

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS RESPONSE TO QUESTIONS IN WRITING REQUESTED

Citi Australia

Question CAB13QW : Terminations for misconduct

(a) How many employees does the bank have?

Response:

Citi Australia has 1,531 active employees as at December 2019.

(b) How do you define employee misconduct?

Response:

Wrongful, unacceptable, improper or unlawful behaviour generally motivated by intentional purpose or indifference to the consequences of one's acts.

(c) How many employees have been cautioned for misconduct over the past five years?

Response:

The period under review is 1 January 2015 to 31 December 2019. Citi Australia has defined "caution" to mean misconduct that resulted in a written warning being issued to the employee.

During the period 1 January 2015 to 31 December 2019, 51 employees have received a written warning in relation to misconduct.

(d) How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct over the past five years?

Response:

Citi Australia established a Consequence Management Committee (CMC) in 2016. Prior to the establishment of the CMC, employee misconduct was managed within Citi Australia on a case-by-case basis. Since its establishment, the CMC has met to review preliminary annual performance ratings and compensation recommendations to ensure the appropriate reflection of instances of misconduct in the performance and compensation outcomes.

During the years 1 January 2016 to 31 December 2019, 38 employees had a penalty for misconduct. This penalty included reduced bonus, reduced salary increase and/or downgraded performance ratings.

(e) How many employees have been terminated for misconduct over the past five years?

Response:

During the period, 1 January 2015 to 31 December 2019, 13 employees have been terminated for misconduct.

(f) How many employees have been cautioned for misconduct over the past five years, as a share of all employees over that timeframe?

Response:

Average headcount over the past five years is 1576.

As noted in (c) above, 51 employees have received a caution over this time. This equates to 3.2% of the average headcount of the business over the past 5 years.

(g) How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct over the past five years, as a share of all employees over that timeframe?

Response:

Average headcount over the past four years is 1534. As noted above, this is the period since a Consequence Management Framework was established at Citi Australia. Prior to the establishment of the CMC, employee misconduct was managed within Citi Australia on a case-by-case basis.

As noted in (d) above, 38 employees received a penalty as a result of their misconduct. This equates to 2.5% of the average headcount of the business over the past 4 years.

(h) How many employees have been terminated for misconduct over the past five years, as a share of all employees over that timeframe?

Response:

Average headcount over the past five years is 1576.

As noted in (e) above, 13 employees have been terminated over this time. This equates to 0.8% of the average headcount of the business over the past 5 years

(i) What are the processes available for whistle-blowers into misconduct within the bank?

Response:

If an employee of Citi Australia reasonably suspects or becomes aware of a possible violation of a law, regulation, Citi policy, or Citi's Code of Conduct, they are encouraged to promptly report their concern to any of the following:

- their manager or another member of Citi Australia management;
- Human Resources;
- Citi Australia legal counsel;
- a Citi Australia Compliance Officer;
- Citi Security and Investigative Services; or
- The Citi Ethics Office.

Whistleblowers, whether internal or external to Citi Australia, may report their concerns to the Citi Ethics Office openly or anonymously, via toll-free number (available 24 hours per day, seven days per week in multiple languages), online submission, email, mail, or fax. The Citi Ethics Office's contact information is available [here](#).

The Citi Ethics Office is the designated recipient in Citi Australia to receive any disclosures that may qualify for statutory protection under the *Corporations Act 2001 and Taxation Administration Act 1953*.

To qualify for statutory protection, individuals may also raise their concerns to eligible recipients of Citi Australia, including an officer, senior manager, auditor, or actuary of Citi Australia, or alternatively to ASIC (or APRA if relevant).