Southern Mutual Bank

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Statement of Applicability

Governance · synthetic assessor-grade test document

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1. Purpose and control objectives

This governance establishes the requirements, accountabilities and control objectives for statement of applicability across Southern Mutual Bank (“the Bank”). It forms part of the Bank's Information Security Management System and supports its obligations under ISO/IEC 27001:2022. It applies to Core banking platform and supporting services.

Control objectives:

• Establish clear accountability, risk appetite and oversight for information security and operational risk.

• Provide assurance to the Board and regulators that controls are designed and operating effectively.

2. Scope

This document applies to all employees, contractors, temporary staff and third parties acting for Southern Mutual Bank, and to all information assets, systems and environments it operates or operates on its behalf — on-premise, cloud (AWS/Azure), SaaS and outsourced services.

In scope	Out of scope / exclusions
Production, management and DR environments; Core banking platform; identity, endpoint, network and data services.	Personal devices outside the BYOD programme; non-production sandboxes without Bank data (covered by separate standard).

3. Regulatory and standards context

The requirements herein are designed to satisfy, and are crosswalked to, the following frameworks applicable to a regulated Australian banking entity: ISO/IEC 27001:2022. Where an obligation is more stringent in one framework, the most stringent requirement applies.

4. Requirements

4.1 Accountability and oversight

4.1.1 Accountability for each control area shall be assigned to a named executive owner reporting to the Board Risk Committee.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. approved tickets + sign-off records; SIEM / log extract.

Test method. re-performance / observation. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.1.2 The three-lines-of-defence model shall be applied: business ownership, risk/compliance oversight, and independent internal audit.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. sampled records + interview notes; scan or test report.

Test method. re-performance / observation. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.1.3 Security and operational-risk matters shall be reported to executive and board committees on a defined cadence.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. automated telemetry review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.2 Risk appetite and management

4.2.1 Risk appetite and tolerances shall be defined, approved by the Board, and monitored against key risk indicators.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. sampled records + interview notes; scan or test report.

Test method. re-performance / observation. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.2.2 Risks shall be identified, assessed, treated and tracked in the enterprise risk register with accountable owners.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. automated telemetry review. *Frequency.* Annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.2.3 Material risks exceeding appetite shall be escalated with treatment plans and timelines.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. automated telemetry review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.3 Policy and assurance lifecycle

4.3.1 Policies and standards shall be reviewed at least annually and after material change, with version control.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. log + exception review. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.3.2 Independent assurance (internal audit, external assessment) shall be obtained over control design and operating effectiveness.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. log + exception review. *Frequency.* Annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.3.3 Findings shall be risk-rated, tracked to closure, and reported until remediated.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. configuration export + change record; approved tickets + sign-off records.

Test method. log + exception review. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.4 Policy framework and document control

4.4.1 A documented policy hierarchy (policies, standards, procedures) shall be maintained with clear ownership and approval authorities.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. configuration review + sampling. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.4.2 All governing documents shall be version-controlled, classified and published through the controlled policy repository.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. configuration export + change record; approved tickets + sign-off records.

Test method. re-performance / observation. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.4.3 Document review cycles shall be tracked and overdue reviews escalated.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. tooling dashboard / telemetry extract; sampled records + interview notes.

Test method. re-performance / observation. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.4.4 Superseded documents shall be archived and removed from circulation.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. approved tickets + sign-off records; SIEM / log extract.

Test method. log + exception review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.5 Assurance mapping and regulatory engagement

4.5.1 Controls shall be crosswalked to applicable obligations (CPS 230/234, ISM, ISO 27001, SOC 2) and coverage gaps tracked.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. configuration export + change record; approved tickets + sign-off records.

Test method. re-performance / observation. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.5.2 Regulatory correspondence and notifications shall be managed and recorded.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. tooling dashboard / telemetry extract; sampled records + interview notes.

Test method. re-performance / observation. *Frequency.* Annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.5.3 An assurance plan shall coordinate internal audit, external assessment and continuous monitoring to avoid gaps and duplication.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. approved tickets + sign-off records; SIEM / log extract.

Test method. log + exception review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.5.4 Attestations and management assertions shall be supported by retained evidence.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. sampled records + interview notes; scan or test report.

