

ITM Data Report

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THIS EDITION

- 1 Base Trustee decisions on sound data
- 2 ITM campaigns to raise industry awareness
- 2 Periodic data integrity checks work!
- 2 Profile – Ken Horan
- 3 eShare comes to Australia
- 4 UK's APRA gets serious about data integrity
- 4 Profile – Rebel Jones



Steve Shoreson

Base your Trustee decisions on sound data

Decision-making, sign-offs and approvals by Trustees may be flawed if based on data and reporting that is incorrect.

Trustee directors conscientiously review all papers put before them. But what if the underlying data used to produce the information for the Trustee Reports is incorrect?

I have been in the superannuation industry since 1986 – as a programmer, administrator, consultant and executive. There have often been occasions where the data which the Trustees signed off, or on which they based their decisions, was later found to be wrong. When Trustees and administrators spend time considering under and overpayments, administration errors and member complaints - it can almost always be directly attributable to past poor record-keeping and reporting.

In my 20+ years in the Australian superannuation industry, I can count on one hand the number of funds or Administrators that undertook regular and comprehensive reviews of the data held on behalf of the members. A reliance on administrator self-assessment or a random sampling of a few benefits or contributions by the Auditor on an annual basis is just not good enough.

Even some external Trustee Companies still take a “tick the box” approach to determining whether or not they are happy with the data quality of funds and service providers.

Please read our article on the UK's regulator's more hard-line approach to record-keeping. How long before the same intervention happens here in Australia?

About ITM

ITM is the independent data management, administration consulting and IT specialist delivering innovative solutions to clients internationally.

ITM uses unique proprietary software – DAaRT (Data Analysis and Reporting Tool).

DAaRT can accommodate any administration database and is used for end-to-end data migration or standalone data integrity analysis.

It produces detailed risk and data cleanse reports for trustees, scheme sponsors and administrators.

DAaRT is fully scaleable and flexible to incorporate customised search queries and reporting.

Standard reporting highlights all analysed data and categorises this into 'high', 'medium' and 'low' priority.

DAaRT can be used for DB, Accumulation and Hybrid schemes and is also ideal for group and retail insurance and investment products

Key specialist services:

- Data analysis and data cleansing
- Data migration and Scheme implementations
- Project management
- System coding and support
- Data reconciliations
- Administration consulting

ITM clients include:

- Trustees & Product Sponsors
- In-house and third party administrators
- System providers
- Insurance, Investment companies

Profile



Ken Horan
*Business Development
Manager*

Ken is ITM's Business Development Manager here in Australia.

In keeping with our policy of employing only industry experts, Ken has over 25 years experience in the development, sales, implementation and support of superannuation and insurance systems.

His experience covers product design, business development and company management.

Most recently, Ken helped grow a system provider from a 2 person start-up, this included finding and delivering services to new clients.

Ken is impressed with the automated data integrity services we deliver via DAaRT and he believes we have a great service – which is a key reason he's now with ITM.

ITM campaigns to raise awareness of data issues

ITM is actively campaigning to raise awareness of the need for comprehensive data integrity checking and data cleansing.

ITM has a number of goals, including:

- To increase the awareness by Trustees and Product Sponsors of their responsibility for data quality
- To encourage the Regulators to improve data quality in Australia
- To identify and reduce errors, risks and costs associated with poor data quality and practices

We are the first specialist data integrity business that the superannuation industry has seen and our first task is to promote the benefits of data integrity.

We have begun an education campaign on the issue of data quality, including:

- Educational and informative newsletters
- Sessions with Trustee Boards
- Presentations to the Regulators and representative bodies
- The introduction of award-winning risk & governance software for superannuation funds
- ASFA sponsorship and a booth at ASFA

We trust that you listen to us with an open mind and that you become committed to improving the forgotten area of data quality.

If there are any Trustee Boards who would like to learn more about how they can become more active in checking the integrity of their member data, please contact us and we will come and talk with you.

Periodic Data Integrity checks work! From 22% errors to zero in 6 months

Our first clients are to be applauded – they looked under the bonnet and, more importantly, were prepared to deal with what they found.

