

# Reporting Guidance

## ABS/RBA Data Quality for the EFS Collection

### Objective of this Reporting Guidance

This reporting guidance provides general information to assist Authorised Deposit-taking Institutions' (ADIs') and Registered Financial Corporations' (RFCs') meet the requirements of the data quality and assurance standard (*Reporting Standard ARS 702.0 ABS/RBA Data Quality for the EFS Collection* (ARS 702.0)) for the purposes of the Economic and Financial Statistics (EFS) collection.

### Revisions and commencement

This Reporting Guidance was last revised [XXX].

This current Reporting Guidance applies for reporting periods ending on or after [XXX].

### Interpretation

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

### General purpose

This Reporting Guidance provides a centralised source of guidance for data quality and assurance procedures for the ***EFS collection***.

This guidance document will be updated periodically. Reporting institutions will be advised [by email] when a revised document is released.

To provide feedback or to seek further clarification, please write to **APRA**, preferably by email:

Manager, Standard Data Collections  
Australian Prudential Regulation Authority  
statistics@apra.gov.au  
GPO Box 9836  
Sydney NSW 2001

## Interpretation

Refer to ARS 701.0 for definitions that are used in EFS reporting standards and accompanying guidance.

In this Reporting Guidance:

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

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

**data item** refers to the information required to be entered in a specific cell of a form; the intersection of one or more reporting concepts along a given dimension.

**error** has the meaning in ARS 702.0.

**large institution** has the meaning in ARS 702.0.

**reporting concept** refers to a theoretical construct – typically economic or statistical in nature – that is identified in the instructions and/or definitions. Frequently these constructs will be used across more than one data item.

## Data quality

The EFS reporting instructions and ARS 701.0 provide definitions of the **reporting concepts** underlying the data to be reported, in accordance with international standards where appropriate.

*Guidance Note ABS/RBA Reporting Concepts* provides further information on ways to meet the **reporting concepts** defined in ARS 701.0 and other relevant reporting standards.

ARS 702.0 outlines the data quality and assurance requirements for the provision of information to **APRA** relating to the EFS data. In particular, paragraph 8 and Attachment A of ARS 702.0 contains information on the level of data accuracy required as measured by the size of reporting **errors**. This Reporting Guidance supports ARS 702.0.

Reporting **errors** may compromise the timely and accurate use of data for statistical, policy and/or publication purposes by the **ABS**, the **RBA** and **APRA**.

Reporting **errors** include, but are not limited to, **errors** relating to the construction of **data item(s)** and the submission of **data item(s)** to **APRA** (e.g. submitting data in the wrong units or referencing the incorrect reporting period).

## Practical implementation

An **error** is measured as the deviation of the reported measure from the measure (in absolute value, basis points or percentage terms, as relevant) considered to be most accurate. Note that this concept differs from business-as-usual movement analysis from reporting period to reporting period, which may form the basis of queries and, sometimes, help to identify instances of inaccurate reporting.

If the magnitude of the *error* varies over time, the *ADI* or *RFC* should consider whether the *error* meets or exceeds the accuracy thresholds in any reporting periods in which an *error* existed.

The materiality of an *error* varies according to the priority of the *reporting concept* or *data item* given the use of the data by the *ABS*, the *RBA* and *APRA*. Accuracy thresholds are also calibrated based on the size of the reporting institution. In particular, the accuracy thresholds have been designed to address these key questions:

1. Would the *error* affect the use of system-wide series?
2. Would the *error* affect the use of institution-level series?

Accordingly, the accuracy thresholds contain some variation by the size of the *ADI* or *RFC*.

- (a) The accuracy thresholds for *large institutions* are aimed at identifying *errors* that could impact system-wide growth and/or aggregates in a given period, and reflect that reporting *errors* by a single institution are more likely to impact aggregate series due to their size. These thresholds also serve to identify *errors* relevant to the internal consistency of the institution's series.
- (b) The accuracy thresholds for other reporting institutions are aimed at identifying *errors* relevant to the internal consistency of the institution's series and/or *errors* that could affect the system-wide results if repeated across several institutions.

