

*Risky
Business*



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Good Shepherd ANZ

National NILs Conference

October 2022

 **Good Shepherd**
Australia New Zealand

Today's Topics

Risk Management in NILs

Insights & Reporting from iAuditor – Control Self Assessments

Spring Cleaning your finPOWER Loan Book



Key Concepts



Risk – the chance of something bad happening

Controls – measures put in place to reduce risk

Actions – a plan or steps to take in the event that a risk comes to pass

Likelihood – level of probability that the risk may eventuate

Impact – level of severity for the program if the risk were to eventuate



What are some of the risks in delivering NILs to a client?

- We give the client's personal information (eg a/c balance) accidentally to the wrong person
- Forget to set up client repayments
- We set up client repayments without the proper authorisation
- The client is not who they claim to be
- We lend to a client unable to afford the loan at the time of application
- We record a transaction(s) incorrectly
- A client's financial circumstances change and they can not afford the loan (become CNP)
- A key staff member leaves or suddenly becomes sick unexpectedly for a long period



Different Roles & Lines of Risk Mgmt Defence

Client Support

Loan Management

Good Shepherd Support (iAuditor)



IT'S NOT EASY BEING...



A Loan Provider

THANK
YOU



ACTIVITY

Discuss among your table, select a volunteer to share your responses



#	Risk	Controls	Actions
Example	Recording transactions accurately	Adequate systems access/permissions, Training, Good Learning, Back up person, Bank reconciliation, iAuditor bank rec template	Investigate to identify, Notify line manager and/or Good Shepherd, Ask Kamal, Review effectiveness of current controls
1	Assessment: Lend to someone who can't afford the loan		
2	Unexpected absence of only person assessing loans		
3	Client hardship – becomes CNP		



iAuditor
Control
Self Assessments



Control Self Assessments



Controls Self Assessment:

A process that gathers frontline evidence to prove the existence & effectiveness of internal controls.

Gradual roll out from late 2021 to June 2022

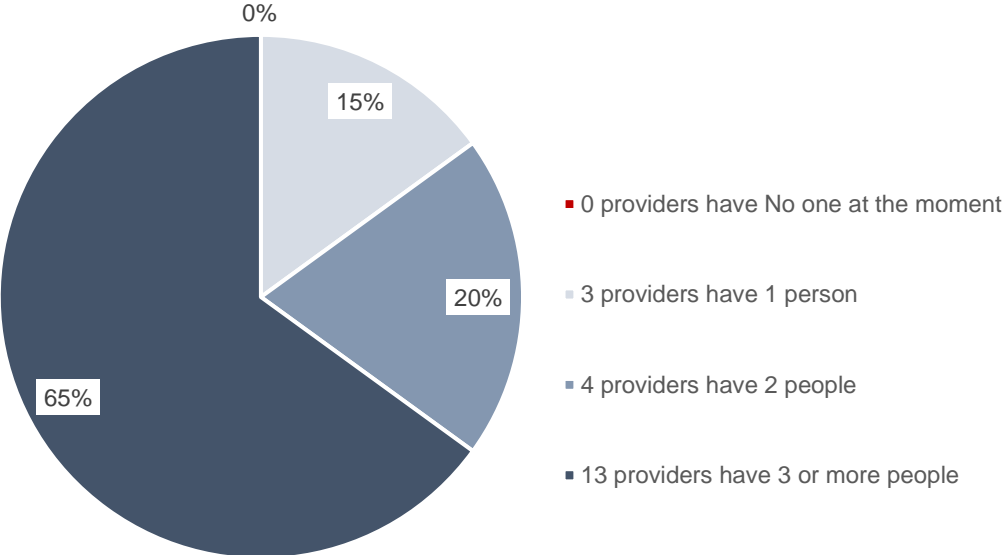
First time we have network wide insights into specific functions/processes



