are defined, with individuals assigned to predetermined roles, and system owner authorisation required. Separate onboarding and offboarding procedures are maintained to ensure currency and appropriateness of access. Regular reviews of system users and their access are completed.</p> <p>Job design and system access user roles are developed in such a way as to maintain an adequate separation of duties.</p>		
Relevant services	Information Technology		
Control objective(s)	<p>G1. Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>G2. Logical access to computer systems, programs, master data, client data, transaction data and parameters, including access by administrators to applications, databases, systems and networks, is restricted to authorised individuals via information security tools and techniques.</p> <p>G3. Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
G1.1	Access to locations where computer equipment is housed is physically secured. Entry to the registered office is restricted to employees or their guests via access card.	<p>Obtained and inspected ISO certifications for NextDC and Global Switch to test whether the physical security controls are in place.</p> <p>Obtained and inspected managements review of data centre access to test if this was performed.</p>	No deviations noted
G1.2	Data is stored off-site in a secure location.	<p>Obtained and inspected SLAs with relevant 3rd parties to test if these are in place.</p> <p>Obtained and inspected management review of data centre access to test if this was performed.</p>	No deviations noted

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>G2.1</b>	Access is approved by an appropriate level of management before access to the relevant information systems is granted. Access is granted to relevant system in accordance with responsibilities assigned.	Obtained and inspected samples of management approval for new and modified user access along with responsibilities to test if approval was obtained prior to access being granted, and that access was granted in accordance with responsibilities assigned.	<p>No deviations noted: AdminHUB and Acurity.</p> <p>Deviation noted. Temenos: Evidence of approvals and access granted for 5 out of 5 new users could not be obtained.</p> <p>Mitigating control at G7.2.</p> <p>Refer to section VI for management response.</p>
<b>G2.2</b>	Access is restricted via unique user ID and password.	<p>Observed to test if the in-scope systems and supporting infrastructure cannot be accessed without a valid user ID and password.</p> <p>Inspected the list of user ID's to test if they are all unique.</p>	No deviations noted.
<b>G2.3</b>	System access is appropriately revoked upon staff termination.	Obtained the HR employee termination listing and inspected the system user listings to test if terminated employees during the period of review had timely revocation of access rights to the in-scope systems and Windows Active Directory.	<p>No deviations noted: AdminHUB and Acurity.</p> <p>Deviations noted.</p> <p>Temenos: User access was granted to several staff members to support the implementation Temenos. Access was not removed following the completion of the project.</p> <p>Mitigating control at G7.2.</p>

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
			Refer to section VI for management response.
<b>G2.4</b>	The entity performs a review of active users annually to ensure access levels is as per agreed.	Inspected the user access reviews to test if a role-based review was performed of all users with access to the in-scope systems.	<p>No deviations noted: AdminHUB and Acurity.</p> <p>Deviation noted for Temenos: The user review did not pick up the users noted in G2.3.</p> <p>Mitigating control at G7.2.</p> <p>Refer to section VI for management response.</p>
<b>G3.1</b>	Level of access is restricted based on the specific role that staff have been assigned.	<p>Inspected the AdminHUB user listing to test if there is segregation of duties between users with access to develop changes and users with access to deploy changes into production is appropriately restricted.</p> <p>Inspected the Temenos user listing to test if there is segregation of duties between users with access to develop changes and users with access to deploy changes into production is appropriately restricted.</p> <p>Inspected the log of front-end configuration changes made to Temenos in the period to test if the developers had released into production.</p> <p>Obtained and inspected samples of management approval for new and modified user access to test if access is based on job role.</p> <p>Also supported by G2.4.</p>	<p>No deviations noted: AdminHUB and Acurity.</p> <p>Deviation noted</p> <p>Temenos: During the period under review users with administration rights within Temenos had the ability to implement front end configuration changes to the production environment.</p> <p>Mitigating control at G7.2.</p> <p>Refer to section VI for management response.</p>

