



## Comparative Table for Minimum Control Objectives between Superseded GS 007 (2008) and Current GS 007 (2011)

The AUASB revised GS 007 *Audit Implications of the use of Service Organisations for Investment Management Services* and reissued the guidance statement on 25 October 2011. As part of that revision, the minimum control objectives provided for each of the 6 investment management services were amended including the deletion, insertion and revision of some objectives. In order to assist users of GS 007, including service organisations, service auditors, user entities and user auditors, to readily identify the changes in control objectives which impact them, the AUASB has prepared the following comparative table showing the superseded control objectives from GS 007 (2008) against the current control objectives from GS 007 (2011).

Underlined words: Signifies words or objectives which do not appear in the corresponding set of control objectives.

| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>A. CUSTODY</b>   |  | <b>A. CUSTODY</b>  |  |
| <b>Accepting clients</b>  |  | <b>Accepting clients</b>                                 |  |
| <b>A1</b>   | Accounts are set up completely and accurately in accordance with client agreements and applicable regulations.   | <b>A1</b>  | <u>New</u> accounts are set up completely and accurately in accordance with client agreements and <u>any</u> applicable regulations.   |
| <b>A2</b>   | Complete and authorised client agreements are established prior to initiating custody activity.  | <b>A2</b>  | Complete and authorised client agreements are established prior to initiating custody activity.  |
| <b>A3</b>   | <u>Investment holdings and related history (where applicable) transferred from prior custodians are received and recorded completely, accurately and on a timely basis.</u>    | <u>Deleted</u>   |  |
| <b>Authorising and processing transactions</b>                        |  | <b>Authorising and processing transactions</b>           |  |
| <b>A4</b>   | Investment and related cash and foreign exchange transactions are authorised and recorded completely, accurately and on a timely basis in accordance with client instructions. | <b>A3</b>  | Investment and related cash and foreign exchange transactions are authorised and recorded completely, accurately and on a timely basis in accordance with client instructions. |
| <b>A5</b>   | 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.           | <b>A4</b>  | 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.           |
| <b>A6</b>   | Corporate <u>events and voting instructions</u> are identified, processed and recorded on a timely basis.  | <b>A5</b>  | Corporate <u>actions</u> are identified, <u>actioned</u> , processed and recorded on a timely basis.   |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>A. CUSTODY</b>   |  | <b>A. CUSTODY</b>  |  |
| <b>A7</b>   | Cash receipts and payments are authorised, processed and recorded completely, accurately and on a timely basis.  | <b>A6</b>  | Cash receipts and payments are authorised, processed and recorded completely, accurately and on a timely basis.  |
| <b>A8</b>   | Securities lending programs are authorised and loan initiation, maintenance and termination are recorded on an accurate and timely basis.  | <b>A7</b>  | Securities lending programs are authorised and loan initiation, maintenance and termination are recorded on an accurate and timely basis.  |
| <b>A9</b>   | 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. | <b>A8</b>  | 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. |
| <u>New</u>  |  | <b>A9</b>  | <u>Collateral is completely and accurately invested in accordance with the lender's agreement.</u>   |
| <b>Maintaining financial and other records</b>                        |  | <b>Maintaining financial and other records</b>           |  |
| <b>A10</b>  | Accounts are administered in accordance with client agreements and applicable regulations.   | <b>A10</b>   | Accounts are administered in accordance with client agreements and any applicable regulations.   |
| <b>A11</b>  | Changes to non-monetary static data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.               | <b>A11</b>   | Changes to non-monetary static data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.               |
| <b>A12</b>  | Investment income and related tax reclaims are collected and recorded accurately and on a timely basis.  | <b>A12</b>   | Investment income and related tax reclaims are collected and recorded accurately and on a timely basis.  |
| <b>A13</b>  | Asset positions for securities held by third parties such as sub custodians and depositories are accurately recorded and regularly reconciled.                                   | <b>A13</b>   | Asset positions for securities held by third parties such as sub custodians and depositories are accurately recorded and regularly reconciled.                                   |
| <b>Safeguarding assets</b>  |  | <b>Safeguarding assets</b>                               |  |
| <b>A14</b>  | <u>Physically held assets</u> are safeguarded from loss, misappropriation and unauthorised use.  | <b>A14</b>   | <u>Assets held (including investments held with depositories, cash and physically held assets)</u> are safeguarded from loss, misappropriation and unauthorised use.             |
| <b>A15</b>  | <u>Cash is safeguarded and payments are suitably authorised and controlled.</u>  | <u>Deleted</u>   |  |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>A. CUSTODY</b>   |  | <b>A. CUSTODY</b>  |  |
| <u>New</u>  |  | <b>A15</b>   | <u>Assets held are appropriately registered and client money is segregated.</u>  |
| <b>Monitoring compliance</b>  |  | <b>Monitoring compliance</b>                             |  |