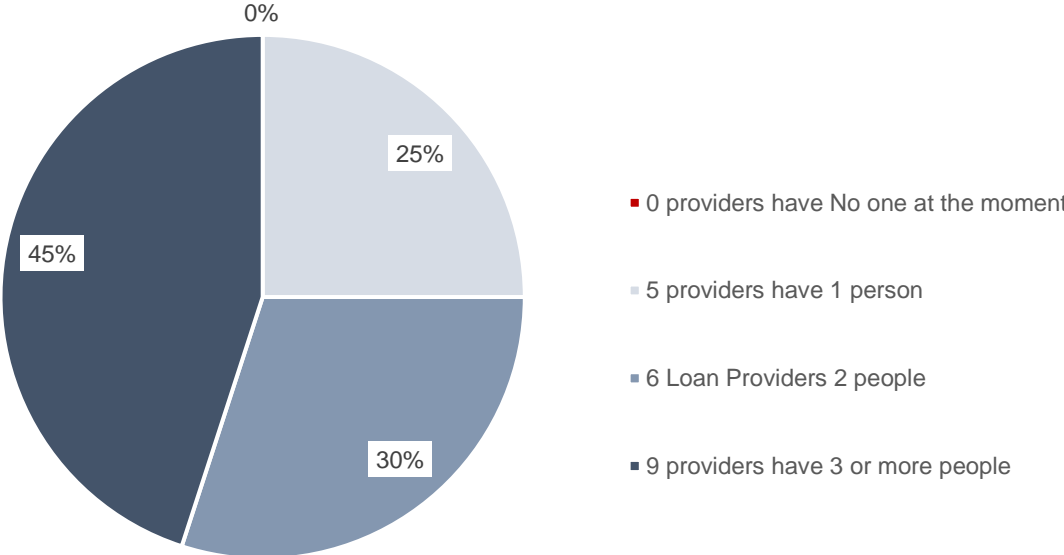
Service Continuity Results



Assess Loans



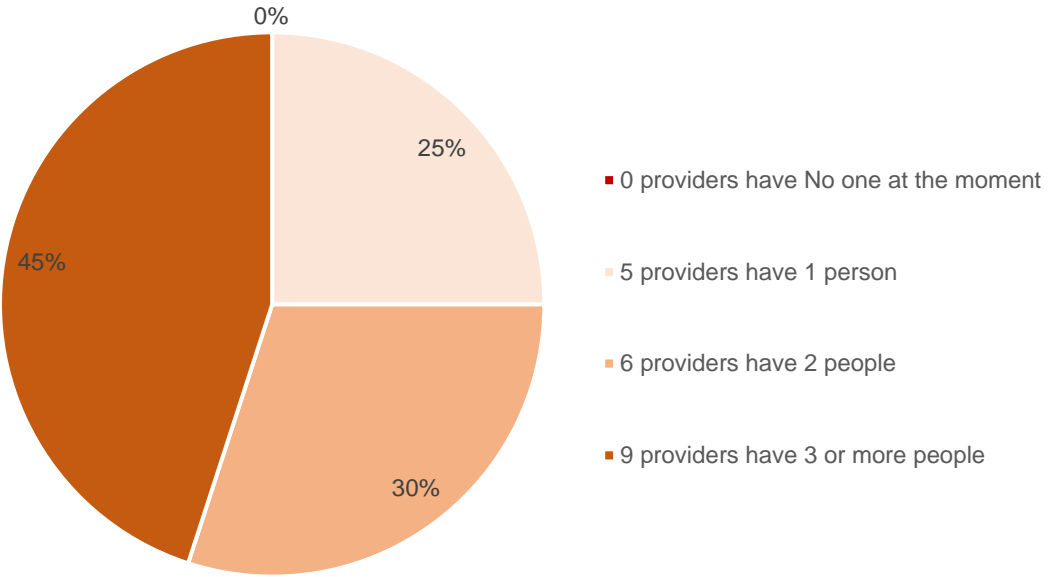
Set Up Loan Repayments



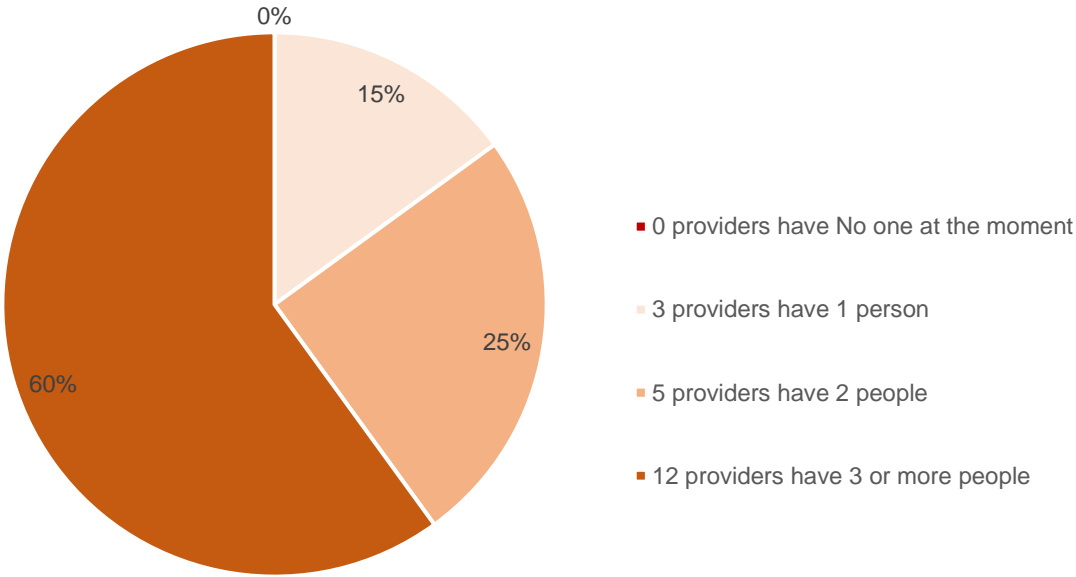
