



CASE STUDY



macro global[®]
creating value through innovation

Our Regulatory Reporting Solution and Data Governance Support for Foreign Banks in UK



Synopsis

In 2019, the factsheet of MG's solutioning addressed major regulatory reporting challenges over operational data governance and sovereignty due to various geographical presence of the financial institution.

In this case study, we will discuss about one of our client who is a foreign bank (Client) with a branch in the UK, constantly looking out on the known unknowns for an enhanced and automated reporting solution with strong auditing capability that could remediate their data redundancy and data duplication and to support global Regulatory reporting.

Pinpoint - Deep Dive

Our client who is functioning in multiple geographic locations, which makes regulatory compliance and reporting a daunting task due to lack of data governance and structured data management.

” It is no mean feat to access, amalgamate, and consolidate data from core systems. ”

The bank's business challenge is the legacy reporting systems supporting the compliance team in regulatory reporting preparation by pulling data from multiple sources to cobble together an excel report which is prone to errors, omissions, and duplication. Though the systems are designed for operational drives and objectives, the data contained within the core system in some shape or format which do not fully comply with regulatory reporting with substantial data silos.

The reality is that the organisation is typically faced with multiple systems that do not talk to one another and multiple data feeds in different formats leading to duplication issues.

The massive volume of unstructured data poses new challenge for compliance teams with multiple records for the same person and it is difficult to derive accurate data and perform data unification.

With growing pressure from Regulators to reach high quality of standards and with the profusion of emerging regulation in both the prudential risk and conduct of the business arena, the client aspired to streamline the existing regulatory reporting process which was not standardised and improve the quality of the data.

The client was seeking for an integrated and comprehensive approach to recognise the implications in their business operating model in relation to geographic footprint and assess quantitative benefits that could accrue in terms of data governance. The firm immediately needed an independent validation and a robust application platform that could share data insights to make data-driven decisions along with a data governance strategy and implementation.



What we did

” We all agree on data governance. The question is how to do that.”

Our Macro Global SME's and business professionals conducted an operational and business readiness assessment to understand the current organisational data maturity model to integrate with MG's Data Governance framework of "SCV Forza - FSCS SCV Automation Platform" and "SCV Alliance - FSCS SCV Audit Platform" to manage and implement client's objectives.

Analysis laid the foundation for strategy and remediation

Phase 1

Surface check (Gap Study) – understand how the information was currently being stored and the gaps in the company's existing practice

- Our team of experts measured the client data model in collaborating the as-is and to-be part of the data governance initiative.
- The mission started with business analysis of client data to spot the areas of improvement in consideration of the regulatory environment.
- Reviewed the structure of the data the organisation had in place for managing the process and helped to define the requirements.
- Identify, uncover, highlight and detail the strengths and weaknesses of the organisation's data.

Phase 2

Deploy a strategy – recommendations to address the gaps to improve data governance and build governance infrastructure

- Based on the findings, practical recommendations were forwarded to the client provided with expertise to improve the data standards.
- Built reporting architecture for data onboarding and configured a DataMart for data transformation to feed the reporting tool.
- Framework implementation which includes Data-related decisions, processes, and controls subjected to data governance accompanied to support compliance and auditing requirements.
- Support recognition of issues and steps to be taken to develop, prioritise, and deliver solutions.
- Defining processes and business rules for ongoing governance and develop common standard data definitions.

Phase 3

Implementing the solution through Data Governance Maturity Model and continuous improvement

- 📦 **Data Architecture** by dint of implementing end-to-end governance framework to improve the quality of the reported data.
- 📦 **Data Warehousing** by managing analytical data processing and enabling access to support data for reporting and data analysis.
- 📦 **Master Data Management (MDM)** by means of managing shared data to reduce redundancy and ensure better data quality through a standardised definition of a single golden source for referential data repository.
- 📦 **Data Validation** to ensure data from different sources and repositories conform to the business rule. The goal is to create data that is consistent, accurate and complete to prevent errors during convergence.
- 📦 **Data Quality** dissection succeeding the data issues and testimonial for remediation, including categorisation of the issues in the light of risk-based.
- 📦 **Data Deduplication** logic which works on Fuzzy matching - a technique of finds strings that match approximately and links disparate words and a major benefit to cleanse duplicate data.
- 📦 **Data Cleansing** through boosting the consistency, reliability, and value of organisation's data and standardising cluttered data thereby reducing erroneous in reporting.
- 📦 **Data Enrichment** or augmentation by enhancing the existing information by supplementing missing or incomplete data.

The overall bottom line from the above engagement delivered tightly coupled data governance with a handy reporting structure. The solution enabled the client to distinguish the match, unmatched and partially matched records with high accuracy and filter out the true breaks with relevance and high percentage of matching tolerance for decision making.

Finally, the Client's objective to meet the regulatory reporting specification was transformed into a smoother transition and ended-up on timely delivery.

Outcome

” Data governance is a set of principles and practices that ensure high quality through the complete life-cycle of your data. ”

Macro Global team helped the client to overcome their current pain points and meet high-level requirements around data governance. Our solution "SCV Forza - FSCS SCV Automation Platform" and "SCV Alliance - FSCS SCV Audit Platform" holds the potential to benefit the firm by accelerating productivity and control costs by moving from tactical and manual solutions to the more strategic, automated and digitised process.

The successful deployment enabled the client to achieve regulatory reporting with data integrity, consistency, accuracy, and completeness of data. Our solution makes it easy for institutions to comply with Regulatory requirements by providing risk-based auditing reporting to ensure critical data is complete and consistent. Simplified reporting process including data validation and data enrichment before submitting to the Regulator.

Win-Win Situation

Clients who faced larger challenging implementation turned to Macro Global to ensure optimal platform from the outset. Macro, with its operational focus, technical expertise, and years of subject matter experience in the RegTech spectrum delivers solutions emphasising satisfaction.

- ▶ Resourceful application to remediate implementation barriers including API's, Accelerators and Analytical tools.
- ▶ More accurate reporting functionality.
- ▶ Improved data integrity and reduction of errors in data.
- ▶ Reduced key-man risk.
- ▶ Provide advanced functionality including enriched user interface and interactive dashboard.

Our Success Story

- ✓ Restored the client's confidence by turning the PRA's RED rating into GREEN with no penalties and restored immunity with continual business operations. Further Remediation program has been withdrawn by PRA.
- ✓ Our solution "SCV Forza - FSCS SCV Automation Platform" and "SCV Alliance - FSCS SCV Audit Platform" has proven that data harmonisation and standardisation of unstructured data are the key-drivers in assessing and validating financial systematic risk.
- ✓ Coalition with our client in embracing our solution in addressing a long hauled systematic issue that redefined reporting which includes Regulatory Reporting Hub for the customer using single data point.
- ✓ Client had a greater insight into their data set now and strengthened their relationship with their customer for greater business benefits both tangible and intangible.
- ✓ Partnering with us helps achieve a single consistent view of day-to-day operations for organisations who re-strategising their plans to make swift and informed decisions through our automated reported systems.

We are here to help you

If you want to learn more about our products or services or just have a question?

If you need advise from our expert team who understand your business better than our peers?

If you want to know how we transformed businesses using our unparalleled industry and domain expertise?

Please click on the web link below to access our sales desk telephone numbers and email and we will be in touch straight back to you.

<https://www.macroglobal.co.uk/contact-us/>



macro global[®]
creating value through innovation