| <b>A17</b>  | Transaction errors are rectified promptly.   | <b>A16</b>   | Transaction errors are rectified promptly.   |
|   |  | <b>Monitoring subservice organisations</b>               |  |
| <b>A16</b>  | <u>Sub-custodians and other out-sourced activities are approved and managed in accordance with the requirements of the client agreement.</u>   | <b>A17</b>   | <u>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.</u> |
| <b>Reporting</b>  |  | <b>Reporting</b>   |  |
| <b>A18</b>  | Client reporting in respect of client asset holdings is complete and accurate and provided within required timescales.   | <b>A18</b>   | Client reporting in respect of client asset holdings is complete and accurate and provided within required timescales.   |
| <b>A19</b>  | Asset positions and details of securities lent are reported to interested parties accurately and within the required time scale, including those responsible for initiating voting instructions. | <b>A19</b>   | Asset positions and details of securities lent (including collateral) are reported to interested parties accurately and within the required time scale.  |
| <b>Information technology</b>   |  | <b>Information technology</b>                            |  |
| See control objectives: <b>G.1 – G.14</b>                             |  | See control objectives: <b>G.1 – G.13</b>                |  |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>B. ASSET MANAGEMENT</b>  |  | <b>B. ASSET MANAGEMENT</b>                               |  |
| <b>Accepting clients</b>  |  | <b>Accepting clients</b>                                 |  |
| <b>B1</b>   | Accounts are set up completely and accurately in accordance with client agreements and applicable regulations.   | <b>B1</b>  | <u>New</u> accounts are set up completely and accurately in accordance with client agreements and <u>and/or offer documents and any applicable regulations.</u>    |
| <b>B2</b>   | Complete and authorised client agreements are established prior to initiating investment activity.   | <b>B2</b>  | Complete and authorised client agreements, <u>including investment guidelines and restrictions,</u> are established prior to initiating investment activity.       |
| <b>B3</b>   | <u>Asset investment guidelines and restrictions are established and agreed prior to investment management activity.</u>  | <u>Deleted</u>   |  |
| <b>Authorising and processing transactions</b>                        |  | <b>Authorising and processing transactions</b>           |  |
| <b>B4</b>   | Asset investment transactions are properly authorised, executed and allocated in a timely and accurate manner.   | <b>B3</b>  | Asset investment transactions are properly authorised, executed and allocated in a timely and accurate manner.   |
| <b>B5</b>   | Transactions are undertaken only with approved <u>counterparties.</u>  | <b>B4</b>  | Transactions are undertaken only with approved <u>brokers.</u>   |
| <b>B6</b>   | Asset investment and related cash transactions are completely and accurately recorded and settled in a timely manner.  | <b>B5</b>  | Asset investment and related cash transactions are completely and accurately recorded and settled in a timely manner.  |
| <b>B7</b>   | Corporate events <u>and proxy voting instructions</u> are identified and generated, respectively, and then processed and recorded accurately and in a timely manner. | <b>B6</b>  | Corporate events are identified and generated, respectively, and then <u>actioned,</u> processed and recorded accurately and in a timely manner.                   |
| <b>B8</b>   | Client new monies and withdrawals are processed and recorded completely and accurately.  | <b>B7</b>  | Client new monies and withdrawals are processed and recorded completely and accurately, <u>on a timely basis, and withdrawals are authorised.</u>                  |
| <b>Maintaining financial and other records</b>                        |  | <b>Maintaining financial and other records</b>           |  |
| <b>B9</b>   | Accounts are administered in accordance with client agreements.  | <b>B8</b>  | Accounts are administered in accordance with client agreements <u>and/or offer documents.</u>  |
| <b>B10</b>  | Changes to non-monetary client data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.   | <b>B9</b>  | Changes to non-monetary client data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis. |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |   |
|---|---|--|---|
| <b>B. ASSET MANAGEMENT</b>  |   | <b>B. ASSET MANAGEMENT</b>                               |   |
| <b>B11</b>  | Investment income <u>is</u> accurately recorded in the proper period.   | <b>B10</b>   | Investment income <u>and related tax are</u> accurately recorded in the proper period.  |
| <b>B12</b>  | Investments are valued using current prices obtained from independent external pricing sources or an alternative basis in accordance with client agreements.              | <b>B11</b>   | Investments are valued using current prices obtained from independent external pricing sources or an alternative basis in accordance with client agreements.  |
| <b>B13</b>  | Cash and securities positions are completely and accurately recorded and reconciled to third party data.  | <b>B12</b>   | Cash and securities positions are completely and accurately recorded and reconciled to third party data.  |
| <b>B14</b>  | Investment management fees and other account expenses are accurately calculated and recorded.   | <b>B13</b>   | Investment management fees and other account expenses are accurately calculated and recorded <u>in accordance with client agreements and/or offer documents.</u>  |
| <b>Safeguarding assets</b>  |   | <b>Safeguarding of assets</b>                            |   |
| <b>B15</b>  | Investments are properly registered and client money is segregated.   | <b>B14</b>   | Investments are properly registered and client money is segregated.   |
