



# Independent Review of icare's Improvement Program

*Progress in Addressing the McDougall and GAC Recommendations*

Prepared by Promontory Australia, a business unit of IBM Consulting

## Closure Memo

7 February 2025

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## Independent Review of icare's Improvement Program

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*Promontory Australia, a business unit of IBM Consulting (**Promontory, we or us**), has been engaged to provide independent assurance over icare's Improvement Program as it relates to the McDougall and GAC Recommendations.*

*These independent assurance services include reviewing and providing a report on the establishment of the Improvement Program. They also include preparing quarterly updates that provide assurance over icare's progress in implementing the Improvement Program as it relates to the McDougall and GAC Recommendations.*

*This is our Closure Memo on the Improvement Program.*

*Representatives of icare have reviewed a draft version of this report for the purposes of identifying possible factual errors. Promontory is responsible for final judgement on all views and information in this report.*

*This report is provided solely for the purposes described above. Promontory's assurance role may not incorporate all matters that might be pertinent or necessary to a third party's evaluation of icare's Improvement Program or any information contained in this report. No third-party beneficiary rights are granted or intended. Any use of this report by a third party is made at the third party's own risk.*

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## Abbreviations & Definitions

Abbreviation	Definition
Attestation	SIRA's Customer Service Conduct Principles Attestation
BAU	Business As Usual
BRC	Board Risk Committee
Closure Memo or Memo	Our closing memo dated 7 February 2025 on icare's Improvement Program
Closure Pack	A pack of documents provided to Promontory for assessment, that includes a description of the actions icare has undertaken and supporting evidence that demonstrates the effectiveness of those actions.
CRM	Customer Relationship Management
CRM Complaints Module, or Module	Customer Relationship Management Complaints Module
CSA	Control Self-Assessment
CSAT	A measure used to track customer satisfaction
CSCP	SIRA's Customer Service Conduct Principles
CSP or CSPs	Claims Service Provider or Providers
CX	Customer Experience
Definitions of Done	The tasks which need to occur for a Milestone to be Completed
EI	Enterprise Improvement
Final Report	Our eleventh quarterly update and final Report dated 31 July 2024 on icare's Improvement Program
GAC	Governance, Accountability and Culture
GAC Recommendations	The 76 recommendations made in the GAC Report that are relevant to icare
GAC Review	PwC's Independent Review of icare's governance, accountability and culture
GET	Group Executive Team
icare	Insurance and Care NSW
Improvement Program	icare's program of work to, among other things, address the McDougall Recommendations and GAC Recommendations
Initiatives	High-level remedial activities to be undertaken within the Streams
McDougall Recommendations	The 31 recommendations made in the McDougall Report that are relevant to icare
McDougall Review	Statutory review of icare and the State Insurance and Care Governance Act 2015 Independent Review
Milestones	The specific actions that icare will complete within the Initiatives
NPS	Net Promoter Score

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Abbreviation	Definition
Phase or Initiative Phase	High-level collection of activities within an Initiative. Each Initiative has Design, Implement and Embed phases
Program	The Improvement Program
Promontory or we	Promontory Australia, a business unit of IBM Consulting
QPR	Quarterly Performance Review
RCC	Risk and Compliance Committee
Recommendations	The McDougall Recommendations and GAC Recommendations
Reporting Period	The period from 1 July 2024 to 31 January 2025
Risk Connect	icare's risk management IT system
SIRA	State Insurance Regulatory Authority
Streams	Streams of work, which are thematic areas of work icare is completing to address the Recommendations
Target State	A description of how icare intends to operate once the gaps and weaknesses are adequately addressed

## 1. Executive Summary

This Closure Memo is the final report required of Promontory as Independent Reviewer of the Insurance and Care NSW (**icare**) activities on the Improvement Program (**Program**). The Program represented a significant undertaking by icare, addressing 107 Recommendations in response to the Governance, Accountability and Culture (**GAC**) and McDougall Reviews. This Closure Memo covers three Streams and eight Recommendations which remained open following closure of the Improvement Program on 30 June 2024. Promontory's Final Report<sup>1</sup> on the Improvement Program was issued on 31 July 2024 and provides details on the Program and the outcomes achieved.

Notwithstanding the significant achievements of the Improvement Program, at Program closure on 30 June 2024, five Embed Initiatives within the Enterprise Improvement Sub-Program<sup>2</sup> (**EI Sub-Program**) (across the Risk Uplift and Customer Uplift Streams) and eight Recommendations (across the Risk Uplift, Customer Uplift and Enterprise Sustainability Streams) remained open. These Initiatives were complex, requiring additional time to be fully embedded into Business as Usual (**BAU**). Promontory notes that the extended timeframe was not a reflection of the quality of work completed or the appropriateness of icare's delivery approach. Rather, in line with Promontory's feedback, icare made the decision to extend the Program's closure and prioritise completing the outstanding work to the required level of quality.

For the Risk Uplift Stream, more time was needed to embed processes for addressing ineffective controls as part of the Control Self-Assessment (**CSA**) process and further develop the Obligations Register and its associated review processes. This work was needed to address two Recommendations.