Service Continuity Results



Create Disbursals in LMS and Bank Acct



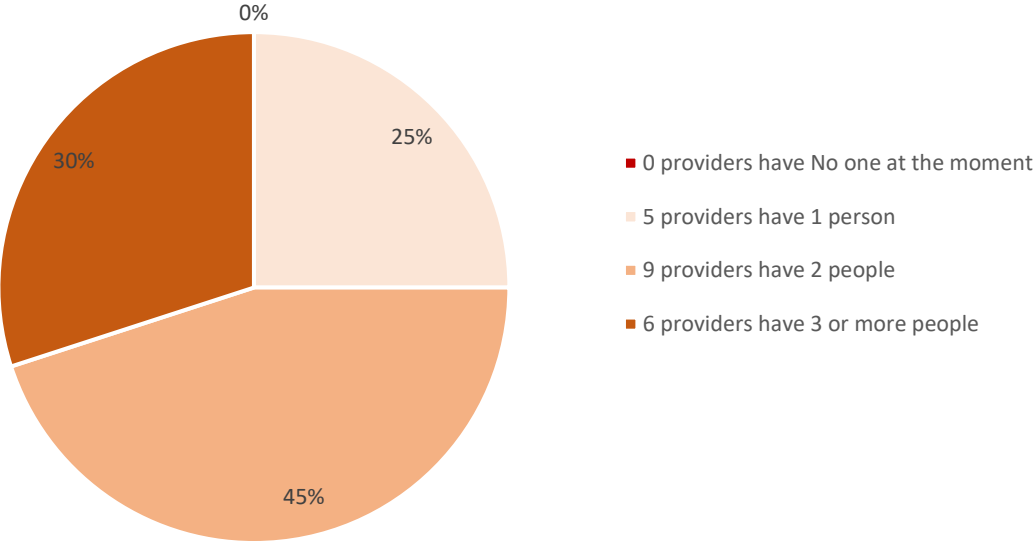
Authorise Payments in NAB Connect



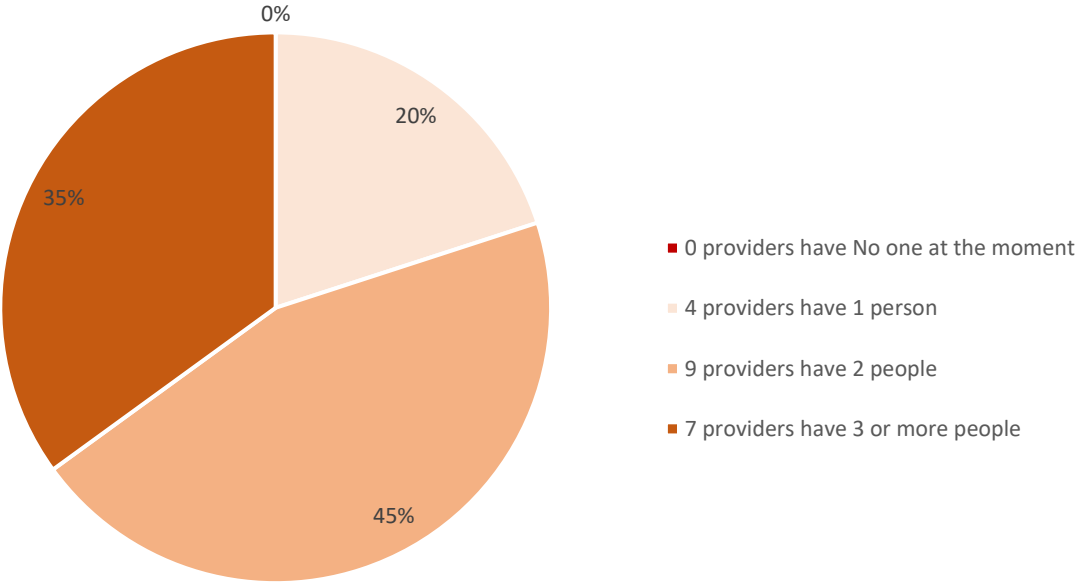