| <u>New</u>  |   | <b>B15</b>   | <u>Appropriate segregation exists between the service organisation's asset management and custody services, which may give rise to a conflict of interest.</u>  |
| <b>Monitoring compliance</b>  |   | <b>Monitoring compliance</b>                             |   |
| <b>B16</b>  | Client portfolios are managed in accordance with investment objectives, monitored for compliance with investment guidelines and restrictions and performance is measured. | <b>B16</b>   | Client portfolios are managed in accordance with investment objectives, monitored for compliance with investment guidelines and restrictions and performance is measured.                                       |
| <b>B18</b>  | Transaction errors ( <u>including guideline breaches</u> ) are rectified promptly <u>and clients treated fairly.</u>  | <b>B17</b>   | Transaction errors are rectified promptly <u>in accordance with the service level agreement and/or offer document or client instructions.</u>   |
| <u>New</u>  |   | <b>B18</b>   | <u>Broker exposures are monitored in accordance with client agreements and/or offer document.</u>   |
|   |   | <b>Monitoring subservice organisations</b>               |   |
| <b>B17</b>  | <u>Outsourced activities</u> are approved and <u>managed</u> in accordance with the requirements of the client agreement.   | <b>B19</b>   | <u>Appointments of subservice organisations, including those providing asset management services, are approved, subservice organisations are properly managed and their activities are adequately monitored</u> |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>B. ASSET MANAGEMENT</b>  |  | <b>B. ASSET MANAGEMENT</b>                               |  |
|   |  |  | <u>on a timely basis.</u>  |
| <b>Reporting to clients</b>   |  | <b>Reporting to clients</b>                              |  |
| <b>B19</b>  | Client reporting in respect of portfolio transactions, holdings <u>and performance, brokerage and voting</u> is complete and accurate and provided within required timescales. | <b>B20</b>   | Client reporting in respect of portfolio transactions and holdings ( <u>including collateral</u> ) is complete and accurate and provided within required timescales. |
| <b>Information technology</b>   |  | <b>Information technology</b>                            |  |
| See control objectives: <b>G.1 – G.14</b>                             |  | See control objectives: <b>G.1 – G.13</b>                |  |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>C. PROPERTY MANAGEMENT</b>   |  | <b>C. PROPERTY MANAGEMENT</b>                            |  |
| <b>Accepting clients</b>  |  | <b>Accepting clients</b>                                 |  |
| <b>C1</b>   | Accounts are set up completely and accurately in accordance with client agreements and applicable regulations.                                 | <b>C1</b>  | <u>New</u> accounts are set up completely and accurately in accordance with client agreements and any applicable regulations.                  |
| <b>C2</b>   | Complete and authorised client agreements are established prior to initiating investment activity.   | <b>C2</b>  | Complete and authorised client agreements are established prior to initiating investment activity.   |
| <b>C3</b>   | Investment guidelines and restrictions are established and agreed prior to investment management activity.                                     | <b>C3</b>  | Investment guidelines and restrictions are established and agreed prior to investment management activity.                                     |
| <b>C4</b>   | <u>Pooled fund unitholder activity is recorded completely, accurately and in a timely manner.</u>  | <u>Deleted</u>   |  |
| <b>Authorising and processing transactions</b>                        |  | <b>Authorising and processing transactions</b>           |  |
| <b>C5</b>   | Investment decisions are properly formulated in accordance with investment guidelines, authorised, implemented and reviewed on a timely basis. | <b>C4</b>  | Investment decisions are properly formulated in accordance with investment guidelines, authorised, implemented and reviewed on a timely basis. |
| <b>C6</b>   | Property developments are only undertaken in accordance with acceptable risk criteria.   | <b>C5</b>  | Property developments are only undertaken in accordance with acceptable risk criteria.   |
| <b>C7</b>   | Costs associated with buying and selling properties are authorised and recorded accurately.  | <b>C6</b>  | Costs associated with buying and selling properties are authorised and recorded accurately.  |
| <b>C8</b>   | Tenants' covenants and lease conditions are assessed and authorised on a timely basis.   | <b>C7</b>  | Tenants' covenants and lease conditions are assessed and authorised on a timely basis.   |
| <b>C9</b>   | Property and related cash transactions are completely and accurately recorded and settled in a timely manner.                                  | <b>C8</b>  | Property and related cash transactions are completely and accurately recorded and settled in a timely manner.                                  |
| <b>C10</b>  | Rental income and service charges are accurately calculated and recorded on a timely basis.  | <b>C9</b>  | Rental income and service charges are accurately calculated and recorded on a timely basis.  |
| <b>C11</b>  | Client new monies and withdrawals are <u>authorised</u> , processed and recorded completely and accurately.                                    | <b>C10</b>   | Client new monies and withdrawals are processed and recorded completely and accurately, <u>withdrawals are appropriately authorised.</u>       |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|---|--|--|