For the Customer Uplift Stream, the remaining work related to embedding the Customer Relationship Management (**CRM**) Complaints Module across Claims Service Providers (**CSPs**) and icare completing another cycle of refreshed customer reporting, and ensuring that customer controls had been fully embedded. This work was needed to address four Recommendations.

The remaining two Recommendations were addressed by the Enterprise Sustainability Stream, for which the remaining work related to public reporting of transformation expenditure and benefits.

These remaining Initiatives and Recommendations were initially assessed as 'Incomplete' on Program closure. Sustainability assessments for the Risk Uplift, Customer Uplift and Enterprise Sustainability Streams were required to remain open until this work was completed.

Following the Program's closure, icare extended Promontory's engagement and we continued to provide assurance over the remaining work until all Recommendations were assessed as complete and effective. Between August and December 2024, icare regularly updated Promontory on progress

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<sup>1</sup> Our Final Report can be found [here](#)

<sup>2</sup> The Improvement Program consisted of two sub programs. The EI Sub-Program, aimed to address the Recommendations of the Reviews that apply across the whole icare organisation. The Nominal Insurer Improvement Sub-Program, aimed to address the Recommendations of the Reviews that apply to the NI Scheme.

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of the remaining activities. During this period, our review included regular interviews with key stakeholders, attendance as observers at Board, the Group Executive Team (**GET**) and other governance forum meetings, and a review of written responses and supporting evidence of the completion of outstanding activities and outcomes.

Throughout this period, icare also implemented an organisational restructure, with impacts to team structures and ownership and distribution of risks and controls across the organisation. Notwithstanding the challenges posed by this transition, icare remained committed to completing the outstanding work at the required level of quality. This demonstrates icare's ability to stay the course, which will be important for ensuring sustainability in a changing environment.

Promontory completed its assessment of the five remaining Embed Initiatives and the eight remaining Recommendations in December 2024, with all assessed as complete and effective. The three remaining sustainability assessments were completed in January 2025.

We acknowledge the significant progress made by icare in addressing the outstanding work identified in our Final Report. Substantial improvements have been achieved. Going forward, it is essential that icare remains committed to sustaining momentum to maintain and improve upon the outcomes achieved. Ongoing vigilance, disciplined execution of established processes, and strong governance will be critical to ensuring that the reforms deliver lasting benefits. By maintaining a focus on continuous improvement and accountability, the organisation can build on this foundation to drive meaningful long-term outcomes for its customers.

## 2. Post Program Commitments

### 2.1. Background

This section summarises the work completed since the closure of the Program and provides suggestions for further improvements going forward for the Risk Uplift and Customer Uplift Streams.

The table below provides detail on the Initiatives and Recommendations that remained open following Program closure.

**Table 2.1: Initiatives and Recommendations that remained open as at 30 June 2024**

Stream	Open Embed Initiatives	Linked Open Recommendations
Risk Uplift	2.3 Enterprise and Business Unit Risk Profiles	GAC Recommendation 17
	2.5 Enterprise Obligations Register	GAC Recommendation 20
Customer Uplift	4.3 Complaints Uplift	GAC Recommendation 42
	4.4 CRM Complaints Uplift	
	4.5 Customer Governance @ icare	GAC Recommendations 5, 6 and 15
Enterprise Sustainability	There are no open Embed Initiatives for this Stream.	McDougall Recommendations 28 and 32

### 2.2. Risk Uplift

Our Final Report identified the need for the Risk Uplift Stream to embed processes for addressing ineffective controls as part of the CSA process and further develop the Obligations Register and its associated review processes.

#### 2.2.1. Outcomes

It is our view that icare has successfully embedded the CSA process into BAU with assessments occurring in line with due dates recorded in Risk Connect (icare’s risk management IT system). For controls identified as ineffective, action plans are developed and documented in Risk Connect with assigned due dates to facilitate monitoring and reporting. The resolution of these action plans is managed through the Incident and Issue Management process. Additionally, a Controls Hygiene Dashboard, developed by Line 2 Risk and Compliance, is used to monitor control data hygiene (including ineffective controls without action plans) and tracks upcoming or overdue CSAs.



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Between August 2024 and December 2024, Promontory observed several forums where risk and compliance matters were reported and discussed, including Board, GET and Risk and Compliance Committee (**RCC**) meetings. These discussions demonstrated robust challenge and scrutiny regarding outstanding control rectification efforts, with appropriate emphasis on key risk areas. The tone of discussions among GET members and the messaging from the Group Executive, Risk and Governance reinforced that control rectification and ongoing CSA testing were treated as BAU activities rather than tasks specific to the EI Sub-Program.

Processes for managing the Obligations Register have been revised to streamline requirements. The requirement for mandatory Obligation Self-Assessments has been removed, replaced by an annual review conducted by icare's Legal team to ensure the completeness of obligations captured in Risk Connect. Line 2 Compliance also performs a comprehensive review of the Obligations Register, ensuring all obligations have assigned owners and mapped controls. This process is further supported by a quarterly check-in by Line 2 Compliance. The outcomes of these reviews are reported to the Group Executive, Risk and Governance and key forums for risk and compliance oversight.

