

RDARR Principles

There are eleven Principles that are applicable to banks. The last three mainly pertain to regulators and supervisors. We must therefore align and comply with the following:

Governance and Architecture



1. Governance

A risk reporting framework compliant with the Principles must be fully documented and reflected in the bank's policies.



2. Data Architecture & IT Infrastructure

The bank must be able to rely on data management and IT systems in business-as-usual and crisis situations.

Risk Data Aggregation



3. Accuracy and Integrity

The bank should be able to generate accurate and reliable data in a largely automated fashion, including during financial crises.



4. Completeness

The bank should be able to aggregate all material risk data, and present it along various dimensions to allow it to identify emerging risks and concentrations.



5. Timeliness

The bank should be able to produce risk data and reports quickly, including in times of stress.



6. Adaptability

In addition to regular reports, the bank must also be able to satisfy ad hoc risk management and regulatory data requests both in normal and crisis times.

Risk Reporting



7. Accuracy

Reports should be validated and reconciled to ensure they accurately reflect underlying risk data and the underlying risks.



8. Comprehensiveness

Reports should cover all material risks within the organisation, in terms of risk type, industry sectors and risk measures.



9. Clarity and Usefulness

Reports must convey relevant information in a clear and concise manner, and be easily understood to inform decision-making.



10. Frequency

Report audiences must set the frequency of risk reports production and distribution according to their needs and the nature of the risks being covered.



11. Distribution

Reports must be distributed in a controlled manner so that the right recipients receive the right information.