## Maintaining and Developing Systems Hardware and Software

Process and controls overview	HUB24 maintains a change management policy and process to ensure adequate oversight and review of system development and releases. This includes a multilayered sign off process inclusive of business owners and senior management. It also includes risk assessments and testing.		
Relevant services	Information Technology		
Control objective(s)	<p>G7. Development and implementation of new systems, applications and software, and changes to existing systems, applications and software, are authorised, tested, approved, implemented and documented.</p> <p>G8. Data migration or modification is authorised, tested and once performed, reconciled back to the source data.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
<b>G7.1</b>	The system changes are governed by documented Change Management Procedures.	Inspected the "Change Management Request Process" to test if the change procedures were documented.	No deviations noted.
<b>G7.2</b>	Changes (business as usual, configuration and emergency) are appropriately planned and tested prior to release.	<p>Selected a sample of changes and inspected documentation which included requestor, User Acceptance Testing, approval and deployment details and compared with the approval date to test if the changes were planned, tested and approved prior to release.</p> <p>For segregation of duty related to technology changes, refer to Control G3.1.</p>	No deviations noted.
<b>G8.1</b>	Key project documents are approved by appropriate personnel and available for access by stakeholders of the project.	Inspected a sample of key project documents to test whether they were approved by appropriate personnel and made available to access by stakeholders of the project.	No deviations noted.
<b>G8.2</b>	Project steering committee meetings are held monthly to ensure that the project complies with the Project Charter,	Inspected a sample of monthly project Steering Committee meeting minutes and the accompanying	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
	provides direction, reviews progress, accepts deliverables and escalates issues.	information pack to test whether the project was being monitored for; compliance with the Project Charter, the projects overall progress, deliverables and any escalation of issues.	
<b>G8.3</b>	Management approves the results of conversion of data (e.g. balancing and reconciliation activities) from the old application systems or data structure and monitors that the conversion is performed in accordance with established conversion policies and procedures.	Inspected a sample of meeting minutes for approvals from management for the results of conversion of data from the old application systems or data structure to test whether management monitored the conversion performed in accordance with established conversion policies and procedures.	No deviations noted.



## Recovering from Processing Interruptions

Process and controls overview	<p>HUB24 has active 24/7 monitoring of its system and data, with error and issue identification and escalation procedures active.</p> <p>Data from HUB systems are risk assessed and backed up on a regular basis, with at least daily full backups to offsite separated locations.</p> <p>HUB24 maintains a Business Continuity and Disaster Recovery plan which is tested and updated at least annually, which covers a wider range of scenarios and recovery time objectives as short as 2 hours for high value time sensitive activities.</p>		
Relevant services	Information Technology		
Control objective(s)	<p>G9. Data and systems are backed up regularly offsite and tested for recoverability on a periodic basis.</p> <p>G10. IT hardware and software issues are monitored and resolved in a timely manner.</p> <p>G11. Business and information systems recovery plans are documented, approved, tested and maintained.</p>		
Control ID	Control activity	Deloitte Test procedures	Result of test procedures
G9.1	Daily differential backup and weekly full backup is performed outside business hours and stored off-site to provide recoverability. Monthly tape backups also occur.	Obtained and inspected a sample of backups to test if these were in place, and the backup was replicated offsite outside business hours.	No deviations noted.
G9.2	Daily and weekly and monthly backup schedules are also in place and documented.	Obtained and inspected daily, weekly and monthly backup schedules were in place and documented.	No deviations noted.
G9.3	Data backup is tested for recoverability on a yearly basis.	Obtained and inspected the Disaster (DR) testing to test if the data backup was tested for recoverability on a yearly basis.	No deviations noted.
G10.1	IT Hardware is under 24hr monitoring.	Obtained and inspected PRTG configurations screen shot e-mail alerts which are configured and sample e-mail notifications to test if this is in place.	No deviations noted.