As a result of these efforts, all outstanding work identified in the Initial Assessments has been addressed. The Embed Phases for Initiatives 2.3 and 2.5, along with GAC Recommendations 17 and 20, have been reassessed as complete and effective. The sustainability assessment for the Risk Uplift Stream has also been finalised, confirming that Stream sustainability mechanisms have been established (refer to Section 3 for further details).

### 2.2.2. Looking Forward

The work completed by icare in the Risk Uplift Stream has addressed critical gaps in icare's risk profiling and obligations processes and resulted in the embedment of these key risk management processes into BAU. However, the journey of risk uplift must continue beyond the closure of this Stream. It will be important for icare to maintain the momentum achieved to date and ensure that ongoing structural changes do not disrupt progress. Notwithstanding these achievements, there are opportunities for ongoing improvement, including:

- ensuring there is consistent consideration of the results of CSAs in the Business Unit Risk Profile and Enterprise Top Risk Profile reviews;
- exploring industry shifts towards control automation and continuous monitoring to enhance the efficiency and effectiveness of controls;
- refining obligations management processes to ensure they remain forward-looking, with a strong focus on anticipating and proactively addressing regulatory changes; and
- continuing to leverage technology to improve visibility, accountability, and integration of obligations management into BAU processes.

By focusing on these areas, icare can further solidify the foundations of robust risk management and align to evolving industry better practice.

## 2.3. Customer Uplift

Our Final Report identified that the Customer Uplift Stream needed to ensure the complete adoption of the CRM Complaints Module across CSPs, complete another cycle of refreshed customer reporting, and ensure that customer controls have been fully embedded.

### 2.3.1. Outcomes

The CRM Complaints Module is now fully in use by all CSPs and the icare claims team, with embedding activities, including training, completed by 30 September 2024 under the oversight of the Customer Advocate. In line with expectations, there has been an increase in Level 1<sup>3</sup> complaint volumes with frontline teams now consistently recording Level 1 complaints through the new processes. Based on our attendance as observers, we noted that the CSP Customer Sub-Committee meetings include robust discussion on complaints volumes, trends and insights flowing from the use of the CRM Complaints Module. The Module has also been fully embedded in icare's Scheme complaints teams, with the Enterprise Complaints Dashboard providing reporting and insights on all Level 1 complaints received.

The 2024 Complaints Maturity Assessment, conducted by the Customer Advocate, was presented to the Board in November 2024, with high scores for implementation and quality of adherence to standards, showing a significant improvement from prior year assessments.

Comprehensive reporting on complaints and customer performance continues to be provided to the Board and GET, as well as deep dive reports on relevant customer topics. The regular reporting continues to provide data, trends, and insights for each Scheme across the customer elements of Conduct (e.g., complaints), Experience (e.g., Customer Satisfaction (**CSAT**) and Customer Experience (**CX**) measures) and Service (e.g., timeliness and quality).

Between August 2024 and October 2024, Promontory observed various forums where complaints management, customer performance and outcomes, and customer uplift activities were reported and discussed (including Board meetings, GET meetings, Quarterly Performance Reviews (**QPRs**), and a Customer Complaints Forum). In all these forums, we observed a strong level of discussion and challenge, and a strong focus on improving customer outcomes.

Customer controls have been documented in Risk Connect, with oversight from the Customer Advocate and Line 2. This includes the Complaint Controls, Customer Service Conduct Principles (**CSCP**) Controls and the Customer Advocate Monitoring and Oversight Controls. CSAs for Customer Complaint Controls were conducted in August 2024. The Customer Advocate conducted monitoring and oversight activities, reporting findings to the Board and GET, with Line 2 assurance over the Customer Complaint Control CSAs. Monitoring and Oversight Controls have all been assessed as effective as set out in the testing schedule.

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<sup>3</sup> Level 1 complaints are received, managed and resolved by frontline teams.

The 2024 State Insurance Regulatory Authority (**SIRA**) CSCP Attestation (**Attestation**) process was completed, with an unqualified Attestation submitted to SIRA on 31 October 2024. Control testing to support the Attestation was conducted by Line 1, with assurance reviews by Line 2 and monitoring activities by the Customer Advocate Office embedded into BAU processes.

As a result of these efforts, all outstanding work identified in the Initial Assessments has been addressed. The Embed Phases for Initiatives 4.3, 4.4 and 4.5 and GAC Recommendations 5, 6, 15, and 42 were reassessed as complete and effective. The sustainability assessment for the Customer Uplift Stream was also completed noting that Stream sustainability mechanisms have been established (refer to Section 3 for further details).

### **2.3.2. Looking Forward**

The work completed by icare over the last six months has further contributed to the voice of the customer resonating strongly across the organisation. However, the customer uplift journey must continue beyond the closure of the Stream. It will also be important that the recent organisational changes do not affect the momentum of uplift initiatives. Notwithstanding the achievements noted above, there are opportunities for ongoing improvement including:

- further refinement to increase the effectiveness of Customer Controls;
- work to enhance the consistency of recording and responding to complaints across Schemes and by the CSPs;
- ongoing enhancements to the CSCP Attestation process, including increased engagement with CSPs; and
- further building on feedback loops established so that icare continues to learn from the wealth of customer data and respond efficiently and effectively to further improve customer outcomes.

