In his response to questioning by MPs at the House Economics Committee hearings into the big four banks, Mr Shayne Elliott, CEO of ANZ, may have inadvertently let the cat out of the bag,

When questioned about the ongoing litigation regarding manipulation of the bank bill swap rate (BBSW) benchmark, which belatedly the government wishes to make a criminal offence , Mr Elliot boasted that:

“We went and looked at literally millions of chats and conversations. In doing so, in order to satisfy ourselves around the ASIC questions, we found other things, to do with poor behaviour and conduct. ASIC had not mentioned any of that. We went through those. We found those. They were wrong. We investigated and we acted. And, as a result of that, we have changed.”

Under further questioning by Liberal MP Julia Banks, Mr Elliot admitted that, but for the ASIC investigation, he would not have identified the inappropriate conduct of those employees, because management would not have done that investigation of those chats.

Several questions are raised by this admission of doing-nothing until prompted, which go to the heart of the culture prevailing in ANZ at the time.

First, given that possible BBSW manipulation was flagged several years ago , why did ANZ management wait until prompted by ASIC to go look for wrongdoing in such a high-profile and profitable division? Such a lack of interest in publicised wrong-doing elsewhere in the industry demonstrates cultural failings not only at the level of trading desks but much higher up the management chain.

Secondly, Mr Elliott did not say, nor was he asked, what or how many these “other things” he mentioned were, nor, given the admission of wrongdoing, whether the activities were reported to ASIC.

If ASIC did receive this new information, how did they respond, if at all ?

Thirdly, Mr Elliot did not report which, if any, external parties were involved such as customers, other banks, market participants and brokers. If bank customers were involved, were the "other things" examples of selling incorrectly and if so have customers been reimbursed? If other financial institutions were involved, was there misconduct not yet reported, such as manipulation of FX rates?

Lastly, what actions were taken and just exactly how has the organisation been changed?

If MPs do not get the opportunity until next year to quiz Mr Elliot, maybe they should ask the next cabs off the rank, the CEO's of NAB and Westpac who are in the dock in the same scandal. In particular they should ask if they too had done additional investigations over and above that requested by ASIC.

Meanwhile, the questioning by MPs which often results in bland platitudes or promises to get back, actually reinforces rather than weakens the case for a Royal Commission. If answers to even simple queries raise basic questions of lack of good governance that CEOs do not answer, obviously more forensic questioning is needed.

Read more http://theconversation.com/just-what-else-did-anz-uncover-when-looking-at-bbsw-66630