| <b>C. PROPERTY MANAGEMENT</b>   |   | <b>C. PROPERTY MANAGEMENT</b>                            |  |
| <b>Maintaining financial and other records</b>                        |   | <b>Maintaining financial and other records</b>           |  |
| <b>C12</b>  | Accounts are administered in accordance with client agreements and applicable regulations.  | <b>C11</b>   | Accounts are administered in accordance with client agreements and any applicable regulations.   |
| <b>C13</b>  | Changes to non-monetary client data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.                                      | <b>C12</b>   | Changes to non-monetary client data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis. |
| <b>C14</b>  | Complete and accurate records of each property are maintained.  | <b>C13</b>   | Complete and accurate records of each property are maintained.   |
| <b>C15</b>  | Valuations are obtained at regular intervals from independent external values.  | <b>C14</b>   | Properties are valued in accordance with regulatory requirements, client agreements or industry standard.  |
| <b>C16</b>  | Income entitlements are received in full, wherever possible, and expenses, both recoverable and irrecoverable, are controlled.  | <b>C15</b>   | Income entitlements are received in full, wherever possible, and expenses, both recoverable and irrecoverable, are controlled.                                     |
| <b>C17</b>  | Property management fees and other account expenses are accurately calculated and recorded.   | <b>C16</b>   | Property management fees and other account expenses are accurately calculated and recorded.  |
| <b>C18</b>  | Rents are monitored and rent reviews are recorded promptly and accurately.  | <b>C17</b>   | Rents are monitored and rent reviews are recorded promptly and accurately.   |
| <b>C19</b>  | Pooled funds are priced and administered accurately and in a timely manner.   | <b>C18</b>   | Unitholders' funds are priced and administered accurately and in a timely manner.  |
| <b>Safeguarding assets</b>  |   | <b>Safeguarding assets</b>                               |  |
| <b>C20</b>  | Properties purchased are of good and marketable title.  | <b>C19</b>   | Properties purchased are of good and marketable title.   |
| <b>C21</b>  | Title deeds are safeguarded from loss, misappropriation and unauthorised use.   | <b>C20</b>   | Title deeds are safeguarded from loss, misappropriation and unauthorised use.  |
| <b>C22</b>  | Uninvested cash is managed with due regard to diversification of risk and security of funds.  | <b>C21</b>   | Uninvested cash is appropriately registered and client money is segregated.  |
| <b>C23</b>  | Risks arising from investing in property are insured where this is economic to the interests of owners (for example consider claims etc. arising from the public where large shopping malls are owned). | <b>C22</b>   | Risks arising from investing in property are insured in accordance with client instructions.   |





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|---|---|--|---|
| <b>C. PROPERTY MANAGEMENT</b>   |   | <b>C. PROPERTY MANAGEMENT</b>                            |   |
| <b>Monitoring compliance</b>  |   | <b>Monitoring compliance</b>                             |   |
| <b>C24</b>  | Client portfolios are managed in accordance with investment objectives, monitored for compliance with investment guidelines and restrictions and performance is measured. | <b>C23</b>   | Client portfolios are managed in accordance with investment objectives, monitored for compliance with investment guidelines and restrictions and performance is measured.   |
| <b>C26</b>  | Transaction errors (including guideline breaches) are rectified promptly <u>and clients treated fairly.</u>   | <b>C24</b>   | Transaction errors (including guideline breaches) are rectified promptly.   |
|   |   | <b><u>Monitoring subservice organisations</u></b>        |   |
| <b>C25</b>  | Outsourced activities are approved and managed in accordance with the requirements of the client agreement.   | <b>C25</b>   | <u>Appointments of subservice organisations, including those providing property management services, are approved, subservice organisations are properly managed and their activities are adequately monitored on a timely basis.</u> |
| <b>Reporting to clients</b>   |   | <b>Reporting to clients</b>                              |   |
| <b>C27</b>  | Client reporting in respect of property transactions, holdings and performance is complete and accurate and provided within required timescales.                          | <b>C26</b>   | Client reporting in respect of property transactions, holdings and performance is complete and accurate and provided within required timescales.  |
| <b>Information technology</b>   |   | <b>Information technology</b>                            |   |
| See control objectives: <b>G.1 – G.14</b>                             |   | See control objectives: <b>G.1 – G.13</b>                |   |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>D. SUPERANNUATION MEMBER ADMINISTRATION</b>                        |  | <b>D. SUPERANNUATION MEMBER ADMINISTRATION</b>           |  |
| <b>D1</b>   | Accounts for superannuation funds and sub-plans are set up completely and accurately in accordance with client agreements and applicable regulations.  | <b>D1</b>  | <u>New</u> accounts for superannuation funds and sub-plans are set up completely and accurately in accordance with client agreements and any applicable regulations.   |
| <b>D2</b>   | Member accounts are set up completely and accurately in accordance with fund rules and individual investment and insurance elections.  | <b>D2</b>  | Member accounts are set up completely and accurately in accordance with fund rules and individual investment and insurance elections.  |