### **2.4. Enterprise Sustainability**

At the closure of the Program, two McDougall Recommendations remained open, both relating to public reporting of transformation expenditure and benefits.

icare's 2023-24 Annual Report released on 26 November 2024 included details on transformation expenditure, as well as financial benefits and non-financial benefits. icare intends to continue to publicly report on this information annually through the Annual Report.

As a result, all outstanding work identified in the Initial Assessments has been addressed. McDougall Recommendations 28 and 32 were assessed as complete and effective. The sustainability assessment for the Enterprise Sustainability Stream was also completed noting that Stream sustainability mechanisms have been established (refer to Section 3 for further details).

### 3. Assessments

This section provides details on Promontory’s assessment of Initiative Phases, Recommendations and Sustainability completed between 1 July 2024 and 31 January 2025 (**Reporting Period**).

#### 3.1. Initiative Phase Assessments

During the Reporting Period, Promontory completed its assessment<sup>4</sup> of five Embed Phases (refer to Table 3.1 below). These Phases were assessed as complete and effective. We provide summaries of our assessment of these activities below.

*Table 3.1 Phases assessed as complete and effective during the Reporting Period*

El Stream	Initiative	Phase	Phase Closure Date
Risk Uplift	2.3	Embed	10 December 2024
Risk Uplift	2.5	Embed	10 December 2024
Customer Uplift	4.3	Embed	6 December 2024
Customer Uplift	4.4	Embed	6 December 2024
Customer Uplift	4.5	Embed	6 December 2024

##### 3.1.1. Risk Uplift - Assessment of Initiative 2.3 Embed Phase

The Embed Phase of Initiative 2.3 requires icare to embed the Enterprise Top Risk Profile and Business Unit Risk Profiles.

Work completed by icare in relation to this Phase included:

- formally reviewing the Enterprise Top Risk Profile on a quarterly basis in line with the established processes;
- reporting on Business Unit Risk Profiles and the Enterprise Top Risk Profile to the GET on a monthly basis and to the Board Risk Committee (**BRC**) on a quarterly basis;
- formally reviewing the Business Unit Risk Profiles in line with the established process and cadence (noting that the established cadence was quarterly during the period from December 2021 to August 2023 and has now shifted to a biannual review cadence); and

<sup>4</sup> Appendix 3 of Promontory’s Final Report outlined our approach to assessing Initiatives.

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- conducting CSAs over all key controls and establishing an enterprise-wide plan for addressing ineffective controls.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- evidence of the continued CSA testing across icare;
- processes for the monitoring and oversight over the rectification of ineffective controls;
- evidence of control rectification; and
- evidence of consideration of CSA results in the Business Unit Risk Profile reviews and the Enterprise Top Risk Profile review.

Promontory conducted the following additional activities to support our assessment:

- met with risk and control owners to discuss the Business Unit Risk Profile review process and control testing outcomes;
- met with representatives from Line 2 Risk and Compliance to understand the level of support provided to Line 1;
- performed sample testing over a statistically significant sample of CSAs to validate the accuracy of the assessment outcomes; and
- observed a number of forums, including the RCC, monthly GET Risk Deep-Dive and BRC meetings where matters relating to the control rectification work was discussed.

Based on our assessment of the Closure Pack, the additional information we received, our discussions, and meetings observed, we concluded that the Definitions of Done for all relevant Milestones have been met.

### **3.1.2. Risk Uplift - Assessment of Initiative 2.5 Embed Phase**

The Embed Phase of Initiative 2.5 requires icare to perform assurance over the key controls related to obligations and provide reporting to management.

Work completed by icare in relation to this Phase included:

- developing a Compliance Assurance Plan which included planned activities for each quarter relating to the review of documented obligations for different business units;
- conducting CSAs over all key controls and establishing an enterprise-wide plan for addressing ineffective controls (including those relating to obligations);
- continuing to conduct the Regulatory Change Forum to facilitate discussion on how the business will respond to relevant regulatory changes and any future planned changes; and

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- scoping reviews of the Obligations Register by both Legal and Line 2 Risk and Compliance to confirm the completeness and accuracy of the Obligations Register, the appropriateness of the level of detail and the ownership and distribution of the obligations across the business.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the finalised documentation of the obligations review process;
- the establishment and execution of a regular cadence of the obligations review process;
- the results of the planned review of the Obligations Register by Legal and Line 2 Risk and Compliance subject matter experts; and
- the accuracy and currency of the Obligations Register.

Promontory conducted the following additional activities to support our assessment:

- met with risk and control owners to discuss the obligations review process and control testing outcomes;
- met with representatives from Line 2 Risk and Compliance to understand the level of support provided to Line 1 and the obligations review process;
- observed a number of forums, including the RCC, monthly GET Risk Deep-Dive and BRC meetings where matters relating to the control rectification work and progress and outcomes of the Legal and Line 2 Risk and Compliance reviews were discussed.

Based on our assessment of the Closure Pack, the additional information we received, our discussions, and meetings observed, we concluded that the Definition of Done for the relevant Milestone had been met.

### **3.1.3. Customer Uplift - Assessment of Initiative 4.3 Embed Phase**

The Embed Phase of Initiative 4.3 requires icare to embed the readiness for complaints, and respond to and learn from the complaints components of the Complaints Framework.