Service Continuity Results



Import Repayments
+ Reconcile the Loan Book



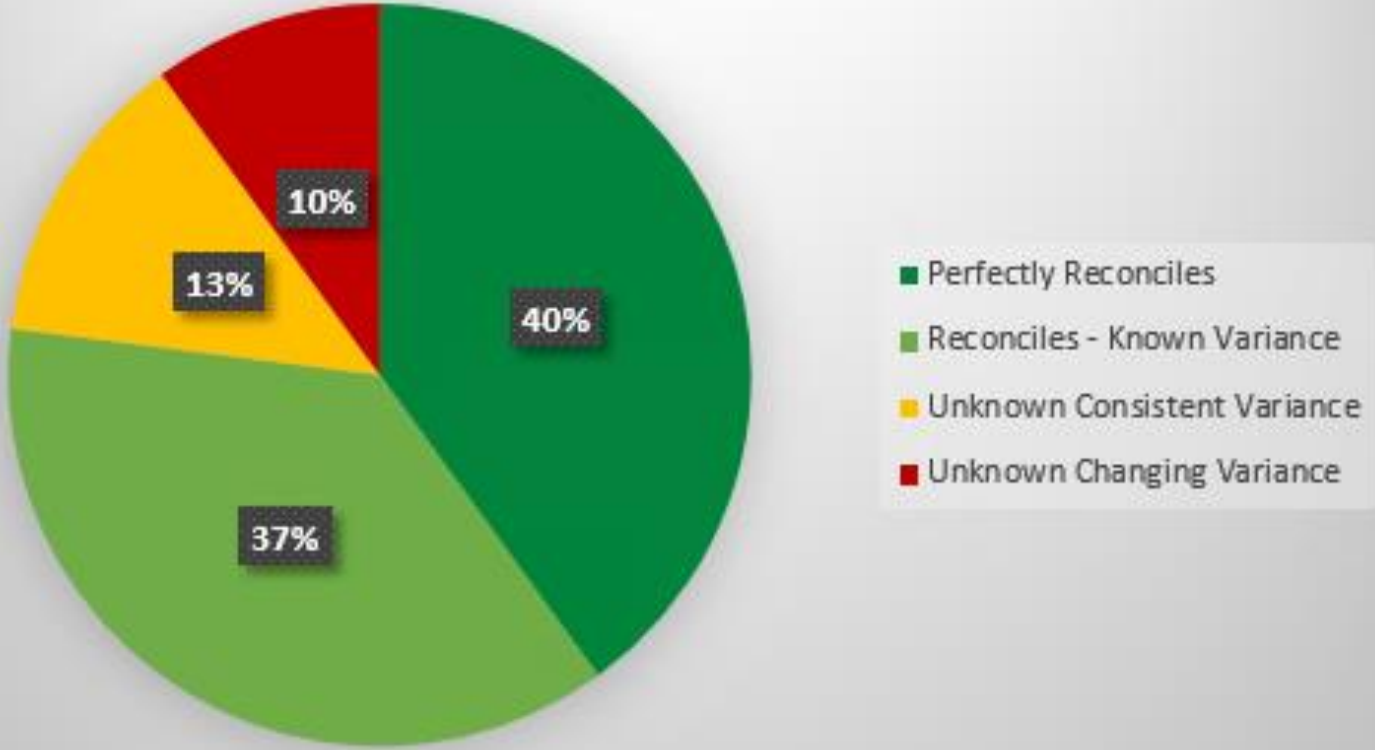
Follow up on Currently Not Paying accounts