| <b>Authorising and processing transactions</b>                        |  | <b>Authorising and processing transactions</b>           |  |
| <b>D3</b>   | Contributions and transfers in are correctly classified and allocated to members' accounts, processed accurately and on a timely basis.  | <b>D3</b>  | Contributions and transfers in are correctly classified and allocated to members' accounts, processed accurately and on a timely basis.  |
| <b>D4</b>   | Superannuation benefits payable and transfer values are calculated and recorded accurately and <u>are paid</u> on a timely basis.  | <b>D4</b>  | Superannuation benefits payable and transfer values are calculated and recorded accurately and <u>payments are authorised and made</u> on a timely basis.  |
| <b>D5</b>   | Instructions from members and trustees regarding investment elections and investment switch requests are accurately processed.   | <b>D5</b>  | Instructions from members and trustees regarding investment elections and investment switch requests are <u>actioned and</u> accurately processed.   |
| <b>D6</b>   | 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. | <b>D6</b>  | 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. |
| <b>D7</b>   | Expenses and tax deducted are remitted to the appropriate parties.   | <b>D7</b>  | Expenses and tax deducted are remitted to the appropriate parties <u>on a timely basis.</u>  |
| <b>Maintaining member records</b>                                     |  | <b>Maintaining member records</b>                        |  |
| <b>D8</b>   | Changes to members standing data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.  | <b>D8</b>  | Changes to members' standing data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.   |
| <b>D9</b>   | Investment earnings are accurately allocated ( <u>through</u> crediting rates or unit <u>pricing</u> ) to member accounts <u>and</u> in accordance with trustee directions and fund rules.   | <b>D9</b>  | Investment earnings are accurately allocated ( <u>using authorised</u> crediting rates or unit <u>prices</u> ) to member accounts, in accordance with trustee directions and fund rules.   |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |   |
|---|--|--|---|
| <b>D. SUPERANNUATION MEMBER ADMINISTRATION</b>                        |  | <b>D. SUPERANNUATION MEMBER ADMINISTRATION</b>           |   |
| <b>Safeguarding assets</b>  |  | <b>Safeguarding assets</b>                               |   |
| <b>D10</b>  | Superannuation fund, sub-plan and member data is appropriately stored to ensure security and protection from unauthorised use.                   | <b>D10</b>   | Superannuation fund, sub-plan and member data is appropriately stored to ensure security and protection from unauthorised use.  |
| <b>Monitoring compliance</b>  |  | <b>Monitoring compliance</b>                             |   |
| <b>D11</b>  | Contributions are received in accordance with fund rules and relevant legislation.   | <b>D11</b>   | Contributions are received in accordance with fund rules and relevant legislation.  |
| <b>D12</b>  | Transaction errors are identified, notified to members or trustees in accordance with client agreements and rectified promptly if required.      | <b>D12</b>   | Transaction errors are identified, notified to members or trustees in accordance with client agreements and rectified promptly if required.   |
| <b>D13</b>  | Benefits payable and transfer values are calculated and paid in accordance with superannuation fund rules, relevant legislation and regulations. | <b>D13</b>   | Benefits payable and transfer values are calculated and paid in accordance with superannuation fund rules, relevant legislation and regulations.  |
|   |  | <b>Monitoring subservice organisations</b>               |   |
| <b>D14</b>  | <u>Outsourced activities are approved and managed in accordance with the requirements of the client agreement.</u>                               | <b>D14</b>   | <u>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.</u> |
| <b>Reporting to clients</b>   |  | <b>Reporting to clients</b>                              |   |
| <b>D15</b>  | Annual member statements issued to members are accurate and complete and distributed on a timely basis.  | <b>D15</b>   | Periodic member statements issued to members are accurate and complete and distributed on a timely basis.   |
| <b>Information technology</b>   |  | <b>Information technology</b>                            |   |
| See control objectives: <b>G.1 – G.14</b>                             |  | See control objectives: <b>G.1 – G.13</b>                |   |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>E. INVESTMENT ADMINISTRATION</b>                                   |  | <b>E. INVESTMENT ADMINISTRATION</b>                      |  |
| <b>Accepting clients</b>  |  | <b>Accepting clients</b>                                 |  |
| <b>E1</b>   | Accounts are set up completely and accurately in accordance with client agreements and applicable regulations.   | <b>E1</b>  | <u>New</u> accounts are set up completely and accurately in accordance with client agreements and any applicable regulations.  |
| <b>E2</b>   | Complete and authorised client agreements are established prior to initiating accounting activity.   | <b>E2</b>  | Complete and authorised client agreements are established prior to initiating accounting activity.   |
| <b>Authorising and processing transactions</b>                        |  | <b>Authorising and processing transactions</b>           |  |
| <b>E3</b>   | Portfolio transactions are recorded completely, accurately and on a timely basis.  | <b>E3</b>  | Portfolio transactions are recorded completely, accurately and on a timely basis.  |
| <b>E4</b>   | Corporate actions are processed and recorded accurately and on a timely basis.   | <b>E4</b>  | Corporate actions are <u>actioned</u> , processed and recorded accurately and on a timely basis.   |