Work completed by icare in relation to this Phase included:

- completing the complaints maturity assessment and responding to its findings;
- assessing the capability matrix and training requirements, and monitoring completion of required training;
- updating Scheme complaints management procedures in line with the Complaints Guidelines;
- reporting on complaints data and insights to a number of forums, leveraging the CRM Complaints Module, and identifying and responding to continuous improvement opportunities;

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- performing and testing Complaints Controls and Monitoring and Oversight Controls, and responding to findings;
- the Customer Advocate conducting complaints management monitoring and oversight activity; and
- reviewing the Complaints Framework, Policy and Guidelines.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- embedment of the CRM Complaints Module;
- outcomes of control activities;
- progress against action plans to improve complaints maturity; and
- reporting to the Board and GET.

Promontory conducted the following additional activities to support our assessment:

- met with representatives from the Customer Advocate Office to discuss complaints uplift progress and outcomes;
- met with Scheme and Business Unit representatives to discuss complaints management processes and controls testing;
- met with CSP representatives to discuss complaints training and uplift, and how CSPs are using complaints data and insights to improve customer outcomes; and
- observed governance forums including the Customer Complaints Forum, CSP Customer Sub-Committee meetings, QPRs and a number of Board and GET meetings where complaints management uplift and outcomes were discussed.

Based on our assessment of the Closure Pack, the additional information we received, our discussions, and meetings observed, we concluded that the Definitions of Done for all relevant Milestones have been met.

### **3.1.4. Customer Uplift - Assessment of Initiative 4.4 Embed Phase**

The Embed Phase of Initiative 4.4 requires the CRM Complaints Module to be in use by icare and all CSPs, with coordinated and consistent capture and reporting of complaints data.

Work completed by icare in relation to this Phase included:

- supporting and monitoring CSP uplift activities and CSP use of the CRM Complaints Module;
- embedding the CRM Complaints Module across icare and all CSPs, and responding to enhancement opportunities;

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- the Customer Advocate conducting monitoring and oversight activity; and
- ensuring CRM Complaints Module data is included in reporting to the Board, GET and governance forums, leveraging the Complaints Dashboard.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- the progress of embedment of the CRM Complaints Module at CSPs, including completion of training activities;
- the technical workaround for the Lifetime Schemes to ensure complaints data is being captured consistently; and
- discussions of complaints data at CSP Customer Sub-Committee meetings.

Promontory conducted the following additional activities to support our assessment:

- met with representatives from the Customer Advocate Office to discuss the use of the CRM Complaints Module;
- met with Scheme and Business Unit representatives to discuss use and benefits of the CRM Complaints Module;
- met with CSP representatives to discuss the rollout and use of the CRM Complaints Module; and
- observed governance forums including the Customer Complaints Forum, CSP Customer Sub-Committee meetings, QPRs and a number of Board and GET meetings where use of the CRM Complaints Module and complaints management uplift were discussed.

Based on our assessment of the Closure Pack, the additional information we received, our discussions, and meetings observed, we concluded that the Definitions of Done for the relevant Milestone have been met.

### **3.1.5. Customer Uplift - Assessment of Initiative 4.5 Embed Phase**

The Embed Phase of Initiative 4.5 requires icare to:

- embed the approach to customer governance, including in relation to Customer Controls, reporting, monitoring and oversight activity; and
- progress the 2024 SIRA CSCP Attestation.

Work completed by icare in relation to this Phase included:

- embedding the approach outlined in the Customer Governance Guidance;



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- uplifting reporting on customer uplift activities and customer performance measures and outcomes to the Board, GET, and CSP Customer Sub-Committee meetings;
- performing and testing Customer Controls and Monitoring and Oversight Controls, and responding to findings; and
- conducting the 2024 SIRA CSCP Attestation.

After reviewing the Closure Pack, Promontory requested and received further information on matters including:

- activities related to the Embed Phase of Initiatives 4.3 and 4.4;
- reporting to the Board and GET on customer performance measures and outcomes;
- outcomes of the 2024 SIRA CSCP Attestation process;
- evidence of testing of Customer Controls; and
- monitoring and oversight activity by the Customer Advocate.

Promontory conducted the following additional activities to support our assessment:

- met with representatives from the Customer Advocate Office to discuss customer governance progress and outcomes;
- met with Scheme and Business Unit representatives to discuss the cultural uplift in terms of customer governance and complaints management;
- met with CSP representatives to discuss how CSPs are using data and insights to improve customer outcomes; and
- observed governance forums, including the Customer Complaints Forum, CSP Customer Sub-Committee meetings, QPRs and a number of Board and GET meetings where customer governance uplift and outcomes were discussed.

Based on our assessment of the Closure Pack, the additional information we received, our discussions, and meetings observed, we concluded that the Definitions of Done for the relevant Milestone have been met.

## 3.2. Recommendation Assessments

During the Reporting Period, Promontory completed its assessment<sup>5</sup> of six GAC Recommendations and two McDougall Recommendations (refer to Table 3.2 below). These Recommendations were assessed as complete and effective. We provide summaries of our assessment of these Recommendations below.

