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Aurexia Institute

Focus on RDAAR

Risk Data Aggregation and Risk Reporting

February 2024

What is RDARR?
Unfulfilled BCBS239 objectives

In July 2023, ECB shared a consultation regarding prerequisites of **Risk Data Aggregation and Risk Reporting**. This consultation follows **weaknesses identified** by the Supervisory Review and Evaluation Process (SREP).

› Key deficiencies on the governance arrangements
› Low effectiveness on risk data architectures
› Lack of supporting IT architecture

Encourage organizations to implement rapidly improvement and compliance plans.

Set up and develop the best practices on risk data management, governance and quality.

7 PRINCIPLES TO IDENTIFY, MONITOR AND REPORT RISKS WITH ROBUST AND EFFECTIVENESS GOVERNANCE AND PROCESS

Sufficient scope of application	Covering all material legal entities, risk categories, business lines, risks, financial and supervisory reporting processes, and entire data lifecycle
Effective implementation programs	Covering all identified gaps and address any weaknesses
Responsibilities of the management body	Development of the responsibility, role and risk culture
Effective Data Governance framework	Addressing all roles and responsibilities, data quality ownership, process, rules and controls
Groupe-wide Data Quality Management	Establishing policies and procedure on overall risk framework
Timeliness of internal risk reporting	Suppling timely data regarding the frequency of risk reporting
Integrated Data Architecture	Implementation and documentation of integrated data architecture including data taxonomies

BCBS239 OVERVIEW

OBJECTIVES

› Enhancing financial institution's ability to identify, monitor, and manage risks effectively by improving data quality.

› Strengthening transparency and accountability, enabling stakeholders to better understand risks and the financial health of institutions.

› Promoting financial system stability by reducing the likelihood of catastrophic events and ensuring compliance with current standards and regulations.

PRINCIPLES

Overarching Governance and infrastructure

› Governance
› Data and architecture and IT infrastructure

Risk Data Aggregation capabilities

› Completeness
› Accuracy and integrity
› Timeliness
› Adaptability

Risk Reporting practices

› Accuracy
› Comprehensiveness
› Clarity and usefulness
› Frequency
› Distribution

How Aurexia can help you?

Aurexia expertise allows your organization to be compliant with RDARR regulation at different levels.

DATA STRATEGY

› Diagnosis of the data maturity
› Identification of the business scope and sources of business value, breakdown into data use cases
› Definition and setting up of the strategy

DATA MANAGEMENT

› Design and implementation of a data governance model
› Implementation of Data dictionaries
› Study and rationalization of Data Lineage
› Definition of rules and implementation of quality controls

DATA TECHNOLOGY SOLUTIONS

› Operational Model Design & Integration
› Data Management Framework Implementation & Automation
› Workflow Engineering & API Building
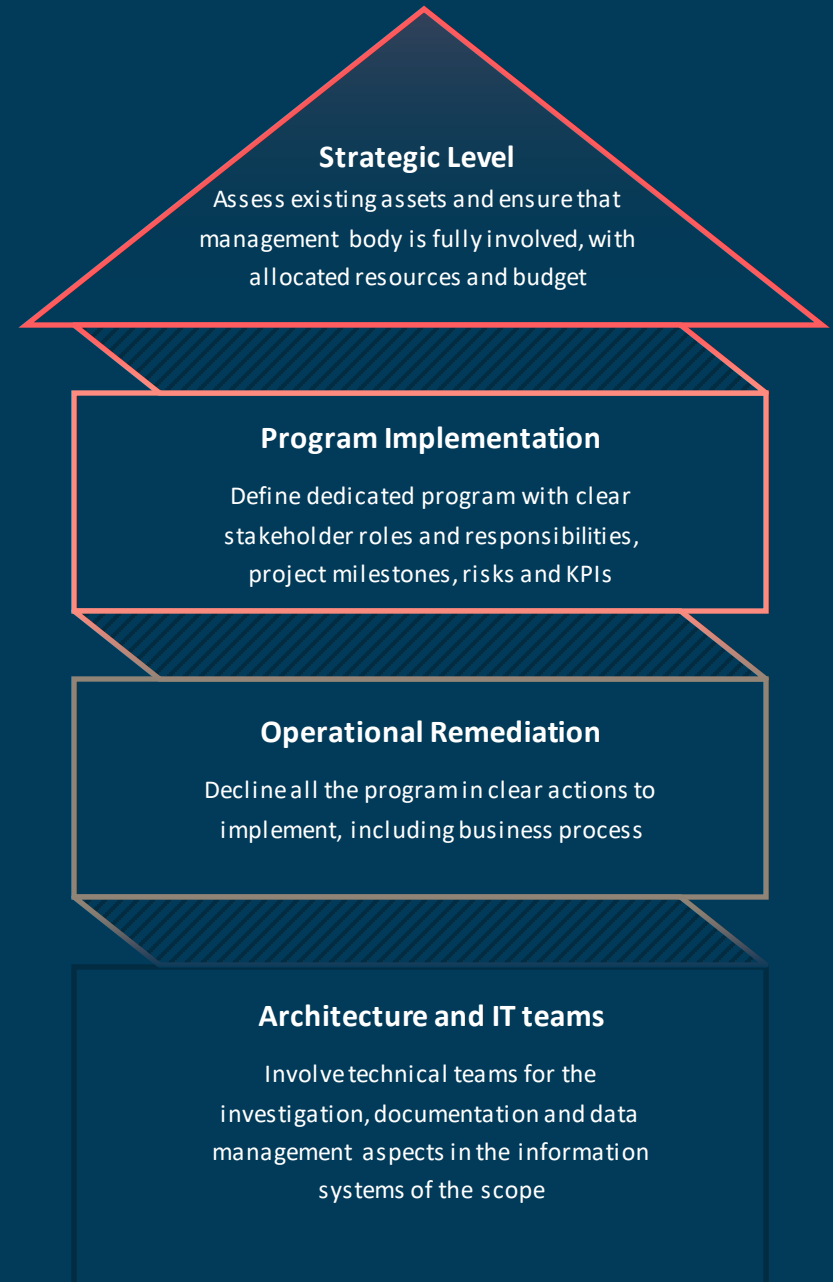
Strategic Level
Assess existing assets and ensure that management body is fully involved, with allocated resources and budget