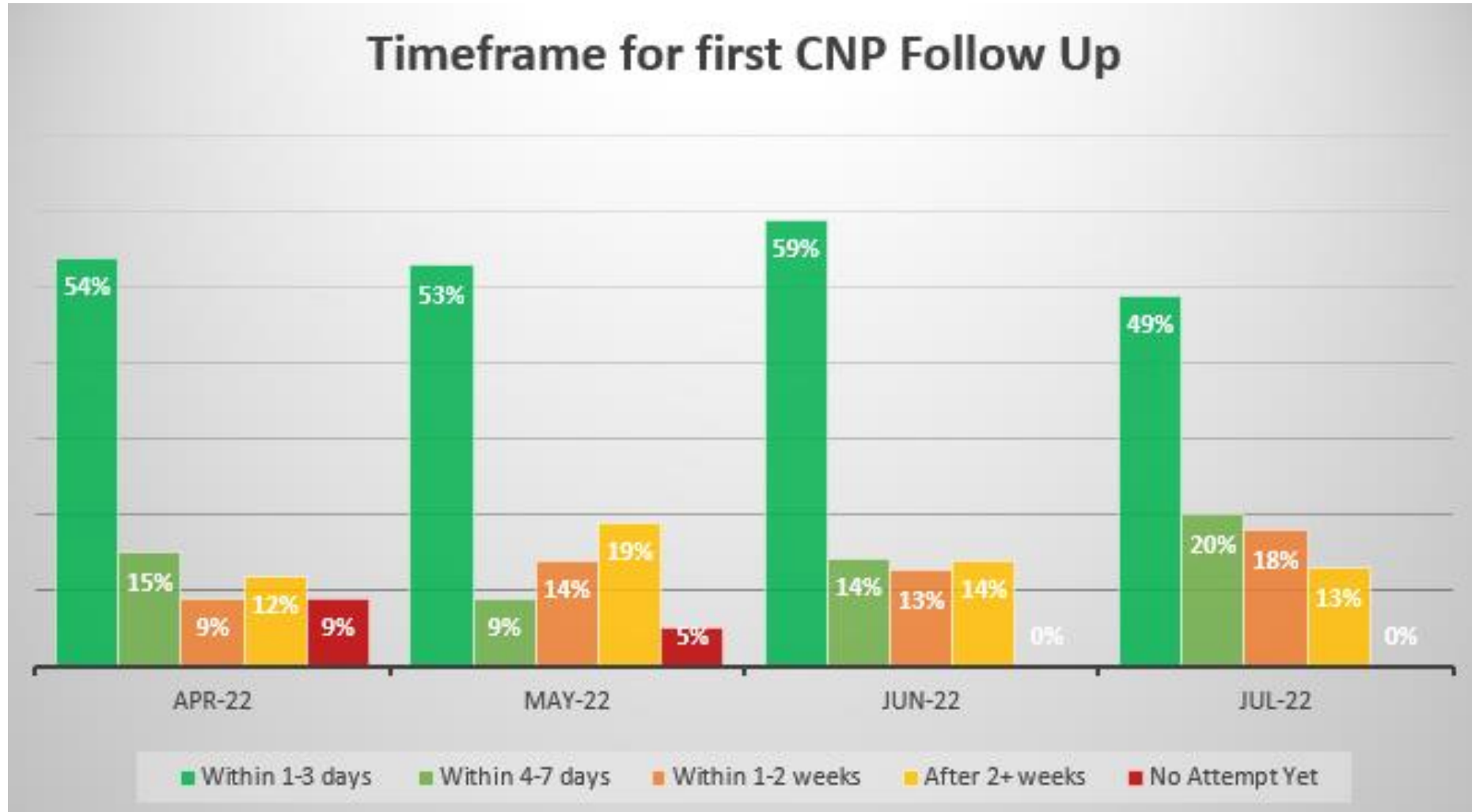
Loan Book Reconciliation Results



August 2022 - Loan Book Status

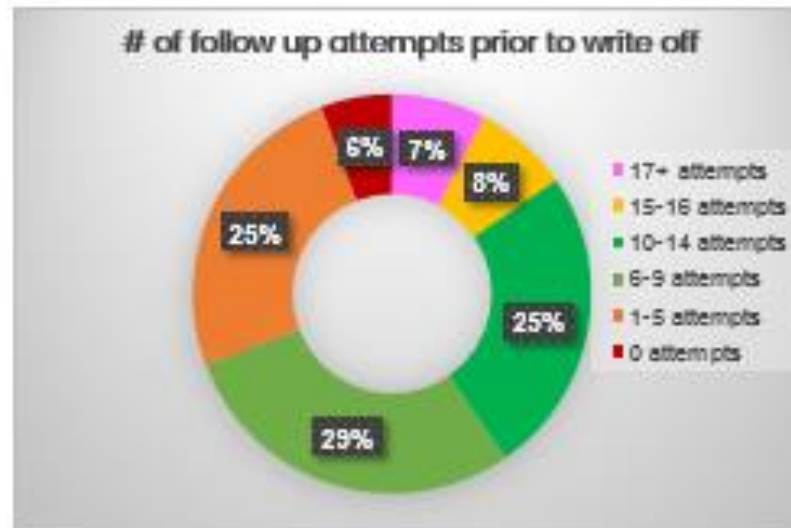
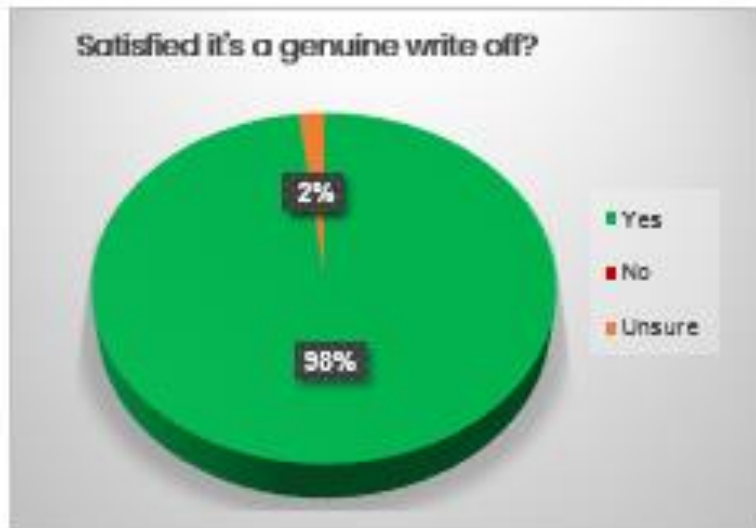


Currently Not Paying Results



Write Off Results

Results





**Other
Public Service
Announcement
re your NAB Acc**



NAB Account Fees – now waived

ONLINE BUSINESS BANKING PRICING

NAB Connect Fees

Description	Fee	Unit of Frequency
Establishment fees	Waived	Per establishment
Token fees	Waived	Per token
Authorising user fees	Waived	Per month

Trace Request/Recall Fees

Description	Fee (ex GST)	Unit of Frequency
Direct Payment Recall	\$45.45	Per transaction
Direct Payment Trace Request	\$69.09	Per transaction
Domestic Fund Transfer Trace Request	\$63.63	Per enquiry

Payment Fees

Description	Fee	Unit of Frequency
Domestic payment NAB to NAB	\$0.00	Per transaction
Domestic payment NAB to other (overnight)	\$0.00	Per transaction
Domestic payment (RTGS)	\$0.00	Per transaction
Direct credit payment	\$0.00	Per transaction
Direct debit payment	\$0.00	Per transaction
Payroll and executive payroll payment	\$0.00	Per transaction
BPAY® payment	\$0.00	Per transaction
Fast payment	\$0.00	Per transaction
International payment (AUD or in FX without FX conversion)	\$20	Per transaction
International payment (in foreign currency with FX conversion)	\$10	Per transaction
New direct credit user ID	Waived	Per user ID
New direct debit user ID	Waived	Per user ID