**Table 3.2 Recommendations assessed as complete and effective during the Reporting Period**

Recommendation	Linked EI Initiatives	Recommendation Closure Date
<b>GAC 5</b>	1.6, 4.5	6 December 2024
<b>GAC 6</b>	1.8, 4.5	6 December 2024
<b>GAC 15</b>	1.1, 4.1, 4.2, 4.5	6 December 2024
<b>GAC 17</b>	2.3	10 December 2024
<b>GAC 20</b>	2.5	10 December 2024
<b>GAC 42</b>	4.3, 4.4	6 December 2024
<b>McD 28</b>	6.2	17 December 2024
<b>McD 32</b>	6.2	17 December 2024

### 3.2.1. Assessment of GAC Recommendation 5

The GAC Review recommended that icare’s Board increase the time it spends on the voice of the customer and customer outcomes.

To address this Recommendation icare has delivered the following outcomes:

- Board Committee structures were reviewed and the Board Charter and Board Governance Calendar were updated, to further focus the Board on the voice of the customer and oversight of customer outcomes;
- the approach to customer governance was developed and implemented, including Board reporting requirements, as outlined in the Customer Governance Guidance; and
- reporting to the Board was uplifted to provide detail on the performance of customer measures, monitoring activities and customer outcomes.

<sup>5</sup> Appendix 3 of Promontory’s Final Report outlined our approach to assessing Recommendations.

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After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including uplifted reporting to the Board.

Promontory also observed a number of Board meetings where the voice of the customer and customer outcomes were discussed, with a focus on actions for further improvement.

Based on our assessment of the Closure Pack, the additional information we received, and our Board observations, we concluded that icare had addressed the Recommendation.

### 3.2.2. Assessment of GAC Recommendation 6

The GAC Review recommended that icare enhance management reporting, most notably in the areas of customer outcomes, non-financial risk, root cause analysis, regulator engagement, management of material issues and remediation monitoring and scheme-based dashboards.

To address this Recommendation icare has delivered the following outcomes:

- a Governance Assurance Framework was developed to improve the quality of, and assurance over, Board papers, and a quality assurance process was conducted by the Board Governance Team;
- Board Paper Templates and guidance were developed to clarify expectations for Board papers, and Board paper writing training was conducted;
- regular Board feedback on the quality of papers was provided to management, including through the annual Board Performance Evaluation process;
- reporting to the Board and Committees was uplifted across all areas noted in the Recommendation; and
- customer reporting to the Board was uplifted, in line with the Customer Governance Guidance and Board Governance Calendar, to provide detail on the performance of customer measures, monitoring activities and customer outcomes.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including uplifted customer reporting to the Board.

Promontory also observed a number of Board meetings where the voice of the customer, and risk and customer outcomes were discussed, with a focus on actions for further improvement.

Based on our assessment of the Closure Pack, the additional information we received, and our Board observations, we concluded that icare had addressed the Recommendation.

### 3.2.3. Assessment of GAC Recommendation 15

The GAC Review recommended that icare enhance customer outcome reporting provided to GET by incorporating broader leading and lagging metrics on an individual scheme basis to complement Net Promoter Score (**NPS**) reporting.

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To address this Recommendation icare has delivered the following outcomes:

- the GET forum structure was refined, with the establishment of the QPR and the Customer Committee for the review of customer outcomes, with Charters developed;
- icare has transitioned the lead customer experience measure from NPS to CSAT with accompanying measurement of the drivers of customer experience;
- the approach to customer governance was developed and implemented, as outlined in the Customer Governance Guidance, including customer performance measurement and reporting requirements;
- a suite of customer performance measures (leading and lagging) was developed across Experience, Service and Conduct; and
- reporting to the GET, via the QPR, was uplifted to include the performance of these customer measures on an individual Scheme basis.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including uplifted reporting to the GET.

Promontory also observed a number of GET meetings, including QPRs, where customer performance and outcomes were discussed, with a focus on actions for further improvement.

Based on our assessment of the Closure Pack, the additional information we received, and our GET observations, we concluded that icare had addressed the Recommendation.

### 3.2.4. Assessment of GAC Recommendation 17

The GAC Review recommended that icare create, strengthen and update risk profiles for each business unit using a bottom-up approach and roll out procedures, controls and other mechanisms to support implementation and operating effectiveness.

To address this Recommendation icare has delivered the following outcomes:

- a review of all established Business Unit Risk Profiles was conducted by the Risk and Compliance Business Partnering team in 2021;
- monthly Line 1 Risk and Compliance meetings were established across all business units to allow for the review, management and maintenance of the Business Unit Risk Profiles;
- Business Unit Risk Profiles were either established or reviewed and refreshed, and approved by the relevant business unit Group Executive;
- all Business Unit Risk Profiles have been reviewed according to the relevant review cadence since December 2021;

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- a process was established for monthly reporting on Business Unit Risk Profiles and emerging risks to the RCC;
- guidelines for documenting controls and risks within Risk Connect were established and communicated to staff;
- over the period from November 2023 to May 2024 icare prioritised the completion of the CSAs relating to key risks within each of the business unit and established processes to report and discuss progress; and
- since May 2024, icare has continued the CSA process and has established regular reporting of control rectification activity across the business, including to the GET and BRC.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including the embedment of control rectification processes in BAU.

