



11 December 2012

To: All authorised deposit-taking institutions, life insurers, general insurers and superannuation entities

Draft Prudential Practice Guide PPG 235 Managing Data Risk

APRA has released today for consultation a draft *Prudential Practice Guide PPG 235 Managing Data Risk* (PPG 235).

The management of data risk is important for a broad range of business outcomes, including meeting financial and other obligations to beneficiaries. Hence, Board and senior management of an APRA-regulated institution need to have an understanding of the risks associated with the management of data, including its collection, retention and use, and of the practices that would safeguard data quality across the data life-cycle.

The draft Prudential Practice Guide (PPG) seeks to address those areas of data risk that APRA has identified, through its ongoing supervision, as areas of potential weakness. The key topics covered include:

- adopting a systematic and formalised approach to managing data;
- staff awareness;
- data life-cycle management;
- data validation;
- monitoring and managing data quality issues; and
- data quality assurance.

The PPG is intended to have a broad target audience, recognising that managing data is not just a technical issue. It is designed to provide guidance to Boards, senior management, risk management, assurance and business and technical specialists. APRA considers it important that regulated institutions understand the risks associated with data and are able to identify and put in place sound risk management practices in this regard.

Data risk is a subset of information technology (IT) risk, further details of which are contained in *Prudential Practice Guide 234 Management of security risk in information and information technology* (PPG 234), released in 2009. PPG 234 provides guidance to APRA-regulated institutions on managing their IT security risks more generally.

APRA is seeking comments from industry and other interested parties on draft PPG 235. PPGs do not impose requirements on APRA-regulated institutions. Rather, they aim to assist institutions by providing targeted guidance in relation to requirements in APRA prudential standards or on good practices identified by APRA as part of its prudential supervision.

The draft PPG is available on the APRA website at:

<http://www.apra.gov.au/CrossIndustry/Consultations/Pages/December-2012-Consultation-PPG-235-Managing-Data-Risk.aspx>

Submissions should be sent to datamgt@apra.gov.au not later than 29 March 2013 and addressed to:

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Yours sincerely

A handwritten signature in black ink, appearing to read 'N Grummitt', written on a light-colored background.

Neil Grummitt

Important Disclosure Notice - Publication of Submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under *the Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA regulated entity which is not in the public domain and which is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and therefore will ordinarily be exempt from production under the FOIA.