Control ID	Control activity	Deloitte Test procedures	Result of test procedures
		Selected a sample of hardware notifications and inspected evidence to test if the notifications were monitored and addressed.	
<b>G10.2</b>	Software availability is monitored 24hrs and an email message is sent to appropriate staff when downtime is detected so that it can be actioned immediately.	<p>Obtained and inspected evidence of software monitoring tool and configuration details to test that this was in place.</p> <p>Selected a sample of software notifications and inspected evidence to test if the notifications were monitored and addressed.</p>	No deviations noted.
<b>G11.1</b>	Business Continuity Plan is in place, documented and tested.	Obtained and inspected the Business Continuity Plan to test if it was in place, documented and tested.	No deviations noted.

## SECTION IV

### INDEPENDENT SERVICE AUDITOR'S REPORT

# Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness

To the Directors of HUB24 Custodial Services Ltd.

## *Opinion*

We have been engaged to report on HUB24 Custodial Services Limited's ("HUB24 CS's") description in Section II of its custody, asset management, superannuation member administration, investment administration and registry system for processing customers' transactions throughout the period from 1 July 2021 to 30 June 2022 (the description), the accompanying statement in Section I and on the design and operation of controls related to the control objectives stated in Section III.

In our opinion, in all material respects, based on the criteria included in the Statement in Section I:

- (a) the description in Section II fairly presents the custody, asset management, superannuation member administration, investment administration and registry system as designed and implemented throughout the period from 1 July 2021 to 30 June 2022;
- (b) the controls related to the control objectives stated in Section III were suitably designed throughout the period from 1 July 2021 to 30 June 2022; and
- (c) The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in Section III were achieved, operated effectively throughout the period from 1 July 2021 to 30 June 2022.

## *Basis of Opinion*

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3402 *Assurance Reports on Controls at a Service Organisation*, and with reference to Guidance Statement *GS 007 Audit Implications of the Use of Service Organisations for Investment Management Services*, issued by the Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls are suitably designed and operating effectively.

We have not evaluated the suitability of design or operating effectiveness of complementary user entity controls. The control objectives stated in the service organisation's description of its system can be achieved only if complementary user entity controls are suitably designed or operating effectively, along with the controls at the service organisation

BNP Paribas and Clearstream are subservice organisations that perform sub-custodial services in respect of the holding and safe keeping of assets. HUB24 CS has also appointed Global Switch and NextDC to provide primary and secondary data centre facilities in Sydney and Melbourne respectively, and LoopSecure to provide IT security monitoring, detection, analysis, response and advice services. Temenos, a Software as a Service tool, is used to support the client onboarding process. The carve-out method has been used in relation to all of these sub-service organisations.

HUB24 CS's description of its system excludes the control objectives and related controls at relevant subservice organisations, consequently our procedures did not extend to controls at the subservice organisations.

Our opinion has been formed on the basis of the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *HUB24 CS's responsibilities*

HUB24 Custodial Services Limited is responsible for: preparing the description and accompanying statement in Section II and Section I respectively, including the completeness, accuracy and method of presentation of the description and statement; providing the services covered by the description; stating the control objectives in Section III; and designing, implementing and effectively operating controls to achieve the stated control objectives.

## *Our independence and quality control*

We have complied with independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* in undertaking this assurance engagement.

## *Service auditor's responsibilities*

Our responsibility is to express an opinion on HUB24 Custodial Services Limited's description and on the design and operation of controls related to the control objectives stated in Section III based on our procedures.

An assurance engagement to report on the description, design and operating effectiveness of controls at a service organisation involves performing procedures to obtain evidence about the disclosures in the service organisation's description of its system, and the design and operating effectiveness of controls. The procedures selected depend on our judgement, including the assessment of the risks that the description is not fairly presented, and that controls are not suitably designed or operating effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the control objectives stated in Section III were achieved. An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the objectives stated in Section III, and the suitability of the criteria specified by the service organisation and described in Section I.

In evaluating the suitability of the objectives stated in the description, we have determined whether each of the minimum control objectives provided in GS 007 for custody, asset management, superannuation member administration, investment administration, registry and information technology is included, or, if any of them are omitted or amended, that the reason for the omission or amendment is adequately disclosed in the description.