Based on our assessment of the Closure Pack and the additional information we received, we concluded that icare had addressed the Recommendation.

### 3.2.5. Assessment of GAC Recommendation 20

The GAC Review recommended that icare develop comprehensive compliance registers and implement procedures, controls and other mechanisms to ensure compliance and effective risk mitigation.

To address this Recommendation icare has delivered the following outcomes:

- icare has documented their obligations, controls, and obligation and control owners both at the enterprise and business unit level in Risk Connect;
- a suite of documents was developed to support the obligations management process, including a Regulatory Change Framework and Risk Connect User Guides for the Obligations and Control Modules;
- the Obligations and Controls Register Procedure was developed to provide details on the accountabilities and responsibilities for maintaining the Obligations Register;
- icare established a Regulatory Change Forum to discuss how the business will respond to relevant regulatory changes and any future planned changes;
- a fulsome review of all obligations in Risk Connect by Legal and Line 2 Risk and Compliance subject matter experts was undertaken in 2024, with this review to be conducted annually, with the results being presented to the RCC, GET and BRC;
- icare established a quarterly Obligations 'check-in', in which the Compliance team undertake a desktop review of all obligations in Risk Connect to ensure that all have been assigned an owner and have at least one control assigned; and

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- processes to assure the effectiveness of key controls linked to obligations have been established, including appropriate monitoring and oversight of control rectification activities.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including the outcomes of the review of the Obligations Register.

Based on our assessment of the Closure Pack and the additional information we received, we concluded that icare had addressed the Recommendation.

### 3.2.6. Assessment of GAC Recommendation 42

The GAC Review recommended that icare improve the coordination of complaints management to provide oversight, reduce duplication and ensure learnings from complaints are more routinely sought as feedback loops into design and execution.

To address this Recommendation icare has delivered the following outcomes:

- the Complaints Policy, Framework, Guidelines and Scheme procedures were developed to support a consistent streamlined approach to complaints management, supported by refreshed complaints training;
- the CRM Complaints Module was developed and embedded across icare and all CSPs;
- complaints reporting to the Board, GET and governance forums was uplifted leveraging the CRM Complaints Module data and the Complaints Dashboard;
- Complaints Controls were developed, implemented and tested, supported by Customer Advocate Monitoring and Oversight Controls and activities;
- complaints maturity assessments were regularly conducted with responses to findings; and
- continuous improvement routines were established and supported by the development of the Listen Learn Act Guidelines and discussion of insights at the Customer Complaints Forum and CSP Customer Sub-Committee meetings.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including use of the CRM Complaints Module and uplifted complaints reporting to the Board and GET.

Promontory also observed a number of Board and GET meetings where complaints management and outcomes were discussed.

Based on our assessment of the Closure Pack, the additional information we received, and our observations, we concluded that icare had addressed the Recommendation.

### **3.2.7. Assessment of McDougall Recommendation 28**

The McDougall Review recommended that icare should report publicly and in detail each year on its transformation expenditure and on the benefits that icare says it is producing.

To address this Recommendation icare has delivered the following outcomes:

- a Benefits and Realisation Management Framework was developed to identify and monitor any benefits arising from expenditure on transformation projects; and
- icare published its 2023-24 Annual Report which included details on transformation expenditure and benefits.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including the annual public reporting of transformation expenditure and benefits.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that icare had addressed the Recommendation.

### **3.2.8. Assessment of McDougall Recommendation 32**

The McDougall Review recommended that icare:

- develop and report against a new set of tracking measures, including relevant indicators to show improvements (or declines) in the targeted financial and outcome benefits; and
- annually publish those reports both publicly and to the Treasurer.

To address this Recommendation icare has delivered the following outcomes:

- a Benefits and Realisation Management Framework was developed to identify and monitor any benefits arising from expenditure on transformation projects;
- the benefits measures were included in icare's Statement of Business Intent and Business Plan, which is provided to Treasury; and
- icare published its 2023-24 Annual Report which included details on transformation expenditure and both financial and non-financial benefits.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including the annual public reporting of transformation expenditure and benefits.

Based on our assessment of the Closure Pack, and the additional information we received, we concluded that icare had addressed the Recommendation.

### 3.3. Sustainability Assessments

During the Reporting Period, Promontory completed Sustainability Assessments<sup>6</sup> of three Streams (Risk Uplift, Customer Uplift and Enterprise Sustainability). These Streams have been assessed as having adequate mechanisms in place to ensure that outcomes achieved by these Streams are embedded and sustained.

**Table 3.3: Sustainability assessments completed during the Reporting Period**

EI Stream	Sustainability Closure Date
Risk Uplift	31 January 2025
Customer Uplift	29 January 2025
Enterprise Sustainability	29 January 2025

#### 3.3.1. Sustainability Assessment of the Risk Uplift Stream

The Risk Uplift Stream within the EI Sub-Program focused on enhancing risk maturity across icare, ensuring the organisation had the necessary structures, processes, controls, and resources to support consistent and effective risk management. It also aimed to strengthen icare’s risk culture.

