



## Reporting Standard ARS 702.0

### ABS/RBA Data Quality for the EFS Collection

#### Objective of this Reporting Standard

This reporting standard outlines the data quality and assurance requirements for the provision of information to APRA relating to the Economics and Financial Statistics (EFS) data submitted by an authorised deposit-taking institution or registered financial corporation.

#### Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

#### Purpose

2. Reporting standards made under section 13 of the *Financial Sector (Collection of Data) Act 2001* require financial sector entities to provide information to **APRA**. This Reporting Standard specifies the accuracy thresholds that the information provided under all **EFS reporting standards** must achieve to comply with the requirements of those standards. Accuracy thresholds applying to the **EFS reporting standards** are designed to ensure that information collected meets the needs of the **Australian Bureau of Statistics** and the **Reserve Bank of Australia**.

#### Application and commencement

3. This Reporting Standard applies to all data submitted to **APRA** by **Authorised Deposit-taking Institutions (ADIs)** or **Registered Financial Corporations (RFCs)** in relation to the **EFS collection**.
4. This Reporting Standard applies from the date of commencement of any **EFS reporting standard**.

## Quality control

5. The information provided under each *EFS reporting standard* must meet the accuracy thresholds set out in this Reporting Standard, which sets out the level of data quality and assurance required for the *EFS collection*.
6. The information provided under each *EFS reporting standard* must be the product of systems, processes and controls that will assure that the data submitted on an ongoing basis are correct or, at a minimum, within accuracy thresholds as specified in Attachment A.
7. It is the responsibility of senior management to assure that appropriate systems, processes and controls and adequate resources are in place so that the data submitted to *APRA* meets the requirements set out in this Reporting Standard.

## Quality standards

8. Attachment A of this Reporting Standard contains a set of thresholds for the accuracy of data that the *ADI* or *RFC* must meet at a minimum when providing information under *EFS reporting standards*. The *ADI* or *RFC* must assure that all data items reported to *APRA* are not subject to a reporting *error* that exceeds the defined accuracy threshold for that data item set out in Attachment A.
9. Reporting *errors* referred to in paragraph 8 do not include variations in data items and/or resubmissions that result from clarifications to reporting requirements advised by *APRA*.

## Assurance requirements

10. An *ADI* or *RFC* must assure that data provided under *EFS reporting standards* is subject to *assurance* in accordance with the requirements set out in Attachment B.

## Variations

11. *APRA* may, by written notice to an *ADI* or *RFC*, reduce or increase the error thresholds in Attachment A paragraph 2, 3 or 4 in relation to that *ADI* or *RFC*.

## Interpretation

12. Terms that are defined in *Reporting Standard ARS 701.0 ABS/RBA Definitions for the EFS Collection* (ARS 701.0) or in this Reporting Standard appear in bold italic.

13. In this Reporting Standard:

*ABS* means the Australian Bureau of Statistics established under the *Australian Bureau of Statistics Act 1975*.

*accounting records* means the records of initial accounting entries and supporting records, such as cheques and records of electronic fund transfers; invoices; contracts; the general and subsidiary ledgers, journal entries and other adjustments to the financial report that are not reflected in journal entries; and records such as work sheets and

spreadsheets supporting cost allocations, computations, reconciliations and disclosures and includes any information sourced indirectly from such records, for example, data sourced from accounting records that involve additional examination, computation, re-classification or segmentation.

**APRA** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*.

**AUASB** means the Australian Auditing and Assurance Standards Board.

**assurance** means assurance in accordance with the AUASB standards.

**error** refers to a difference between a measurement, record or representation and the value to be measured, recorded or represented.

**EFS reporting standard** refers to a reporting standard for the purposes of *Reporting Standard ARS 701.0 ABS/RBA Definitions for the EFS Collection* paragraph 4.

**EFS collection** comprises the **EFS reporting standards** and data collected under the **EFS reporting standards**.

**large institution** refers to an **ADI** or **RFC** with greater than or equal to \$200 billion in total assets.

**limited assurance** is defined in accordance with the Framework for Assurance Engagements issued by the AUASB.

**non-accounting records** means records that are not accounting records.

**reasonable assurance** is defined in accordance with the Framework for Assurance Engagements issued by the AUASB.

**registered financial corporation (RFC)** means a registrable corporation under section 7 of the *Financial Sector (Collection of Data) Act 2001*.