## *Limitations of controls at a Service organisation*

HUB24 CS's description is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the system that each individual customer may consider important in its own particular environment. Also, because of their nature, controls at a service organisation may not prevent or detect all errors or omissions in processing or reporting transactions. Also, the projection of any evaluation of effectiveness to future years is subject to the risk that controls at a service organisation may become inadequate or fail.

## *Description of Tests of Controls*

The specific controls tested and the nature, timing and results of those tests are listed in Section III.

#### *Other information*

Management is responsible for the other information. The other information comprises the information included in Section VI for the year ended 30 June 2022, but does not include the statement in Section I, description in Section II, and the control objectives and controls stated in Section III and our service auditor's report thereon.

Our opinion on the description in Section II and on the design and operation of controls related to the control objectives stated in Section III does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our assurance engagement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the description in Section II or our knowledge obtained during the assurance engagement, or otherwise appears to be materially inconsistent or contains a material misstatement of fact. If, based on the work we have performed, we conclude that there is a material inconsistency or a material misstatement of fact of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Other matter*

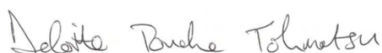
For some control objectives, the relevant controls did not operate because the transactions relevant to the controls did not occur during the period 1 July 2021 to 30 June 2022. Accordingly, we did not test the operating effectiveness of these controls due to the absence of relevant transactions. The instances where our testing was not applicable are set out in Section III.

#### *Intended Users and Purpose*

This report and the description of tests of controls in Section III are intended only for customers who have used HUB24 CS's custody, asset management, superannuation member administration, investment administration and registry system, and their auditors, who have a sufficient understanding to consider it, along with other information including information about controls operated by customers themselves, when assessing the risks of material misstatements of customers' financial reports/statements.

#### *Restriction of distribution and use*

We disclaim any assumption of responsibility for any reliance on this report to any person other than HUB24 CS's customers and their auditors or for any purpose other than that for which it was prepared. This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity.



DELOITTE TOUCHE TOHMATSU



James Oliver  
Partner  
Chartered Accountants  
Melbourne, 21 September 2022

## SECTION V

### OVERVIEW OF THE WORK PERFORMED BY THE AUDITOR

## SECTION V

### OVERVIEW OF THE WORK PERFORMED BY THE AUDITOR

#### Introduction

This report on the description of the system is intended to provide customers and their auditors with information for their evaluation of the effect of a service organisation on a customer's internal control relating to HUB24 CS's controls over Custody, Asset Management, Superannuation Member Administration, Investment Administration and Registry system throughout the period 1 July 2021 to 30 June 2022.

Deloitte Touche Tohmatsu's engagement was conducted in accordance with the Standard on Assurance Engagements 3402, *Assurance Reports on Controls at a Service Organisation*, issued by the Auditing and Assurance Standards Board. Testing of HUB24 CS's controls was restricted to the control objectives and related control activities listed in Section III and was not extended to controls that may be in effect at user organisations.

Deloitte Touche Tohmatsu's work was carried out at the premises of HUB24 CS at Level 2, 7 Macquarie Place, Sydney NSW 2000 and off site through the use of various technologies as a result of the working restrictions caused by COVID-19. The scope of work was based on criteria (control objectives) agreed with management of HUB24 CS prior to the commencement of work.

Deloitte Touche Tohmatsu's report does not include controls at BNP Paribas and Clearstream, subservice organisations that provides sub-custodial services in respect of the holding and safe keeping of assets or complementary user entity controls.

#### Control environment elements

The control environment sets the tone of an organisation, influencing the control consciousness of its people. It is the foundation for other components of internal control, providing discipline and structure. In addition to the tests of design, implementation, and operating effectiveness of controls identified by HUB24 CS our procedures included tests of elements of HUB24 CS's control environment described in Section II.

