



AMP Limited
Level 22, 33 Alfred Street
Sydney NSW 2000

Telephone: [REDACTED]

Web: amp.com.au

28 March 2013

Mr Neil Grummitt
General Manager, Policy Development
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2011

Dear Mr Grummitt

Draft Prudential Practice Guide PPG 235 Managing Data Risk

AMP welcomes the opportunity to respond to the draft *Prudential Practice Guide PPG 235 Managing Data Risk* (the "PPG") which was released for public consultation on 11 December 2012.

AMP supports the introduction of this PPG and seeks to comply with the guidance issued by APRA as representing good practice for the industry. Our submission does not seek to comment on all aspects identified through our review of the draft PPG, and we have limited our comments to only those issues we believe are material.

AMP is of the understanding that the PPG is intended to have a broad target audience, recognising data management is not just a technical issue, rather one that is relevant to Boards, senior management, IT and business and technical specialists. We believe data management includes data which may not be held on IT systems and would encourage APRA to clarify this, as the draft PPG appears to specifically target systems.

A systematic and formalised approach - Overarching framework and principles based approach

Paragraph 21 sets out details with respect to the *establishment and ongoing development of the data risk framework*. We believe the details set out are prescriptive and that guidance should be general to support any strategy and associated program of work.

As a regulated institution, AMP has embedded change management, security, business continuity management and operational risk frameworks. Any proposed data risk management framework should be closely aligned, if not integrated into current risk frameworks.

Recommendation

Key principles of the proposed framework should not be prescriptive. Instead, any data risk management approach should be integrated into existing operational risk frameworks and be consistent with the entity's risk management policy principles. Adoption of a risk based approach is proposed, with the business applying a test of criticality and sensitivity to data risk management.

Staff awareness – Training and awareness programs

AMP supports the purpose of these proposals and agrees that continuous training for all staff be provided to ensure they understand the importance of data quality and their responsibilities. However, we are concerned with Paragraph 31 and the proposal to *incorporate data management responsibilities as a component of staff performance plans*.

This seems very prescriptive, particularly in the context of expecting staff to diligently perform their business as usual roles, and having performance plans that focus on a few new key initiatives.

Recommendation

Responsibilities in respect of data risk management should be incorporated into the broader risk management framework and applied to business staff as part of general risk management and general business training.

Data validation – Assessment of fitness for use

AMP supports the purpose of these proposals and acknowledges that best endeavours should be undertaken to ensure the validity of data.

AMP considers Paragraph 52 regarding the proposal to *design specific business processes to revalidate data on a periodic basis* to be over and above what most organisations currently practice and potentially quite onerous. AMP would typically seek to revalidate following material business changes.

Recommendation

Further clarification is required as to the types of data and circumstances that may require revalidation.

Should you wish to discuss any of the above, please feel free to give me a call on [REDACTED].

Yours sincerely



Mike Thornton
Director, Group Risk Management