| <b>E5</b>   | Expenses are appropriately authorised and recorded in accordance with the service level agreement and/or client instructions, on a timely basis.                   | <b>E5</b>  | Expenses are appropriately authorised and recorded in accordance with the service level agreement and/or client instructions, on a timely basis.   |
| <b>Maintaining financial and other records</b>                        |  | <b>Maintaining financial and other records</b>           |  |
| <b>E6</b>   | Accounts are administered in accordance with client agreements.  | <b>E6</b>  | Accounts are administered in accordance with client agreements.  |
| <b>E7</b>   | Changes to non-monetary static data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis. | <b>E7</b>  | Changes to non-monetary static data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.                       |
| <b>E8</b>   | Investment income and related tax are accurately calculated and recorded on a timely basis.  | <b>E8</b>  | Investment income and related tax are accurately calculated and recorded on a timely basis.  |
| <b>E9</b>   | Investments are valued in accordance with client agreements.   | <b>E9</b>  | Investments are valued <u>using current prices obtained from independent external pricing sources, or an alternative basis</u> in accordance with client agreements.                     |
| <b>E10</b>  | <u>Share/unit activity</u> is recorded completely, accurately and positions are regularly reconciled to data provided by registry.                                 | <b>E10</b>   | <u>Issue and cancellations of shares/units</u> are recorded completely and accurately in the financial records and units on issue are regularly reconciled to data provided by registry. |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|---|--|--|
| <b>E. INVESTMENT ADMINISTRATION</b>                                   |   | <b>E. INVESTMENT ADMINISTRATION</b>                      |  |
| <b>E11</b>  | Cash and securities positions are completely and accurately recorded and reconciled to third party data.  | <b>E11</b>   | Cash and securities positions are completely and accurately recorded and reconciled to third party data <u>on a timely basis</u> .   |
| <b>E12</b>  | Reconciliations between different systems, including the investment ledger, general ledger and administration system, are performed on a timely basis.                                | <b>E12</b>   | Reconciliations between different systems, including the investment ledger, general ledger and administration system, are performed on a timely basis.   |
| <b>Monitoring compliance</b>  |   | <b>Monitoring compliance</b>                             |  |
| <b>E13</b>  | Errors are identified, notified to clients and rectified promptly in accordance with client agreements.   | <b>E13</b>   | Errors are identified, notified to clients and rectified promptly in accordance with client agreements.  |
|   |   | <b>Monitoring subservice organisations</b>               |  |
| <b>E14</b>  | <u>Outsourced activities</u> are approved and managed in accordance with the requirements of the client agreement.  | <b>E14</b>   | <u>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.</u> |
| <b>Reporting to clients</b>   |   | <b>Reporting to clients</b>                              |  |
| <b>E15</b>  | Periodic reports to clients, including calculation of net asset value if required, are accurate and complete and distributed on a timely basis.                                       | <b>E15</b>   | Periodic reports to clients, including calculation of net asset value if required, are accurate and complete and distributed on a timely basis.  |
| <b>E16</b>  | Annual reports and accounts are prepared in accordance with applicable laws and regulations.  | <b>E16</b>   | Annual reports and accounts are prepared in accordance with applicable laws and regulations.   |
| <b>Taxation</b>   |   | <b>Taxation</b>  |  |
| <u>New</u>  |   | <b>E17</b>   | <u>Tax Policy is updated and reviewed on a timely basis.</u>   |
| <b>E17</b>  | <u>The general ledger is complete and accurate (based on all instructions or advice received from the client and/or their approved advisors) prior to processing tax information.</u> | <u>Deleted</u>   |  |
| <b>E18</b>  | <u>Distribution income is complete and accurate and is reported to clients on a timely basis.</u>   | <u>Deleted</u>   |  |
| <b>E19</b>  | <u>Capital gains on securities are calculated completely and accurately.</u>  | <u>Deleted</u>   |  |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |   |
|---|---|--|---|
| <b>E. INVESTMENT ADMINISTRATION</b>                                   |   | <b>E. INVESTMENT ADMINISTRATION</b>                      |   |
| <b>E20</b>  | Tax information (including: withholding tax, foreign income fund amounts, current and prior year tax losses, current and prior year timing differences, Section 115-45 securities, franking credits, foreign tax credits, Division 16E amounts) is <u>complete and accurate and calculated on a timely basis.</u> | <b>E18</b>   | Tax information <u>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.</u> |
| <u>New</u>  |   | <b>E19</b>   | <u>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.</u>                                    |
| <b>E21</b>  | Current and deferred tax balances <u>are calculated completely, accurately, are valid and processed in a timely manner (where appropriate).</u>   | <b>E20</b>   | Current and deferred tax balances <u>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.</u>      |
| <b>E22</b>  | <u>Assets are completely and accurately classified as held on either a capital or a revenue account (where appropriate).</u>  | <u>Deleted</u>   |   |