Such tests included inquiry of the appropriate management, supervisory, and staff personnel; observation of HUB24 CS's activities and operations, inspection of HUB24 CS's documents and records, and re-performance of the application of HUB24 CS's controls. The results of these tests were considered in planning the nature, timing, and extent of testing of the control activities described in Section III.

#### Obtaining Evidence Regarding the Description

Deloitte Touche Tohmatsu obtained and read the service organisation's description of its system in Section II, and evaluated whether those aspects of the description included in the scope of the engagement are fairly presented, including whether:

- (a) Control objectives stated in the service organisation's description of its system are reasonable in the circumstances;
- (b) Controls identified in that description were implemented;
- (c) Complementary user entity controls, if any, are adequately described; and



- (d) Services performed by a subservice organisation, if any, are adequately described, including whether the inclusive method or the carve-out method has been used in relation to them.

### Obtaining Evidence Regarding Design of Controls

In determining which of the controls at the service organisation are necessary to achieve the control objectives stated in the service organisation's description of its system, Deloitte Touche Tohmatsu assessed whether those controls were suitably designed. This included:

- (a) Identifying the risks that threaten the achievement of the control objectives stated in the service organisation's description of its system; and
- (b) Evaluating the linkage of controls identified in the service organisation's description of its system with those risks. Some of the considerations Deloitte Touche Tohmatsu took into account included:
  - a) Appropriateness of the purpose of the control and its correlation to the risk/assertion
  - b) Competence and authority of the person(s) performing the control
  - c) Frequency and consistency with which the control is performed
  - d) Level of aggregation and predictability
  - e) Criteria for investigation (i.e. threshold) and process for follow-Up

### Tests of operating effectiveness

Deloitte Touche Tohmatsu's tests of the controls were designed to cover a representative number of transactions throughout the period from 1 July 2021 to 30 June 2022. In determining the nature, timing and extent of tests we considered the following:

- a) Nature and frequency of the controls being tested
- b) Types of available evidential matter
- c) Nature of the control objectives to be achieved
- d) Assessed level of control risk
- e) Expected effectiveness of the test, and
- f) Results of tests of the control environment.

Testing the accuracy and completeness of information provided by HUB24 CS is also part of the testing procedures performed. Information we utilized as evidence may have included, but was not limited to:

- Standard "out of the box" reports as configured within the system
- Parameter-driven reports generated by the systems
- Custom-developed reports that are not standard to the application such as scripts, report writers, and queries
- Spreadsheets that include relevant information utilised for the performance or testing of a control
- HUB24 CS prepared analyses, schedules, or other evidence manually prepared and utilized by HUB24 CS.

While these procedures may not be specifically called out in the test procedures listed in Section III, they may be completed as a component of testing to support the evaluation of whether or not the information is sufficiently precise and detailed for purposes of fully testing the controls identified by HUB24 CS.

### Description of testing procedures performed

Deloitte performed a variety of tests relating to the controls listed in Section III throughout the period from 1 July 2021 to 30 June 2022. The tests were performed on controls as they existed during this period and were applied to those controls relating to control objectives specified by HUB24 CS.

Tests performed for the purpose of this report may have included, but were not limited to those described below:

Test	Description
<b>Inquiry</b>	Conducted detailed interviews with relevant personnel to obtain evidence that the control was in operation during the report period and is accompanied by other procedures noted below that are necessary to corroborate the information derived from the inquiry.
<b>Observation</b>	Observed the performance of the control multiple times throughout the report period to evidence application of the specific control activity.

<b>Inspection of documentation</b>	If the performance of the control is documented, inspected documents and reports indicating performance of the control.
<b>Reperformance of monitoring activities or manual controls</b>	Obtained documents used in the monitoring activity or manual control activity and independently reperformed the procedures. Compared any deviation items identified with those identified by the responsible control owner.
<b>Reperformance of programmed processing</b>	Input test data, manually calculated expected results, and compared actual results of processing to expectations.