No more interest/fees

Except: Payment recall/trace

However these can be reimbursed upon request



Getting NAB Fees / Interest Reimbursed

Compile a list for your State Manager

Three columns (as per your bank statement):

- Date
- Debit amount
- Description

We will organise the reimbursements with NAB once all Loan Providers have sent them through





finPOWER springCLEANING

Account Clean Up Tool



finPOWER – Account Clean Up Tool



Identifies accounts with conflicting information OR things to action
Requires investigation and/or correction

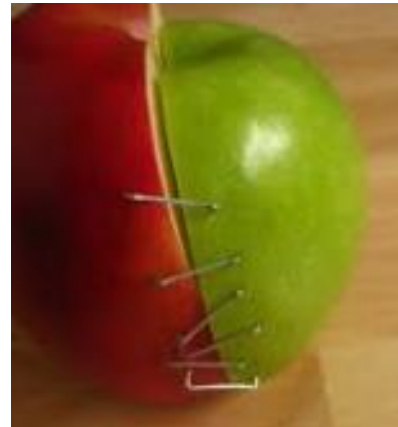
RUN

Est. 30 seconds



IDENTIFY

Something is not right here?
Bit of a mismatch...



CLEAN

Chaos



Ahhh Satisfying..



finPOWER – Account clean up tool



What does it check? Why should I care? What should I do?

What is being identified?	Why does it matter?	What does the LP need to do?
Overpaid accounts that recently received a repayment	Financial wellbeing of our clients, returning <i>their</i> money, stop accounts from accumulating further payments	Check the transaction history, if all repayments accurate and the account is in fact overpaid, the LP will need to stop the repayments and organise a refund
Accounts where the monitor category is inconsistent with the status and/or the balance	We should always know and be able to communicate what is happening with each account. It is unclear if there is conflicting information. The client potentially could be told wrong information about their application, loan or eligibility for an additional loan	Check what is happening with the account and how it should be characterised. Update either the status, monitor category or balance so that the information is consistent
Accounts where the monitor category is inconsistent with the CNP workflow	The system may prompt the user to contact the client for CNP follow up when they are paying OR we may not be following up clients who are CNP and could use the support	Check the balance & last repayment date. Update the monitor category or CNP workflow as required
Accounts that need to be merged – usually in the case of ‘additional’ loans	Clean process. Greater transparency. Less likely to create administrative errors.	Merge the accounts together in finPOWER

IMPROVE THE CLIENT EXPERIENCE

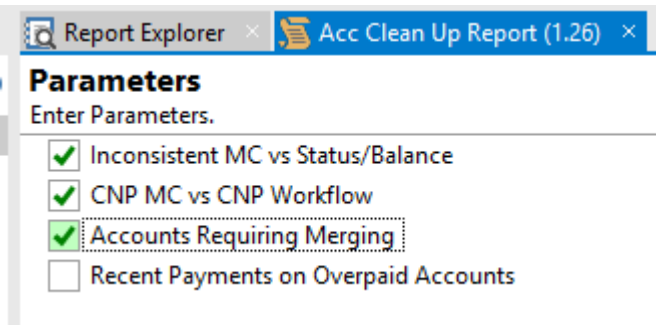
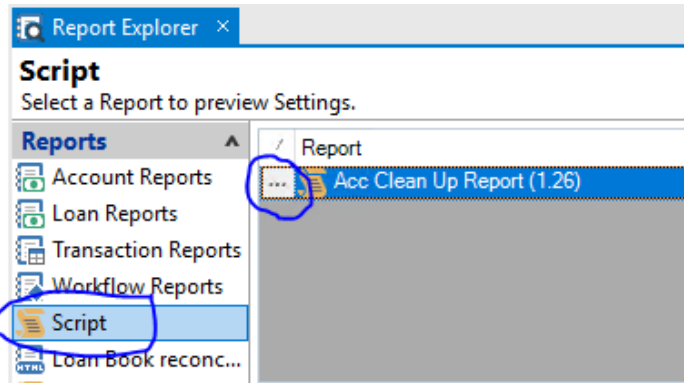
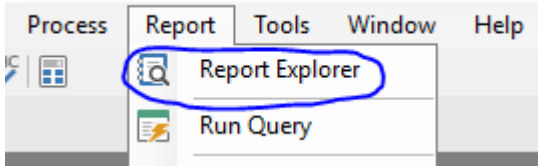