**Attachment A – Accuracy thresholds**

1. There are two different sets of accuracy thresholds according to the size of the *ADI* or *RFC*. A *large institution* is an *ADI* or *RFC* with greater than or equal to \$200 billion in total assets measured on a *domestic books* basis.
2. For data items reported as a dollar value, a count or a proportion of a year (e.g. term, tenor) different accuracy thresholds apply for stock data and flow data. For both types of data, the accuracy threshold is expressed as a percentage of the institution-level series that *errors* in data must not exceed. An *error* in data items reported as a dollar value, a count or a proportion of a year must not exceed the accuracy thresholds in the following table.

Priority	Data item type	Accuracy threshold as percentage of institution series for a large institution	Accuracy threshold as percentage of institution series for an ADI or RFC that is not a large institution
Very high	Stock	0.50%	2.00%
	Flow	5.00%	10.00%
Standard	Stock	5.00%	10.00%
	Flow	10.00%	20.00%

3. Notwithstanding paragraph 2 of this attachment, an *error* in a dollar value or a count may exceed the percentage accuracy thresholds in paragraph 2 provided that the *error* is less than or equal to the allowable *error* thresholds in the following table.

Data item type	Allowable error threshold
Stock	\$25m
Flow	\$10m

4. Notwithstanding paragraph 2 of this attachment, an *error* in a dollar value must not exceed the absolute thresholds in the following table.

Priority	Data item type	Absolute error threshold for a large institution	Absolute error threshold for an ADI or RFC that is not a large institution
Very high	Stock	\$2,000m	\$500m
	Flow	\$250m	\$100m
Standard	Stock	\$2,000m	\$500m
	Flow	\$250m	\$100m

5. For data items reported as a rate (e.g. *interest rates*, margins, *cost/value of funds*, *benchmark rate*), thresholds are expressed in basis points. An *error* in rate data must not exceed the absolute thresholds in the following table.

<b>Priority</b>	<b>Absolute error threshold for a large institution</b>	<b>Absolute error threshold for an ADI or RFC that is not a large institution</b>
Very high	5 bps	10 bps
Standard	15 bps	20 bps

6. A list of the ‘very high’ priority series contained in each reporting form is provided in the relevant reporting standard.
7. For data items reported as a dollar value, a count or a proportion of a year, the stock or flow accuracy thresholds are applied to data according to the reporting basis specified in the reporting standards.
  - (a) Accuracy thresholds for flow data apply to series with a reporting basis of ‘during’ the reporting period.
  - (b) Accuracy thresholds for stock data apply to series with a reporting basis of ‘as at the end of the reporting period.’

**Attachment B – Assurance requirements**

1. This attachment contains details of the *assurance* requirements relating to the *EFS collection* that apply to *ADIs* and *RFCs*.

**Internal audit**

2. An *ADI* or *RFC* must ensure that the scope of internal audit includes a review of the policies, processes and controls put in place by management for compliance with the *EFS reporting standards*.

**Characteristics of audit**

3. An audit must be completed within three months of the financial year end of the *ADI* or *RFC* on the matters referred to in paragraph 4 of this attachment relating to information submitted to *APRA* under *EFS reporting standards*. An audit report, or the portion of it relating to the *EFS collection*, must be made available to the *ABS* and *RBA* as the main data users of the *EFS collection*.
4. An audit must provide assurance on, and include a report on, the following matters:

**EFS data collections with requirements that the data be audited**

- (a) *for those collections where the data are sourced only from accounting records – reasonable assurance* that the information submitted to *APRA* in the *EFS collection* throughout the financial year is in accordance with the *EFS reporting standards* and meets the requirements in Attachment A;
- (b) *for those collections where the data are sourced only from non-accounting records – limited assurance* that the information submitted to *APRA* in the *EFS collection* throughout the financial year is in accordance with the *EFS reporting standards* and meets the requirements in Attachment A; and
- (c) *for those collections where the data are sourced from a combination of accounting records and non-accounting records – reasonable assurance* for information sourced from *accounting records* and *limited assurance* that information sourced from *non-accounting records*, which was submitted to *APRA* throughout the financial year in the *EFS collection*, is in accordance with the *EFS reporting standards* and meets the requirements in Attachment A.

**Internal controls relating to EFS reporting requirements**

- (d) *limited assurance* that the *ADI* or *RFC* has systems, processes and controls that:
  - (i) are designed to assure that the *ADI* or *RFC* has provided data to *APRA* that meets the requirements in Attachment A; and
  - (ii) have operated effectively throughout the financial year.