Test method. configuration review + sampling. *Frequency.* Annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.6 Governance, accountability and policy lifecycle

4.6.1 A named executive owner shall be accountable for this control area and shall report its status to the Board Risk Committee at least quarterly.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. tooling dashboard / telemetry extract; sampled records + interview notes.

Test method. automated telemetry review. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.6.2 This document shall be reviewed at least annually and after any material change to the business, technology, regulatory or threat environment, with version control maintained.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. approved tickets + sign-off records; SIEM / log extract.

Test method. automated telemetry review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.6.3 Roles and responsibilities shall align to the three-lines-of-defence model, with first-line ownership, second-line oversight and third-line independent assurance.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. sampled records + interview notes; scan or test report.

Test method. configuration review + sampling. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.6.4 Material decisions, approvals and deviations shall be minuted and retained as part of the governance record.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. log + exception review. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.7 Risk assessment and treatment

4.7.1 Risks within this control area shall be identified, assessed (likelihood × impact), treated and recorded in the enterprise risk register with an accountable owner.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. approved tickets + sign-off records; SIEM / log extract.

Test method. log + exception review. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.7.2 Residual risk exceeding the approved risk appetite shall be escalated with a treatment plan and target date.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. sampled records + interview notes; scan or test report.

Test method. automated telemetry review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.7.3 Risk assessments shall be refreshed on a defined cadence and upon significant change.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. log + exception review. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.7.4 Key risk indicators (KRIs) shall be defined and monitored against thresholds, with breaches escalated.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. log + exception review. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.8 Monitoring, measurement and reporting

4.8.1 Control performance shall be monitored continuously through automated telemetry into the central assurance platform.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is monitored in the SIEM with detections mapped to the relevant threats.

Evidence expected. sampled records + interview notes; scan or test report.

Test method. re-performance / observation. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.8.2 The metrics and targets in this document shall be reported monthly to the control owner and quarterly to the Executive Risk Committee.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. automated telemetry review. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.8.3 Control failures and exceptions shall be logged, triaged by severity and remediated within risk-based timeframes.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. automated telemetry review. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.8.4 Independent assurance (internal audit / external assessment) shall periodically test design and operating effectiveness; findings shall be tracked to closure.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. configuration export + change record; approved tickets + sign-off records.

Test method. configuration review + sampling. *Frequency.* Quarterly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.9 Records, retention and evidence

4.9.1 Evidence demonstrating the operation of these controls shall be generated, retained and protected per the records-retention schedule.

Control objective / rationale. This provides assurance that the control operates effectively over time.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is aligned to the CIS-equivalent secure baseline and enforced via platform policy.

Evidence expected. SIEM / log extract; configuration export + change record.

Test method. automated telemetry review. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.9.2 Evidence shall be sufficient for an independent assessor to conclude on operating effectiveness without reliance on undocumented knowledge.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. configuration review + sampling. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.9.3 Access to control evidence shall be least-privilege and itself logged; integrity shall be protected against tampering.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. configuration export + change record; approved tickets + sign-off records.

Test method. re-performance / observation. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

4.9.4 On decommissioning, records shall be retained or disposed of per the retention schedule and legal hold requirements.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. tooling dashboard / telemetry extract; sampled records + interview notes.

Test method. re-performance / observation. *Frequency.* Monthly. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.10 Continuous improvement

4.10.1 Lessons from incidents, audits, assessments and exercises shall be fed back into this control area and the document updated accordingly.

Control objective / rationale. This enforces least privilege, accountability and limits the blast radius of compromise.

Implementation. Responsibility, frequency and the system(s) of record are defined; results are reported to the control owner and second-line risk, and tracked to closure where below target. The control is implemented through the IGA/PAM platform with automated workflow and logging.

Evidence expected. scan or test report; tooling dashboard / telemetry extract.

Test method. automated telemetry review. *Frequency.* Semi-annual. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.10.2 Control maturity shall be assessed against a defined target state, with a roadmap to close gaps.

Control objective / rationale. This reduces the likelihood and impact of unauthorised access or control failure.

Implementation. The control owner maintains a documented procedure and the supporting tooling configuration, reviewed on the stated cadence; deviations are routed through the exceptions process with compensating controls. The control is configured per the hardening standard with drift monitoring and alerting.

