

RDARR: Quick guide to Critical Data Elements (CDE)

Purpose of this document

Provides guidance on the definition of a Critical Data Element (CDE), as well as a list of minimum RDARR requirements for CDEs.

What is a Critical Data Element?

"Any data element that is essential to and has a material impact on the production of in-scope risk metrics. Metrics are themselves Critical Data Elements."

Overview

How sensitive is the top level metric to movements / errors in the underlying data element? Does the data element have a significant impact on underlying calculation logic?

Example

Flags which determine calculation routes (e.g. intra-group flag; securitisation status).

Importance

MUST – data elements which have a more significant impact on the calculated metric should be considered as CDEs and explored for further decomposition.

What is the contribution of the portfolio relative to the data element in relation to the top level metric? Would omission of the data element impact risk decision making?

Large vs. small business portfolios; Key banking system vs. small legacy systems.

MUST – if data elements are deemed to be material they should be CDEs and explored for further decomposition.

Is the data element a dimension used to segment / aggregate the top level metric for reporting purposes?

Country; Industry; Legal Entity.

MUST – if data elements are used to segment or aggregate they should be CDEs and explored for further decomposition.

Critical Data Element Prioritisation criteria



Sensitivity

Portfolio
Materiality

Dimensionality

Register DQ issues and other limitations on the centralized DQ and Limitations Management tool (as detailed in the Dummies Guide to DQ and Limitations Management)

Priority 1:

Create remediation plans to address CDE DQ issues
Remediate systems, processes, standard and other causes resulting in DQ issues and limitations

No need for DQ dashboards and limitations reporting

CDE

Data owners specified for each CDE

NON-CDE

Data ownership defined per data domain, e.g. Retail
Credit Risk

CDE

NON-CDE

Data quality dashboards & Limitations reporting

CDEs to have additional specific controls to maintain data quality and integrity, e.g. measurement of accuracy using a defined business rule. DQ tolerance levels and thresholds to be established for BAU and out of cycle reporting.

Non-CDEs to have generic controls applied to assure data integrity, e.g. technical reconciliations

Data quality controls and measures

Controls

Full set of controls to be in place across processes that produce CDEs, whether these are automated or manual processes, e.g. business and technical reconciliations, RAFDAs, EUDAs, manual checks, attestations, etc.

Non-CDEs to have generic controls applied to assure data integrity, e.g. technical reconciliations

Requirements of Critical Data Elements

Ownership

Data lineage

Full business and technical data lineage per critical data element

Non-CDEs included in the metric and/or CDE lineage, but no need to map out full lineage per non-CDE

Work day schedule

Work day schedules are created to support provision of data for the calculation of metrics, and as such will contain both critical and non-critical data elements

Business glossary

Priority 1:

Data owners to provide business definition of CDEs and associated dimensions included in the Informatica Business Glossary

Priority 2:

Data owners to provide business definition of non-CDEs and associated dimensions included in the Informatica Business Glossary

Data dictionary

Priority 1:

Systems owners to provide technical definitions of CDEs and associated dimensions in Informatica Business Glossary

Priority 2:

Systems owners to provide technical definitions of non-CDEs and associated dimensions in Informatica Business Glossary

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