## Sampling Methodology

In terms of frequency of the performance of the control by HUB24 CS, we consider the following guidance when planning the extent of tests of control for specific types of control.

- The purpose of the procedure and the characteristics of the population from which the sample will be drawn when designing the sample;
- Determine a sample size sufficient to reduce sampling risk to an appropriately low level;
- Select items for the sample in such a way that each sampling unit in the population has a chance of selection;
- If a designed procedure is not applicable to a selected item, perform the procedure on a replacement item; and
- If unable to apply the designed procedures, or suitable alternative procedures, to a selected item, treat that item as a deviation.

The following guidelines are at a minimum followed in performing the test of controls:

<b>Frequency of control activity</b>	<b>Minimum sample size</b>
<b>Annual</b>	1
<b>Quarterly</b>	2
<b>Monthly</b>	2
<b>Weekly</b>	5
<b>Daily</b>	15
<b>Many times per day</b>	25
<b>Automated Controls</b>	Test one instance of each automated control.
<b>Indirect Controls (e.g., indirect entity-level controls, general IT controls)</b>	For those indirect entity-level controls that do not themselves directly address risks of material misstatement, the above is the suggested minimum sample size for the test of operating effectiveness.  In the event that the indirect control is directly responsive to the control objective, the above is the minimum sample size for the test of operating effectiveness.
<b>* The table assumes zero deviations.</b>	

The nature and cause of deviations identified (if any), were evaluated to conclude on whether the deviations are material individually or in combination.

## Reporting on results of testing

In most instances, controls are performed in the same manner and with the same degree of intensity for all customers. For this reason, samples were chosen from the whole population of HUB24 CS transactions. We do not have the ability to determine whether a deviation will be relevant to a particular user, consequently all deviations are reported.

## Results of testing

The concept of effectiveness of the operation of controls recognises that some deviations in the way controls are applied by HUB24 CS may occur. Deviations from prescribed controls may be caused by such factors as changes in key personnel, significant seasonal fluctuations volume of transactions and human error.

We use judgement in considering the overall operating effectiveness of the control by considering the number of deviations detected, the potential significance of the financial statement effect, as well as other qualitative aspects of the deviations such as the cause of the deviation.

When we identify a deviation for a periodic or automated control, we consider whether other controls / mitigating controls may provide the evidence we require.

If we find a single deviation in the initial sample for a recurring manual control operating multiple times per day, when we did not expect to find control deviations, we consider whether the deviation is representative of systematic or intentional deviations.

## SECTION VI

OTHER INFORMATION PROVIDED BY THE SERVICE ORGANISATION THAT DOES NOT FORM PART OF  
DELOITTE TOUCHE TOHMATSU'S OPINION

## Section VI: Other Information provided by the Service Organisation that does not form part of Deloitte Touche Tohmatsu's Opinion

The information included in this Section of the report is presented by HUB24 CS to provide additional information to customers and is not part of the HUB24 CS's description of the system nor the Service Auditor's Assurance Report.

The information included in this Section has not been subjected to the test procedures performed by the service auditor as detailed in Section III, accordingly, Deloitte Touche Tohmatsu does not express an opinion on it.

### Management's response to deviations noted:

Control Reference	Control Activity	Deviation Noted	Management Response
G2.1	Access is approved by an appropriate level of management before access to the relevant information systems is granted. Access is granted to relevant system in accordance with responsibilities assigned.	<p>Temenos: Evidence of approvals and access granted for 5 out of 5 new users could not be obtained.</p> <p>Mitigating controls at G7.2.</p> <p>Mitigating control: no front-end configurations were implemented by developers. For these changes, the developers and the implementers are part of separate teams.</p>	<p>During the assessment period, the identified users were created to provide technical support for the launch of Online Application Forms, which is supported by Temenos technology.</p> <p>The audit logs for Temenos have been inspected and it has been confirmed that all deployment to production was performed by authorised members of the HUB24 AppSupport team.</p> <p>HUB24 is incorporating Temenos into its workflow enabled onboarding/offboarding and User Access Review (UAR) processes, which will ensure robust, repeatable and reportable execution of the control. Additionally, HUB24and has appointed a</p>

