

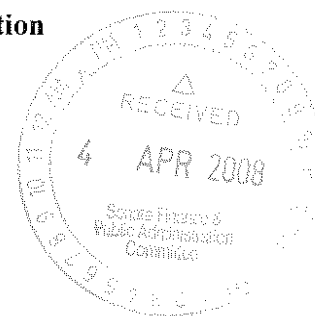
Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Future Fund Management Agency

Additional Estimates Hearing – February 2008



Question: F85

Outcome: Enhanced capacity for the Australian Government to offset unfunded superannuation liabilities

Topic: Quality of internal quality control checks

Hansard Page: F&PA 13-14

Senator Watson asked:

Are you satisfied that the internal quality control checks of the fund are adequate, given that you have at least 15 per cent of people who are policy advisers on investment?

Answer:

We are satisfied with our internal quality control checks and will continue to invest in our control framework as we develop.

Investment governance and operational risk management are critically important in our organisation and overseen by the Board of Guardians (the Board) and the Audit Committee.

The Board takes the lead in setting the organisation's mission and values, governance framework and investment policy and has oversight of investment strategies, investment operations and administrative services.

Investment recommendations are subject to legal, financial and risk assessments as part of the Board's decision making process prior to implementation.

Our Statement of Investment Policies summarises our approach to the management of investment and operational risk and overviews our business model including the approach to governance and the responsibilities of the Board and management.