WOCCU’s WOCCU E-Payments Module: Credit Union Technical Assessment framework provides insight into the capacities of individual credit union and of national-level associations to digitize payments across four main themes:

- **Application software**: Core banking systems, current usage of digital channels, ancillary systems that support their operations

- **Infrastructure and Networks**: inventory of related hardware, virtualization technology, IT security

- **Human Resources**: IT staff and skills, defining staff roles and responsibilities and internal management

- **Operations**: what customer support systems are in place, how do they currently manage reconciliation and settlement, how do they manage dispute resolution if engaging third party accounts
The Assessment Methodology

Support on the path to digital transformation is a consistent request from our partner network; what is required; what has been done already; who do we work with; how do we achieve "transformation"; what are the costs and benefits of transformation; etc.

This tool was developed to allow partner organizations to (1) **assess the level of technical readiness among CUs**; and (2) **identify steps to improve business operations with digital technology**.

### THE ASSESSMENT WILL EVALUATE THE SELECTED ENTITY ACROSS FOUR MAIN CATEGORIES:

<table>
<thead>
<tr>
<th></th>
<th>Application Software</th>
<th>Infrastructure and Networks</th>
<th>Human Resources</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Core banking system</td>
<td>Hardware</td>
<td>IT team structure and skill sets</td>
<td>Customer support services</td>
</tr>
<tr>
<td></td>
<td>Digital channels</td>
<td>Virtualization and scalability</td>
<td>Employee roles and responsibilities</td>
<td>Reconciliation and settlement</td>
</tr>
<tr>
<td></td>
<td>Ancillary systems</td>
<td>IT security and business continuity</td>
<td>Internal functions</td>
<td>Dispute resolution</td>
</tr>
</tbody>
</table>
WOCCU conducted a technical assessment of three exemplar credit unions in Indonesia as part of our Interoperable Digital Financial Systems for Credit Unions project in order to assess the readiness of credit unions to connect to a real-time payment system (RTP). The assessment enabled the WOCCU team to assess credit unions and the National Association’s readiness across the four categories and identify strengths and weaknesses across each category so that WOCCU could determine an engagement and implementation strategy with the partner associations when developing the RTP system. These findings are presented across the four pillars of the assessment to note strengths of the credit union or association and identify priority areas of improvement:

### Snapshot: Indonesia

- Majority of large credit unions are using centralized core banking services and maintain accounts and ledges electronically
- The core banking software are provided by local vendors or organizations associated with the credit union movement
- In general, systems have capability to interface using REST APIs
- Digital channels for customers include closed loop ATMs and mobile applications
- Mobile app development expertise exists locally with varied user experience
- Some organizations are using legacy technology framework/language for core banking (e.g Delphi, Pascal) due to resource constraints
- Many credit unions have limited capacity to process real-time transactions
- Additional testing of applications for performance and information security would be beneficial
- Investments in channels such as ATM software and card management may not be future proof
- Availability of middleware/switch to configure transaction flow could be upgraded

---

**STRENGTH**

- Majority of large credit unions are using centralized core banking services and maintain accounts and ledges electronically
- The core banking software are provided by local vendors or organizations associated with the credit union movement
- In general, systems have capability to interface using REST APIs
- Digital channels for customers include closed loop ATMs and mobile applications
- Mobile app development expertise exists locally with varied user experience

**AREAS OF IMPROVEMENT**

- Some organizations are using legacy technology framework/language for core banking (e.g Delphi, Pascal) due to resource constraints
- Many credit unions have limited capacity to process real-time transactions
- Additional testing of applications for performance and information security would be beneficial
- Investments in channels such as ATM software and card management may not be future proof
- Availability of middleware/switch to configure transaction flow could be upgraded