Evidence expected. configuration export + change record; approved tickets + sign-off records.

Test method. automated telemetry review. *Frequency.* Annual. *Control owner.* IT Operations Manager. *Status.* Partially implemented (self-declared by the document author; not independently verified).

4.10.3 Automation and tooling shall be progressively adopted to reduce manual effort and error.

Control objective / rationale. This supports timely detection, response and recovery and meets regulatory obligations.

Implementation. Implementation is automated and enforced through platform policy where feasible, with documented manual compensating steps where automation is not yet available. The control is enforced at the identity provider and gateway with conditional access.

Evidence expected. tooling dashboard / telemetry extract; sampled records + interview notes.

Test method. configuration review + sampling. *Frequency.* Annual. *Control owner.* IT Operations Manager. *Status.* Implemented (self-declared by the document author; not independently verified).

5. Roles and responsibilities (RACI)

Role	R	A	C	I	Responsibility
IT Operations Manager	✓	✓			Owns this document; ensures it is current, resourced and effective.
System / Asset owners	✓		✓		Implement and operate the controls in their scope.
Security Operations	✓		✓	✓	Monitors compliance; investigates and responds to exceptions.
Risk & Compliance (2nd line)			✓	✓	Provides oversight, challenge and reporting.
Internal Audit (3rd line)				✓	Independent assurance over design and operating effectiveness.
All staff & contractors	✓			✓	Comply with the requirements; report suspected breaches.

6. Procedures and implementation

6.1 Maintain the policy register and review schedule; route changes through governance for approval.

6.2 Operate the risk register; report KRIs and appetite breaches to committees.

6.3 Track audit and assessment findings to closure in the remediation tracker.

7. Monitoring, metrics and KPIs

Metric	Target	Frequency
Policies reviewed within cycle	100%	Annual
KRIs within appetite	≥ 90%	Quarterly
Overdue audit findings	0	Monthly
Board risk reporting delivered	100%	Quarterly

8. Compliance, monitoring and enforcement

Compliance is monitored continuously through automated control telemetry, the metrics above and periodic independent assurance. Material non-compliance is recorded in the risk register, escalated to the Executive Risk Committee, and tracked to closure. Wilful or negligent breaches may result in disciplinary action up to termination.

9. Exceptions and waivers

Any deviation requires a documented risk assessment, compensating controls, an expiry date and approval by the accountable risk owner (and the CISO for high-risk deviations). Active exceptions are recorded and reviewed in the Exceptions & Waivers Register.

10. Definitions

Term	Definition
Risk appetite	The amount and type of risk the organisation is willing to accept.
Three lines of defence	Business ownership, risk oversight, and independent assurance.
KRI	Key Risk Indicator — a metric signalling changing risk levels.

11. Related documents

• Information Security Policy

• Risk Management Framework

• Risk Appetite Statement

12. Control framework mapping

Framework	Indicative mapped controls
ISO/IEC 27001:2022	A.5.15, A.5.18, A.8.2, A.8.16, A.5.23

Threat and risk context

This control area addresses the threats and failure modes most relevant to Core banking platform in a regulated Australian banking context — including credential compromise, insider misuse, unmanaged change, third-party failure, data loss and control drift. The requirements in section 4 are calibrated to reduce both the likelihood and the impact of these scenarios, and are tested on the cadence set out in section 7.

• Risk addressed: Establish clear accountability, risk appetite and oversight for information security and operational risk.

• Risk addressed: Provide assurance to the Board and regulators that controls are designed and operating effectively.

Operating model and continuous assurance

Day-to-day operation follows the three-lines-of-defence model: first-line owners operate the controls and remediate exceptions; second-line risk and compliance provide oversight, challenge and reporting; third-line internal audit provides independent assurance. Control performance is monitored continuously through automated telemetry into the central assurance platform, with monthly control reporting to the control owner and quarterly reporting to the Executive Risk Committee. Deficiencies are recorded in the enterprise risk register and tracked to closure against the targets in section 7.