| <b>E23</b>  | <u>Tax journals are valid and are processed completely, accurately, and in a timely manner.</u>   | <u>Deleted</u>   |   |
| <b>Information technology</b>   |   | <b>Information technology</b>                            |   |
| See control objectives: <b>G.1 – G.14</b>                             |   | See control objectives: <b>G.1 – G.13</b>                |   |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>F. REGISTRY</b>  |  | <b>F. REGISTRY</b>                                       |  |
| <b>Accepting clients</b>  |  | <b>Accepting clients</b>                                 |  |
| <b>F1</b>   | Accounts are set up completely and accurately in accordance with client agreements.  | <b>F1</b>  | <u>New</u> accounts are set up completely and accurately in accordance with client/issuers agreements.   |
| <b>F2</b>   | Complete and authorised client agreements are established prior to initiating accounting activity.   | <b>F2</b>  | Complete and authorised client agreements are established prior to initiating accounting activity.   |
|   |  | <b>Authorising and processing transactions</b>           |  |
| <b>F3</b>   | <u>Pooled fund</u> unit holder activity is clearly established and recorded completely, accurately and in a timely manner.   | <b>F3</b>  | <u>New share/unitholder</u> activity is clearly established and recorded completely, accurately and in a timely manner.                                  |
| <b>Authorising and processing transactions</b>                        |  |  |  |
| <b>F4</b>   | <u>Documents</u> received are checked, sorted and distributed for processing in a timely manner.   | <b>F4</b>  | <u>Share/unitholder applications, redemptions and switches</u> received are checked, sorted and distributed for processing in a timely manner.           |
| <b>F5</b>   | <u>Investor</u> transactions and adjustments are authorised, processed accurately, completely and in a timely manner.  | <b>F5</b>  | <u>Share/unitholder</u> transactions and adjustments are authorised, processed accurately, completely and in a timely manner.                            |
| <b>F6</b>   | Cash receipts are processed accurately and banked promptly.  | <b>F6</b>  | Cash receipts are processed accurately and banked promptly.  |
| <b>F7</b>   | Cheques and confirmation letters issued are accurately generated, matched and authorised prior to despatch.  | <b>F7</b>  | Cheques and confirmation letters issued are accurately generated, matched and authorised prior to despatch.  |
| <b>F8</b>   | <u>Shares/units issued do not exceed the authorised number of shares in an issue and the number of new shares/units represented corresponds to the number of cancelled shares/units.</u> | <b>F8</b>  | <u>Where issued capital is fixed, the number of shares in the registry records match the number of shares on issue.</u>                                  |
| <u>New</u>  |  | <b>F9</b>  | <u>Distribution payments and reinvestments are complete, calculated in accordance with the authorised distribution and processed in a timely manner.</u> |
| <b>Maintaining financial and other records</b>                        |  | <b>Maintaining financial and other records</b>           |  |
| <b>F9</b>   | Accounts are administered in accordance with client agreements.  | <b>F10</b>   | Accounts are administered in accordance with client agreements.  |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|---|--|--|
| <b>F. REGISTRY</b>  |   | <b>F. REGISTRY</b>                                       |  |
| <b>F10</b>  | Changes to non-monetary <u>client</u> data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis. | <b>F11</b>   | Changes to non-monetary <u>share/unitholder</u> data (for example, address changes and changes in allocation instructions) are authorised and correctly recorded on a timely basis.  |
| <b>F11</b>  | Registrar records accurately reflect shares, units and cash held by third parties.  | <b>F12</b>   | Registrar records accurately reflect shares, units and cash held by third parties.   |
| <b>F12</b>  | Share/unit activity is recorded completely, accurately and positions are regularly reconciled.  | <b>F13</b>   | Share/unit activity is recorded completely, accurately and positions are regularly reconciled.   |
| <b>F13</b>  | <u>Pooled funds are priced and administered accurately and in a timely manner.</u>  | <u>Deleted</u>   |  |
| <b>Safeguarding assets</b>  |   | <b>Safeguarding assets</b>                               |  |
| <b>F14</b>  | Lost and stolen certificates are recorded in a timely manner.   | <b>F14</b>   | Lost and stolen certificates are recorded in a timely manner.  |
| <b>Monitoring compliance</b>  |   | <b>Monitoring compliance</b>                             |  |
| <b>F15</b>  | Transaction errors are identified, notified to clients in accordance with client agreements and rectified if necessary.   | <b>F15</b>   | Transaction errors are identified, notified to clients <u>and share/unit holders</u> in accordance with client agreements and rectified if necessary.  |
|   |   | <b>Monitoring subservice organisations</b>               |  |
| <b>F16</b>  | <u>Outsourced activities are approved and managed in accordance with the requirements of the client agreement.</u>  | <b>F16</b>   | <u>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.</u> |
| <b>Reporting to clients</b>   |   | <b>Reporting to clients</b>                              |  |
| <b>F17</b>  | Client reporting is complete and accurate and processed within required timescales.   | <b>F17</b>   | Client reporting is complete, accurate and processed within required timescales.   |
| <b>Taxation</b>   |   | <b>Taxation</b>  |  |
| <b>F18</b>  | <u>Distribution information is completely and accurately processed in the Registry system.</u>  | <u>Deleted</u>   |  |





| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |   |
|---|---|--|---|
| <b>F. REGISTRY</b>  |   | <b>F. REGISTRY</b>                                       |   |
| <b>F19</b>  | <u>Distribution payments are complete, accurate and processed in a timely manner.</u>   | <u>Deleted</u>   |   |
| <b>F20</b>  | Withholding tax for non-residents, or where no TFN/ABN has been provided, is calculated completely, accurately and on a timely basis. | <b>F18</b>   | Withholding tax for non-residents, or where no TFN/ABN has been provided, is calculated completely, accurately and on a timely basis. |
| <b>Information technology</b>   |   | <b>Information technology</b>                            |   |
| See control objectives: <b>G.1 – G.14</b>                             |   | See control objectives: <b>G.1 – G.13</b>                |   |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |   | Current GS 007 (2011) Control Objectives<br>- Appendix 3        |  |
|---|---|---|--|
| <b>G. INFORMATION TECHNOLOGY</b>                                      |   | <b>G. INFORMATION TECHNOLOGY</b>                                |  |
| <b>Restricting access to systems and data</b>                         |   | <b>Restricting access to systems and data</b>                   |  |
| <b>G1</b>   | <u>Client data is appropriately stored to ensure security and protection from unauthorised use.</u>   | <u>Deleted</u>  |  |
| <b>G2</b>   | Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.   | <b>G1</b>   | Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.  |
| <b>G3</b>   | Logical access to computer systems, programs, master 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. | <b>G2</b>   | Logical access to computer systems, programs, master data, <u>client data</u> , 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. |
| <b>G4</b>   | Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.  | <b>G3</b>   | Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.   |
| <b>Authorising and processing transactions</b>                        |   | <b>Authorising and processing transactions</b>                  |  |
| <b>G5</b>   | IT processing is authorised and scheduled appropriately and exceptions are identified and resolved in a timely manner.  | <b>G4</b>   | IT processing is authorised and scheduled appropriately and deviations are identified and resolved in a timely manner.   |
| <b>Safeguarding assets</b>  |   | <b>Safeguarding assets</b>                                      |  |
| <b>G6</b>   | Appropriate measures, including firewalls and anti-virus software, are implemented to counter the threat from malicious electronic attack.  | <b>G5</b>   | Appropriate measures, including firewalls and anti-virus software, are implemented to counter the threat from malicious electronic attack.   |
| <b>G7</b>   | The physical IT equipment is maintained in a controlled environment.  | <b>G6</b>   | The physical IT equipment is maintained in a controlled environment.   |
| <b>Maintaining and developing systems hardware and software</b>       |   | <b>Maintaining and developing systems hardware and software</b> |  |
| <b>G8</b>   | Development and implementation of new systems, applications and software, and changes to existing systems, applications and software, are authorised, tested, approved, implemented and documented.   | <b>G7</b>   | Development and implementation of new systems, applications and software, and changes to existing systems, applications and software, are authorised, tested, approved, implemented and documented.  |
| <b>G9</b>   | Data migration or modification is authorised, tested and, once performed, reconciled back to the source data.   | <b>G8</b>   | Data migration or modification is authorised, tested and, once performed, reconciled back to the source data.  |



| Superseded GS 007 (2008) Control Objectives<br>- Appendix 2 Section B |  | Current GS 007 (2011) Control Objectives<br>- Appendix 3 |  |
|---|--|--|--|
| <b>G. INFORMATION TECHNOLOGY</b>                                      |  | <b>G. INFORMATION TECHNOLOGY</b>                         |  |
| <b>G10</b>  | <u>Batch processing is complete, accurate and timely.</u>  | <u>Deleted</u>   |  |
| <b>Recovering from processing interruptions</b>                       |  | <b>Recovering from processing interruptions</b>          |  |
| <b>G11</b>  | Data and systems are backed up regularly, <u>retained</u> offsite and <u>regularly</u> tested for recoverability.  | <b>G9</b>  | Data and systems are backed up regularly offsite and tested for recoverability <u>on a periodic basis.</u>   |
| <b>G12</b>  | IT hardware and software issues are monitored and resolved in a timely manner.                                     | <b>G10</b>   | IT hardware and software issues are monitored and resolved in a timely manner.   |
| <b>G13</b>  | Business and information systems recovery plans are documented, approved, tested and maintained.                   | <b>G11</b>   | Business and information systems recovery plans are documented, approved, tested and maintained.   |
| <b>Monitoring compliance</b>  |  | <b>Monitoring compliance</b>                             |  |
| <u>New</u>  |  | <b>G12</b>   | <u>Information technology services provided to clients are approved, managed and performance thresholds met in accordance with the requirements of the client agreement.</u>   |
|   |  | <b>Monitoring Subservice Organisations</b>               |  |
| <b>G14</b>  | <u>Outsourced activities</u> are approved and managed in accordance with the requirements of the client agreement. | <b>G13</b>   | <u>Appointment of sub-service organisations, including those providing IT services, are approved, sub-service organisations are managed in accordance with the requirements of the client agreement and their activities are adequately monitored.</u> |