

EY Financial Services Reg Manager

Orchestrate your breach reporting on a single platform

Business drivers

On 1 October 2021, significant changes to breach reporting laws for Australian financial services and licensees came into effect. The new regime sought to address failings across the industry to identify, escalate, report on and resolve breaches of financial services laws.

The changes to Australian Securities and Investment Commission (ASIC)'s breach reporting regime require:

More reportable situations

Stricter timeframes for reporting

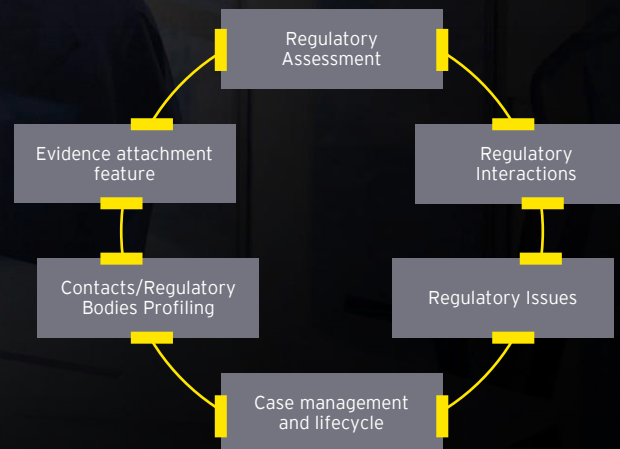
New prescribed forms through the ASIC portal

Solution overview

The EY Financial Services Reg Manager is built on ServiceNow's compliance case management modules. The EY organization and ServiceNow brought financial services regulatory and technology development expertise together to provide clients with a solution for effective breach management.

Here is the breakdown of the solution components:

- ▶ **Foundation:** Base compliance case management application (requires upgrade to Utah and installation of plugin from ServiceNow store)
- ▶ **Industry-based accelerators:** Industry-based solution (e.g., EY Financial Services Reg Manager) install base (requires installation of base compliance case management application)
- ▶ **Tailored:** Client-specific configuration and/or integration for their breach process (requires installation of an EY accelerator)



Solution benefits

Value provided by EY Financial Services Reg Manager:

- ▶ **Enhanced case management** - through a complete workflow to help users conduct investigations and breach assessments in a staged manner to facilitate efficient decision making. In-built controls manage the regulatory time frames.
- ▶ **Collaboration** - through the tool, allowing users to communicate with other parts of the business for information/review and reporting needs. Cases can also be marked confidential to limit user access.
- ▶ **Dashboard and reporting needs** - can be configured for different users to assist with case management, prioritization, team oversight and management decision making.
- ▶ **ASIC API integration** - allows for seamless integration for reportable situations to be submitted and updated from the accelerator directly to ASIC.
- ▶ **Out-of-the-box solution** (as part of ServiceNow product roadmap) - which will enable upgradability and extended for future needs.
- ▶ **Solution extension** - for other use cases such as whistleblowing, group integrity, CPS234, etc. For example, for whistleblowing purposes, the assessment functionality in this solution can be used while leveraging on the integrated HRSD application to manage employee relations.

Joint value proposition

ServiceNow and EY teams have collaborated to build an industry-focused product and asset set, which will address breach reporting and other regulatory process requirements for our financial services clients.

The solution is aligned to ServiceNow's product roadmap and includes a set of modules in collaboration with workflows to enable organizations to comply with regulations as well as investigative management solutions which can be leveraged in their day-to-day operations to complement existing GRC processes.

Solution differentiators



- ▶ HFS, in its Horizons Report: ServiceNow Services 2023 rates EY as a Market Leader.
- ▶ The EY organization positioned as a Leader in Enterprise Risk Management in ALM Intelligence Pacesetter research 2020-2021, January 2021.
- ▶ The EY organization is 1 of 6 ServiceNow Global Elite Partners and 2023 Worldwide Financial Services Industry Partner of the Year.

Case study: Helping large bank to proactively manage and respond to high impact breaches

Client challenge

In 2021, the Australian Securities and Investment Commission (ASIC) introduced significant changes to its breach reporting regime for Australian financial services and credit licensees. The new rules defined more reportable situations, stricter timeframes for reporting and new prescribed forms. Insights from ASIC a year into the new reporting regime noted a significant increase in reporting - by approximately 15%.

After implementing required changes, the client was grappling with poor systems to manage time frames and workflow, poor data quality and inefficient processes. The client decided to embark on a transformation journey to replace their existing system for breach reporting.

Engagement summary

Our long history of working with the client across large compliance programs and the ServiceNow landscape, allowed us to appropriately understand the framework and priorities that underpin the implementation. The solution we helped implement had 3 components:

- ▶ ServiceNow base compliance management application
- ▶ EY industry-based accelerator for breach reporting
- ▶ Client-specific configuration and integration to support established breach process

EY and ServiceNow invested in designing and building the core product to meet the client's needs, on top of which EY teams then built its unique IP as an industry-based accelerator.

The design principles that EY teams applied help ensured:

- ▶ Continuous compliance with breach reporting obligations
- ▶ Integration with other systems used in incident identification and management, now and in future
- ▶ Architecture and data capture capabilities align with ASIC's reporting requirements and process
- ▶ Building on ServiceNow compliance case management out-of-the-box capabilities. The customer can configure to their needs, but customization is not permitted
- ▶ Helping customer to efficiently measure and monitor process performance and understand nature, volume, status and duration of breaches through the value chain

ServiceNow solutions

- ▶ EY Financial Services Regulatory Manager using Compliance case management

Value delivered

- ▶ EY team's proposed industry-specific accelerators will help enable and uplift the client's capacity to effectively respond to cases including breach reporting - and whistleblowing investigations and in future, CPS 234.
- ▶ The solution will be out of the box (as part of the ServiceNow product roadmap) and will help enable upgradability and extension for future needs.
- ▶ Building on ServiceNow's Compliance Case Management application allows interlinking with other ServiceNow components.
- ▶ Seamless integration capability to the client's complaint management system (Salesforce) and ASIC's breach reporting system.

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For more information, visit: ey.com/ServiceNow.

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