Control Reference	Control Activity	Deviation Noted	Management Response
			Business System Owner (BSO) who will be responsible for request and approval criteria as well as oversight and completion of the UAR.
G2.3	System access is appropriately revoked upon staff termination.	<p>User access was granted to several staff members to support the implementation Temenos. Access was not removed following the completion of the project.'</p> <p>Mitigating controls at G7.2.</p> <p>Mitigating control: no front-end configurations were implemented by developers. For these changes, the developers and the implementers are part of separate teams.</p>	<p>Two identified users, that had been created to provide technical support for the launch of Online Application Forms and were still active at the time of the review.</p> <p>The audit logs for Temenos have been inspected and it has been confirmed that all deployment to production was performed by authorised members of the HUB24 AppSupport team.</p> <p>HUB24 is incorporating Temenos into its workflow enabled onboarding/offboarding and User Access Review (UAR) processes, which will ensure robust, repeatable and reportable execution of the control. Additionally, HUB24 has appointed a Business System Owner (BSO) who will be responsible for request and approval criteria as well as oversight and completion of the UAR.</p>
G2.4	The entity performs a review of active users annually to ensure access levels is as per agreed.	<p>Temenos: The user review did not pick up the users noted in G2.3.</p> <p>Mitigating controls at G7.2.</p>	<p>Two identified users, that had been created to provide technical support for the launch of Online Application Forms and were still active at the time of the review.</p> <p>The audit logs for Temenos have been inspected and it has been confirmed that all deployment to production was performed by authorised members of the HUB24 AppSupport team.</p> <p>HUB24 is incorporating Temenos into its workflow enabled onboarding/offboarding and User Access Review (UAR) processes, which will ensure robust,</p>

Control Reference	Control Activity	Deviation Noted	Management Response
			repeatable and reportable execution of the control. Additionally, HUB24 has appointed a Business System Owner (BSO) who will be responsible for request and approval criteria as well as oversight and completion of the UAR
G3.1	Access is restricted to appropriate users by the job roles and there exists segregation of duties with IT.	<p>Temenos: During the period under review users with administration rights within Temenos had the ability to implement front end configuration changes to the production environment.</p> <p>Mitigating controls at G7.2.</p> <p>Mitigating control: no front-end configurations were implemented by developers. For these changes, the developers and the implementers are part of separate teams.</p>	<p>During the period of assessment, it was necessary for the users to have administration rights to support the launch of the Online Application Forms and provide troubleshooting assistance for their implementation. These privileges have been removed from standard users and only appropriate support team members have administration rights.</p> <p>The audit logs for Temenos have been inspected and it has been confirmed that all deployment to production was performed by authorised members of the HUB24 AppSupport team.</p> <p>No unauthorised changes were found during the audit period.</p>

## APPENDIX A. ABBREVIATION AND ACRONYMS

<b>ABN</b>	Australian Business Number
<b>AML</b>	Anti-money Laundering
<b>APL</b>	Approved Product Listing
<b>ARCC</b>	Audit, Risk and Compliance Committee
<b>ASX</b>	Australian Securities Exchange
<b>ATO</b>	Australian Taxation Office
<b>AUASB</b>	Auditing and Assurance Standards Board
<b>CFO</b>	Chief Financial Officer
<b>CTF</b>	Counter-terrorism Financing
<b>DDC</b>	HUB24 CS Due Diligence Committee
<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>HUBIC</b>	HUB24 CS Investment Committee
<b>IDPS</b>	Investor Directed Portfolio Service
<b>KYC</b>	Know Your Customer
<b>PDS</b>	Product Disclosure Statement
<b>R&amp;CC</b>	HUB24 CS Risk and Compliance Committee
<b>S&amp;P</b>	Standard and Poor's
<b>SPS</b>	Superannuation Prudential Standards
<b>TFN</b>	Tax File Number