Training, awareness and competency

Personnel with responsibilities under this document receive role-based training at onboarding and at least annually. General security awareness, including phishing simulation, is delivered to all staff and contractors; completion is tracked and non-completion is escalated to people leaders. Control owners maintain procedures and runbooks sufficient for a competent operator to execute the control consistently, and review them after any material change to the business, technology or threat environment.

Appendix C — Control register (per requirement)

Ref	Control statement	Framework	Test freq.	Status
4.1.1	Accountability for each control area shall be assigned to a named exec…	ISO/IEC 27001:2022	Semi-annual	Implemented
4.1.2	The three-lines-of-defence model shall be applied: business ownership,…	ISO/IEC 27001:2022	Monthly	Implemented
4.1.3	Security and operational-risk matters shall be reported to executive a…	ISO/IEC 27001:2022	Quarterly	Implemented
4.2.1	Risk appetite and tolerances shall be defined, approved by the Board, …	ISO/IEC 27001:2022	Semi-annual	Implemented
4.2.2	Risks shall be identified, assessed, treated and tracked in the enterp…	ISO/IEC 27001:2022	Annual	Implemented
4.2.3	Material risks exceeding appetite shall be escalated with treatment pl…	ISO/IEC 27001:2022	Quarterly	Partially implemented
4.3.1	Policies and standards shall be reviewed at least annually and after m…	ISO/IEC 27001:2022	Semi-annual	Implemented
4.3.2	Independent assurance (internal audit, external assessment) shall be o…	ISO/IEC 27001:2022	Monthly	Implemented
4.3.3	Findings shall be risk-rated, tracked to closure, and reported until r…	ISO/IEC 27001:2022	Annual	Implemented
4.4.1	A documented policy hierarchy (policies, standards, procedures) shall …	ISO/IEC 27001:2022	Quarterly	Implemented
4.4.2	All governing documents shall be version-controlled, classified and pu…	ISO/IEC 27001:2022	Quarterly	Implemented
4.4.3	Document review cycles shall be tracked and overdue reviews escalated.	ISO/IEC 27001:2022	Annual	Implemented
4.4.4	Superseded documents shall be archived and removed from circulation.	ISO/IEC 27001:2022	Monthly	Implemented
4.5.1	Controls shall be crosswalked to applicable obligations (CPS 230/234, …	ISO/IEC 27001:2022	Monthly	Implemented
4.5.2	Regulatory correspondence and notifications shall be managed and recor…	ISO/IEC 27001:2022	Semi-annual	Implemented
4.5.3	An assurance plan shall coordinate internal audit, external assessment…	ISO/IEC 27001:2022	Monthly	Partially implemented

Ref	Control statement	Framework	Test freq.	Status
4.5.4	Attestations and management assertions shall be supported by retained …	ISO/IEC 27001:2022	Quarterly	Implemented
4.6.1	A named executive owner shall be accountable for this control area and…	ISO/IEC 27001:2022	Quarterly	Implemented
4.6.2	This document shall be reviewed at least annually and after any materi…	ISO/IEC 27001:2022	Monthly	Implemented
4.6.3	Roles and responsibilities shall align to the three-lines-of-defence m…	ISO/IEC 27001:2022	Quarterly	Partially implemented
4.6.4	Material decisions, approvals and deviations shall be minuted and reta…	ISO/IEC 27001:2022	Annual	Implemented
4.7.1	Risks within this control area shall be identified, assessed (likeliho…	ISO/IEC 27001:2022	Semi-annual	Implemented
4.7.2	Residual risk exceeding the approved risk appetite shall be escalated …	ISO/IEC 27001:2022	Quarterly	Implemented
4.7.3	Risk assessments shall be refreshed on a defined cadence and upon sign…	ISO/IEC 27001:2022	Monthly	Partially implemented
4.7.4	Key risk indicators (KRIs) shall be defined and monitored against thre…	ISO/IEC 27001:2022	Semi-annual	Implemented
4.8.1	Control performance shall be monitored continuously through automated …	ISO/IEC 27001:2022	Annual	Implemented
4.8.2	The metrics and targets in this document shall be reported monthly to …	ISO/IEC 27001:2022	Semi-annual	Partially implemented
4.8.3	Control failures and exceptions shall be logged, triaged by severity a…	ISO/IEC 27001:2022	Monthly	Implemented
4.8.4	Independent assurance (internal audit / external assessment) shall per…	ISO/IEC 27001:2022	Quarterly	Partially implemented
4.9.1	Evidence demonstrating the operation of these controls shall be genera…	ISO/IEC 27001:2022	Quarterly	Implemented
4.9.2	Evidence shall be sufficient for an independent assessor to conclude o…	ISO/IEC 27001:2022	Annual	Implemented
4.9.3	Access to control evidence shall be least-privilege and itself logged;…	ISO/IEC 27001:2022	Quarterly	Implemented
4.9.4	On decommissioning, records shall be retained or disposed of per the r…	ISO/IEC 27001:2022	Annual	Implemented
4.10.1	Lessons from incidents, audits, assessments and exercises shall be fed…	ISO/IEC 27001:2022	Quarterly	Implemented
4.10.2	Control maturity shall be assessed against a defined target state, wit…	ISO/IEC 27001:2022	Annual	Partially implemented
4.10.3	Automation and tooling shall be progressively adopted to reduce manual…	ISO/IEC 27001:2022	Semi-annual	Implemented