When you subject your data to 100's of data checks you know that you'll find something!

It's not easy to decide to look for mistakes when you know you will then have to apply your sparse resources to fixing them. There is no doubt that these clients have added a new level of service and attentiveness to the members and funds they care for.

As an example, one client is reviewing its database quarterly. The first run saw 22% of members with some form of error, the second run had this down to 5% and the third will no doubt be close to zero.

Award-winning “eShare Superannuation” comes to Australia

“ITM and eShare partner to deliver **eShare Superannuation**, the award winning risk & governance software, to Australian superannuation funds and their service providers.”



UK Pensions Software
Provider of the Year

ITM is Australia’s only specialist provider of automated data analysis and cleansing services and eShare is the UK’s leading provider of governance software. Both are dedicated to improving the management of risks and governance throughout the industry.

Having gained industry recognition for its services to pension (superannuation) schemes, eShare has been rewarded by being named “Pensions Software Provider of the Year” at the 2008 UK Pensions Awards and “Pensions Technology Provider of the Year” at the 2008 European Pensions Awards.

Clients can licence one or more **eShare Superannuation** modules (known as *eShare Pensions* in Europe) through ITM, who can assist in their deployment at the client site. **eShare Superannuation** comprises of 5 key modules, each tailored to aid a specific area of governance - eMeetings, eControls, eDecisions, eKnowledge and eView.

Steve Shoreson, Managing Director of ITM, “ITM’s data integrity and cleansing services delivered using its DAaRT tool are a great fit with the **eShare Superannuation** governance services. Australian superannuation funds and their service providers will prove to be just as interested in **eShare Superannuation** as their European counterparts. We will be meeting prospective clients to better explain the benefits of automated data integrity, data cleansing and data migration using ITM’s proprietary tool, DAaRT and Scheme governance utilising **eShare Superannuation**.”

Alister Esam, Managing Director of eShare, “ITM is the perfect Australian partner for us because of its expertise in automated data services in financial services. **eShare Superannuation** acts as a virtual Secretariat - reducing client costs, reducing risks and saving time. It achieves this by handling all scheme activities including meetings, decision making, risk management, trustee knowledge and training, the business plan, action plans and much more. It’s more than a software product, it’s a framework.”

eShare has grown rapidly in the UK and Europe.

As an additional accolade, its software was the first globally to be awarded the Microsoft “Software as a Service” competency.



ISV/Software Solutions

UK's APRA gets serious about data integrity

The Pensions Regulator (TPR) in the UK has issued a Consultation Paper on record-keeping after reaching the view that:

“Many Trustees do not monitor administration performance effectively. Even if an administration report is presented to the trustees, data integrity is only likely to feature in the report if a specific problem has arisen and even then any generic data problems may still not properly be addressed.”

The Paper has been circulated to the Industry for comment. It covers:

- The importance of record-keeping
- Evaluating the evidence of poor record-keeping
- Knowledge and understanding of administration, data and record-keeping
- Proposals for measuring and improving record-keeping
- The regulatory approach to record-keeping

TPR Quote - “The proposed approach to the regulation of scheme record-keeping is to educate, enable and, if necessary at a later stage, to enforce”

The key issues identified by TPR have been:

- Poor legacy data
- No common standards (e.g. what is good or poor data)
- Lack of appreciation of the importance of administration – by both sponsors and trustees
- Data transferred is often not of acceptable quality
- The complexity, volume and speed of processing has associated risks which can be expensive to correct
- The level of professional skills is a concern in a sector of considerable complexity

If you would like to know more about this UK initiative (that is certain to be replicated in Australia at some stage) please contact ITM.

Profile



Rebel Jones
Consultant, ITM UK

Rebel has almost a decade's experience in the Australian superannuation industry.

She has worked with third party administrators in administration, business analysis and project management roles. She is a Prince2 qualified Project Manager.

Rebel is now in ITM's UK office and is the resident 'Aussie' superannuation expert, providing valuable input to the further development of DAaRT (our automated analysis, cleansing and migration tool).

Rebel is a Consultant responsible, in addition to her Project Management duties, for the external Outsourcing contracts held by ITM.

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