How to Run it / Report Output



INPUT

OUTPUT



Finish

AccountId	Status	MonCat	AcBalance	Exception
1 1000157	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
2 1000163	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
3 6003357	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
4 6003415	UNWANTED	APPROVED	0.00	UNWANTED status is inconsistent with the monitor category
5 6003687	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
6 6003688	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
7 6004741	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
8 6008335	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
9 6008891	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
10 6008895	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
11 6009145	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
12 6010177	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
13 6010193	UNWANTED	APPROVED	0.00	UNWANTED status is inconsistent with the monitor category
14 6010736	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
15 6010737	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
16 6010738	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
17 6010740	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
18 6013139	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
19 6013140	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
20 6013141	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
21 6016845	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
22 6017612	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
23 6017613	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
24 6027950	QUOTE	COMPLETED	0.00	QUOTE status is inconsistent with the monitor category
25 6029392	QUOTE	DECLINED	0.00	QUOTE status is inconsistent with the monitor category
26 6029400	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
27 6036002	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
28 6041839	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
29 6000728	UNWANTED	DECLINED	0.00	UNWANTED status is inconsistent with the monitor category
30 6003261	UNWANTED	APPROVED	0.00	UNWANTED status is inconsistent with the monitor category
31 6003549	QUOTE	WITHDRAWN	0.00	QUOTE status is inconsistent with the monitor category
32 6007715	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
33 6007883	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
34 6008784	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
35 6008811	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
36 6013053	CLOSED	WITHDRAWN	0.00	CLOSED status is inconsistent with the monitor category
37 6014744	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
38 6016447	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
39 6016448	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
40 6016449	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
41 6016450	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
42 6016451	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category
43 6021291	UNWANTED	PENDING	0.00	UNWANTED status is inconsistent with the monitor category



MC vs Status vs Balance

Strict relationships between the three fields

STATUS	MONITOR CATEGORY	BALANCE
Quote	Pending	Zero
	Approved	
Unwanted	Withdrawn	
Declined	Declined	
Open	Paying	Debit
	CNP	Debit
	TBWO	Debit
	Overpaid	Credit
Closed	Completed	Zero
	WO	



MC vs Status vs Balance



Effort Required – A couple minutes per account

Inconsistent MC vs Status vs Balance - # of NILs Loans in finPOWER

		MONITOR CATEGORIES										
		PENDING	WITHDRAWN	DECLINED	APPROVED	PAYING	OVERPAID	CNP	TBWO	COMPLETED	WO	TOTAL
STATUS	QUOTE		301	117						1		419
	DECLINED	6	27		4							37
	UNWANTED	82		7	27							116
	OPEN				1		8			7	10	26
	CLOSED		15			4		1	2			22
	Grand Total	88	343	124	32	4	8	1	2	8	10	620
Expected Status vs MC Relationship		# Accounts Requiring Investigation										



MC vs Status vs Balance

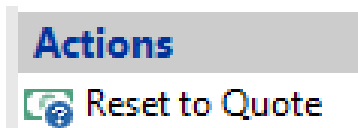
Inconsistency: Causes & Tips

CAUSES OF THE ISSUES

- Many are due to legacy issues when finPOWER wasn't configured properly
- Using the 'Accept or Decline' Button – will update the Status but NOT the MC



- Using the 'Reset to Quote' Button – will update the the Status but not the MC



TIPS TO AVOID ISSUES IN FUTURE

- Always update the ASSESSMENT DECISION via the Assessment Workflow
- When you update/change the ASSESSMENT DECISION – check that the MC and Status make sense and don't contradict each other

- Email Kamal for help

finpowerusersupport@goodshep.org.au





Any questions?

Good Shepherd's vision is that all women, girls and families are safe, well, strong and connected.