Program Implementation
Define dedicated program with clear stakeholder roles and responsibilities, project milestones, risks and KPIs

Operational Remediation
Decline all the program in clear actions to implement, including business process

Architecture and IT teams
Involve technical teams for the investigation, documentation and data management aspects in the information systems of the scope

How to move forward?

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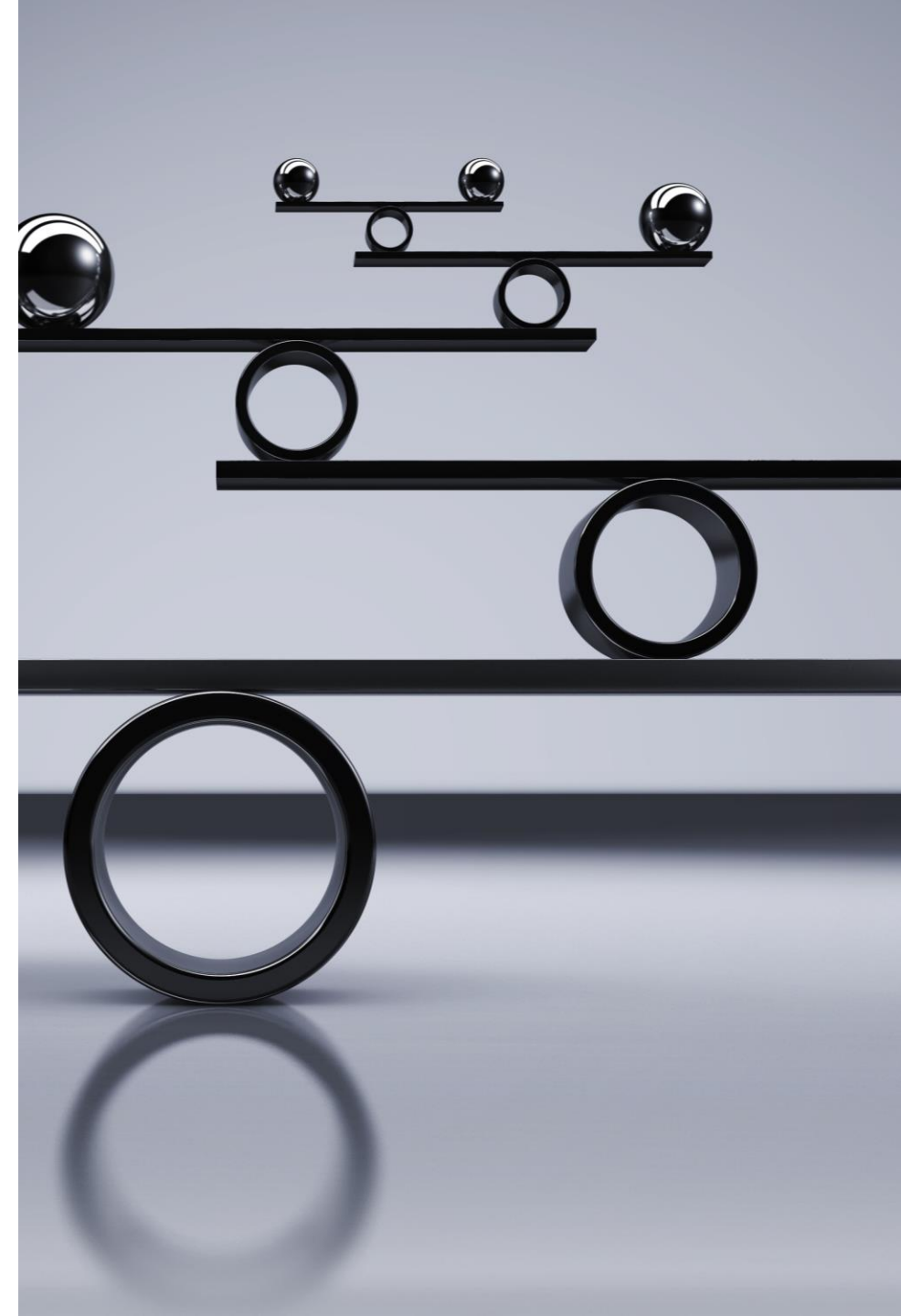
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Bringing value, together