Case Study

BCBS 239 Embedment

Retail and Business Banking
Data Management

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We Manifest Change

Overview

Compliance with the Principles for Effective Risk Data Aggregation and Risk Reporting (BCBS 239) is only as robust as the embedment practices that follow. Constant change in a bank's data environment can leave BCBS 239 compliance defunct in a matter of weeks.

Monocle assisted one of our large retail and business banking clients in embedding core data management practices across data ownership, metadata management, data quality (DQ) management and lineage tracking. The programme covered credit, operations, liquidity, market and business (finance, HR) risk domains across almost the entirety of the bank.

Our efforts were focused on promoting the adoption of data management processes and tools among business units and product teams, leveraging the bank's enterprise data management toolsets, group wide policies and standards as well as BI reporting toolset. As a result of these initiatives the bank significantly reduced data incidents, thereby minimising data risk.

Data Quality Management:
Monocle designed and implemented various automated data quality checks that informed data quality scorecards across a wide range of retail and business banking datasets. To encourage business adoption and usage, we created comprehensive training material and facilitated extensive toolset demonstrations to enable integration of these checks into day-to-day processes.

Data Health Dashboards:
To allow teams to easily identify areas of concern, such as incomplete data loads, Monocle designed and developed a range of data management dashboards that included key performance indicators, technical calculations, business requirements, and visualisation of required performance metrics.

Significant effort was made to incorporate these dashboards into the data management reporting process which highlights remediation areas related to BCBS 239 compliance.

Data Quality Management Standard:
Monocle advised on and assisted with drafting the bank's Data Quality Management Standard, which included requirements from the BCBS 239 principles, as well as the internal data management requirements of the bank. These standards were used to establish the key requirements of the data compliance dashboards.

Additionally, Monocle assisted teams in effectively utilising the processes and tools, with the goal of ensuring BCBS 239 compliance and maintaining continued alignment with the standard, its principles, and operational requirements.

Metadata Management:
Monocle assisted with the identification of critical data elements and corresponding business and technical metadata. Existing business glossaries were enriched with business terms and abbreviations commonly used within processes.

Business Process Flow Diagrams:
For each in scope metric, Monocle assisted with the implementation of best practise standards for business process flow mapping as well as the documentation of business process flows from source to report.

Critical Data Element (CDE) and Technical Lineage:
The Monocle team identified and tagged critical data elements along the data flow for each in scope metric.

Identification of Ownership:
Monocle assisted the data governance team with the onboarding and training of various roles and responsibilities. Ultimately, Monocle assisted in reducing unassigned data assets by 60%.

Data Management Training:
Monocle assisted in creating and facilitating the necessary training as new processes and toolsets required that training be refreshed and rolled out across the data value train.

Designed and implemented automated DQ checks and DQ scorecards

Designed and developed data management dashboards

Advised on and assisted with drafting the bank's Data Governance Standards

Documented and enriched metadata as well as business process flow diagrams

Identified critical data elements and documented technical lineage

Developed and facilitated data management training and ownership role onboarding

Solution

- Designed and implemented automated DQ checks and DQ scorecards using the bank's DQ Management Tool, significantly reducing data risk across the bank
- Designed and developed data management dashboards incorporating critical BCBS 239 key performance indicators to enhance risk data coverage across multiple risk domains
- Advised on and assisted with the drafting the bank's Data Management Standards
- Identified and documented metadata, business process flows and lineage

Insights

- Frequent promotion of data management tools and their benefits significantly boosts adoption across the bank
- Data management dashboards can enforce cooperation between stakeholders when they highlight crucial lapses in data management through a holistic view of key risk indicators and metrics
- Establishment of a data quality management standard ensures a structured approach to managing data quality, outlining roles and responsibilities, defining processes and adopting BCBS 239 principles
- Stakeholder engagement is a vital aspect of data management, offering essential insights and guidance throughout the BCBS 239 journey

Key Skills Required

- Expertise in data management (ownership, metadata, lineage, quality)
- Understanding of BCBS 239 principles and operational requirements
- Expertise in data quality management and data visualisation tools

Skill Sets

- BCBS 239 RDARR Principles
- Business Process Mapping
- Data Governance
- PowerBI
- SQL

Banking Areas

- Retail Banking
- Business Banking
- Chief Data Office

Themes

- BCBS 239
- Data Ownership
- Data Quality Management
- Metadata Management
- Data Lineage

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