



Template for comments

ECB Guide on effective risk data aggregation and risk reporting

Institution/Company

European Association of Cooperative Banks (EACB)

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General comments

Template for comments

ECB Guide on effective risk data aggregation and risk reporting

Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant chapter/ section/ paragraph, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion; and
- you include a rewording suggestion in case of a proposed amendment.

Deadline: 6 October, 2023

ID	Chapter/ section	Sub-point/ bullet/ paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board	Name of commenter	Personal data
1				Clarification	The guide refers in various instances to both a "RDARR framework" or "effective data risk aggregation framework" as well as to a "data governance framework". Are these frameworks synonymous, i.e. with the same scope of application, or do you see differences here? It should be clarified that/if when data is mentioned, it can be assumed that risk data is always meant.			Don't publish
2	1 Introduction		Page 3	Clarification	The Guide enhances the focus on tangible results. It is unclear however how a bank could demonstrate tangible results, in addition to the Action Plan delivered. Some example of deliverables reported by members are the "Control catalogue", the "Data Quality report" with data quality indicator, the design of "data architecture" for each relevant risk data aggregation process. It should be clarified whether such deliverable are sufficient proof of results.			Don't publish
3	3.1 Responsibilities of the management body		Page 5	Clarification	The term management body is used to capture both one and two-tier systems. That is fully understandable. However it is not entirely clear how responsibilities are expected to be allocated (management function and supervisory function in one tier systems and board of directors and supervisory board in two tier systems).			Don't publish

4	3.1 Responsibilities of the management body	2)	Page 5	Deletion	The following seems redundant with 3.1.3, we suggest the deletion: 3.1.2: "...establish the institution's own view of what it means to be adherent to the BCBS 239 principles"			Don't publish
5	3.2 Sufficient scope of application		Page 6	Clarification	"The data governance framework of an institution should clearly define and document the scope of application and specify the reports, models, risk data and indicators that are included. The data and critical data elements should also be explicitly identified." The difference between "risk data" in the first sentence in comparison to "the data" and "critical data elements" in the second sentence is not entirely clear.	It is unclear whether the second sentence would entail additional requirements/expectations.		Don't publish
6	3.2 Sufficient scope of application	a)	Page 7	Clarification	Some members highlight that the notion of "Internal risk report" should be clarified. Core reports included in the Data Governance perimeter include the regulatory and relevant reports for the main risk areas: Credit, Financial (Market & Liquidity), Operational risk and Supervisory reporting. It should be specified that the "Internal risk report" refers to these and not to an extension of the scope of application in terms of type of reports (e.g. both regulatory and managerial), or risk areas (e.g. AML reporting, Compliance reporting).	If the Data Governance perimeter is extended, there would be a need to evaluate the sustainability of "data remediation actions" in the short/medium term.		Don't publish
7	3.2 Sufficient scope of application	1) a)	Page 7	Clarification	It should be clarified what "report" means in this context of "management information system". It is unclear whether it would include for instance all reports, templates etc. that are provided to the management - as well as whether it would include only reports with risk data or also without any risk data, e.g. validation reports or progress reports on findings/measures, internal reports on strategies, performance and efficacy indicators.	Clarifying the actual perimeter of the request is key for institutions to appropriately allocate responsibilities and resources.		Don't publish
8	3.2 Sufficient scope of application	1) b)	Page 7	Amendment	External financial reports such as the annual financial statements are subject to strict legal requirements; compliance is verified by external auditors. The expectation appears like a redundant layer. It should also be clearly stated that financial reports only refers to (externally) published statements.			Don't publish
9	3.2 Sufficient scope of application	1) b)	Page 7	Clarification	It should be clarified whether "financial reports" refers to risk data within the financial reports, or entails the whole financial statement in scope, including e.g. P&L and balance sheet.			Don't publish

10	3.3 Effective data governance framework	1)	Page 8	Amendment	The Data Owner should contribute to support the data lineage and the data dictionary	The Data Owner should contribute to the definition and application of data quality controls (execution of Data Quality processes, including data remediation), but cannot manage alone the metadata and data lineage of relevant data. Some members report that, based on their experience, for it to be effective this task must be in the remit of Data Governance office and IT departments.		Don't publish
11	3.3 Effective data governance framework	3)	Page 8	Clarification	"The adequate segregation of duties. This can involve (i) the separation of the validation function into two different units [...]" It is unclear why the BCB239 validation unit itself should be separated into two different functions, and how the responsibilities are expected be separated.			Don't publish
12	3.4 Integrated data architecture		Page 9	Clarification	With reference to the "dictionary of the main business concepts and a metadata repository", it should be specified what "main business concepts" means in this context, and how does it differ from the metadata repository. The question is also whether the definition of data taxonomies given in 3.4 is sufficient for an integrated data architecture.			Don't publish
13	3.4 Integrated data architecture	3)	Page 9	Clarification	It should be clearly stated that institutions can continue to document the data flow on a non-data field-level (System level).			Don't publish
14	3.5 Group-wide data quality management and standards	4)	Page 10	Amendment	The Data Quality procedures on the EUC are not applicable with structured solutions, unless the Data Quality management is comparable to the concept of "industrialization". We suggest to adjust the paragraph requiring: the whole mapping of EUCs /EUDs and the full industrialization that implies the application of structured data quality procedures in the Management Information Systems. In addition, it should be specified that those EUCs that have no significant impact on data collection, data processing and data transformation within the BCBS 239 reporting routes can be excluded from consideration.	Some members report that, based on the concrete use case in existing processes, for the sustainability and the traceability of EUCs / EUDs the pre-requisite is the industrialization. Otherwise the data quality on EUCs could be only in charge to the Data Owner, with poor traceability and monitoring for Data Governance structures.		Don't publish

15	3.5 Group-wide data quality management and standards	5)	Page 10	Amendment	<p>It is not clear why controls would be necessary for "any manual workaround".</p> <p>A limitation to "manual workarounds with material impact on data quality" would better fit the purpose and match the objective of the paragraph.</p>			Don't publish
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