The *ABS*, the *RBA* and *APRA* expect *ADIs* and *RFCs* to have systems, processes and controls that provide them with at least 99 per cent confidence that the data reported are within the data accuracy requirements specified in paragraph 8 and Attachment A of ARS 702.0.

The *ABS*, the *RBA* and *APRA* also expect that such systems, processes and controls would typically identify *errors* before *errors* result in failure to meet the data accuracy requirements in paragraph 8 and Attachment A of ARS 702.0. As such, identification of reporting *errors* that result in failure to meet the data accuracy requirements specified in paragraph 8 and Attachment A of ARS 702.0 by means other than the *ADI's* or *RFC's* systems, processes and controls relating to data accuracy (e.g. identification of reporting *errors* by the *ABS*, the *RBA* or *APRA*) may indicate shortcomings in the *ADI's* or *RFC's* systems, processes and controls.

In cases where an identified *error* falls within the required accuracy thresholds outlined in Attachment A of ARS 702.0, the *ADI* or *RFC* is encouraged to report the *error* to *APRA*. This will enable straightforward identification of similar issues experienced by multiple reporting institutions, contributing to the topics to be discussed at future peer workshops.

- (a) Where the *error* can be resolved, the *ADI* or *RFC* is encouraged to contact *APRA* prior to resubmitting the data.
- (b) Where the *error* cannot be resolved, the institution is expected to check periodically (at least every 6 months) that the *error* does not exceed the accuracy thresholds in ARS 702.0.

## Assurance

A suitably qualified party (e.g. internal or external auditor, or a sufficiently qualified consultant) should periodically assess the reporting institution's systems, process and controls for reporting to determine if they meet ARS 702.0.

The processes outlined below can assist in providing assurance to both the *ADIs* and *RFCs* and the *ABS* and the *RBA* that the data reported to *APRA* are meeting the appropriate level of accuracy over time.

*ADIs* and *RFCs* are encouraged to take additional steps other than those outlined here to ensure that the systems, processes and controls remain appropriate over time to generate a high degree of confidence about the accuracy of the data submitted.

### **Annual assurance procedures**

Audit requirements for *ADIs* and *RFCs* are contained in ARS 702.0.

*ADIs* and *RFCs* are encouraged to consider the following processes as part of any review:

- (a) *Data capture*: processes involved in obtaining the appropriate information required for reporting, including providing customers with sufficient background information to be able to provide accurate responses.
- (b) *Data entry*: processes involved in correctly entering the data into the system and ensuring its accuracy.
- (c) *Data storage*: processes involved in storing data such that the level of detail and accuracy is maintained.
- (d) *Data mapping*: processes involved in mapping data from source systems into categories required for reporting within the EFS collection. This includes reasonable assumptions and tagging of information by the institution.
- (e) *Data extraction and submission*: processes involved in extracting the data from systems (and between systems) so that the data submitted to *APRA* reflects the same characteristics as when it was entered.

### **Periodic assurance procedures**

To maintain the quality of data submitted over time, *ADIs* and *RFCs* are encouraged to conduct periodic themed deep-dive reviews of data and processes for a given set of forms. The themed deep-dives, which would normally be conducted by the *ADIs*' or *RFCs*' internal audit team, will review sets of forms on a rotating basis (i.e. the group of forms to be reviewed will change each review). They will typically focus on discussion of particular key concepts and/or known reporting issues and would consider:

- (a) all *data items* on the selected forms;
- (b) the processes used to capture, enter, store, map, extract and submit the selected forms;
- (c) the existing assumptions and interpretations of the instructions and guidance;
- (d) any areas of concern;

- (e) where improvements to reporting could be made.

The findings of the reviews (appropriately de-identified) will form the basis for peer workshops, which will serve as an opportunity for *ADIs* and *RFCs*, the *ABS*, the *RBA* and *APRA* to discuss concerns and to highlight best practice. The workshops will provide an opportunity for:

- (a) discussion of any reporting-related issues;
- (b) institutions to outline areas of the instructions and/or guidance that are unclear or where more information is required; and
- (c) developing practical solutions to issues and problems through discussions with the *ABS*, the *RBA* and *APRA* and reporting institutions.