The key sustainability mechanisms for maintaining the Target State of the Risk Uplift Stream include the following Frameworks, Policies, Processes or Systems:

- a robust risk management framework, policies and procedures which set out icare’s non-financial risk management principles, processes and the relevant roles and responsibilities across the 3 Lines of Defence;
- Risk Connect, icare’s risk management system; and
- several committees and forums tasked with providing oversight over various risk-related matters.

These mechanisms include clearly defined ownership, review processes, and reporting on activities and outcomes to relevant stakeholders.

Based on our assessment of the Sustainability Closure Pack, we concluded that the Risk Uplift Stream sustainability mechanisms were established, including in relation to the relevant Recommendations.

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<sup>6</sup> Appendix 3 of Promontory’s Final Report outlined our approach to assessing Sustainability.



### **3.3.2. Sustainability Assessment of the Customer Uplift Stream**

The Customer Uplift Stream within the EI Sub-Program addressed customer experience and performance measures, complaints uplift and customer governance.

The key sustainability mechanisms for maintaining the Target State of the Customer Uplift Stream include the following Frameworks, Policies, Processes or Systems:

- Customer Governance Guidance and supporting policies, guidelines, committee charters and measurement tools for the approach to customer governance;
- Customer Controls managed through Risk Connect; and
- Complaints Policy and Guidelines and the CRM Complaints Module to support coordinated and consistent complaints management.

These mechanisms include clearly defined ownership, review processes, and reporting on activities and outcomes to relevant stakeholders.

Based on our assessment of the Sustainability Closure Pack, we concluded that the Customer Uplift Stream sustainability mechanisms were established, including in relation to the relevant Recommendations.

### **3.3.3. Sustainability Assessment of the Enterprise Sustainability Stream**

The Enterprise Sustainability Stream within the EI Sub-Program addressed capital management, benefits realisation, expense savings and cost allocation.

The key sustainability mechanisms for maintaining the Target State of the Enterprise Sustainability Stream include the following Frameworks, Policies, Processes or Systems:

- Capital Management Policies setting out the principles, roles and responsibilities;
- Benefits Realisation Management Framework on the approach to identify, manage and report benefits; and
- Cost Allocation Process for expense allocation across the Schemes.

These mechanisms include clearly defined ownership, review processes, and reporting on activities and outcomes to relevant stakeholders.

After reviewing the Closure Pack for this Recommendation, Promontory requested and received further information on matters including the annual public reporting of transformation expenditure and benefits.

Based on our assessment of the Sustainability Closure Pack, and the additional information we received, we concluded that the Enterprise Sustainability Stream sustainability mechanisms were established, including in relation to the relevant Recommendations.

## Appendix 1 – Recommendation Mapping

The following Recommendations relate to the work that was outstanding at Program closure. Appendix 6 of our Final Report provides a full list of Recommendations addressed by the Program.

### A1.1. GAC Recommendations

#	Recommendation	Linked Initiatives
<b>GAC 5</b>	Customer Innovation and Technology Committee to increase the time it spends on the voice of the customer and customer outcomes.	<b>1.6</b> Committee Structure, membership and Charter Review <b>4.5</b> Customer Governance @ icare
<b>GAC 6</b>	Enhance management reporting, most notably in the areas of customer outcomes, non-financial risk, root cause analysis, regulator engagement, management of material issues and remediation monitoring and scheme- based dashboards.	<b>1.8</b> Uplift quality of Board and Committee papers and reporting <b>4.5</b> Customer Governance @ icare
<b>GAC 15</b>	Enhance customer outcome reporting provided to the GET by incorporating broader leading and lagging metrics on an individual scheme basis to complement NPS reporting.	<b>1.1</b> Executive and Management Forums <b>4.1</b> CX Evolution <b>4.2</b> Transitioning to CSAT <b>4.5</b> Customer Governance @ icare
<b>GAC 17</b>	icare to create, strengthen and update risk profiles for each business unit using a bottom-up approach and roll out procedures, controls and other mechanisms to support implementation and operating effectiveness.	<b>2.3</b> Enterprise & Business Unit Risk Profiles
<b>GAC 20</b>	Develop comprehensive compliance registers and implement procedures, controls and other mechanisms to ensure compliance and effective risk mitigation.	<b>2.5</b> Enterprise Obligations Register
<b>GAC 42</b>	Improve coordination of complaints management to provide oversight / reduce duplication and ensure learnings from complaints are more routinely sought as feedback loops into design and execution.	<b>4.3</b> Complaints Uplift <b>4.4</b> CRM Complaints Uplift

## A1.2. McDougall Recommendations

#	Recommendation	Linked Initiatives
<b>McD 28</b>	icare should report publicly and in detail each year on its transformation expenditure and on the benefits that icare says it is producing.	<b>6.2</b> Benefits Realisation Framework
<b>McD 32</b>	<p>icare should develop and report against a new set of tracking measures that compares achievement of benefits against 2020-21 as the new baseline. This should include all relevant indicators, to ensure that it shows accurately improvements (or declines) in all the targeted financial and outcome benefits.</p> <p>icare should publish those reports both publicly and to the Treasurer at least annually.</p>	<b>6.2</b> Benefits Realisation Framework



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