Appendix A — Control implementation checklist

Control area	Controls	Implementation status
Accountability and oversight	3 control(s)	Implemented
Risk appetite and management	3 control(s)	Planned
Policy and assurance lifecycle	3 control(s)	Partially implemented

Control area	Controls	Implementation status
Policy framework and document control	4 control(s)	Implemented
Assurance mapping and regulatory engagement	4 control(s)	Planned
Governance, accountability and policy lifecycle	4 control(s)	Partially implemented
Risk assessment and treatment	4 control(s)	Planned
Monitoring, measurement and reporting	4 control(s)	Implemented
Records, retention and evidence	4 control(s)	Implemented
Continuous improvement	3 control(s)	Planned

Appendix B — Control testing and evidence matrix

Control area	Ctrls	Test method	Evidence	Frequency
Accountability and oversight	3	Configuration review + sampling	Config export + screenshots	Monthly
Risk appetite and management	3	Automated control telemetry	Dashboard / telemetry extract	Semi-annual
Policy and assurance lifecycle	3	Evidence inspection + interview	Approved records + tickets	Semi-annual
Policy framework and document control	4	Re-performance / observation	Observed run + sign-off	Monthly
Assurance mapping and regulatory engagement	4	Log and exception review	SIEM / log extract	Annual
Governance, accountability and policy lifecycle	4	Independent test / scan	Scan / test report	Quarterly
Risk assessment and treatment	4	Configuration review + sampling	Config export + screenshots	Monthly
Monitoring, measurement and reporting	4	Automated control telemetry	Dashboard / telemetry extract	Quarterly
Records, retention and evidence	4	Evidence inspection + interview	Approved records + tickets	Annual
Continuous improvement	3	Re-performance / observation	Observed run + sign-off	Quarterly

Evidence is retained for audit per the records-retention schedule and crosswalked to ISO/IEC 27001:2022.

13. Document approval and distribution

Approval	Name	Role	Date
Prepared by	Mei-Lin Tan	IT Operations Manager	10 Oct 2026
Reviewed by	David Okafor	Head of Compliance	20 Oct 2026
Approved by	Priya Sharma	Chief Information Security Officer	26 Oct 2026
Endorsed by	—	Board Risk Committee	30 Oct 2026

Distribution: all staff and contractors via the policy portal; control owners; Risk & Compliance (2nd line); Internal Audit (3rd line); relevant material service providers under NDA.

14. Abbreviations

Abbreviation	Meaning
ISMS	Information Security Management System
MFA / SSO	Multi-Factor Authentication / Single Sign-On
PAM / IGA	Privileged Access Management / Identity Governance & Administration
RTO / RPO	Recovery Time Objective / Recovery Point Objective

Abbreviation	Meaning
SoD	Segregation of Duties
KRI / KPI	Key Risk Indicator / Key Performance Indicator
SIEM / SOC	Security Information & Event Management / Security Operations Centre

15. Revision history

Version	Date	Author	Summary of change
1.0	03 Oct 2024	Priya Sharma	Initial issue.
2.0	02 Oct 2025	James O'Connor	Annual review; control uplift and framework alignment.