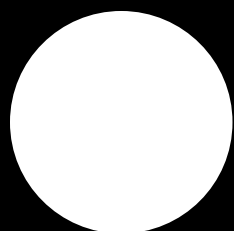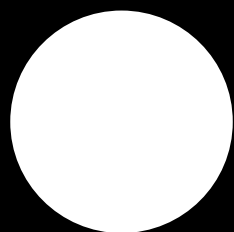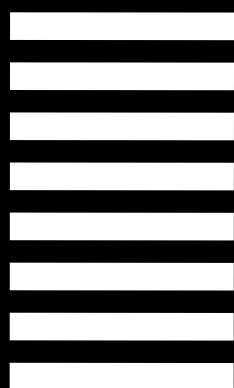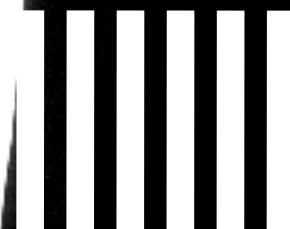FINANCIAL SERVICES

Reducing The Cost of Taxonomy Assurance by More Than 90%

ids
Leaders in data certainty

Financial Services

Learn how iData delivered a 90% reduction in the monthly cost of taxonomy assurance and increased the confidence for a Central Bank in the United Kingdom

> **"**
> Faced with the increasing cost and frustration, the bank brought in IDS to use and help deliver a leaner, more cost effective and repeatable process.

Reducing the Cost of Taxonomy Assurance Changes at a Leading Bank

A leading provider in the UK banking industry is undergoing an ongoing digital transformation process. A specific requirement of the transformation is to dramatically increase control around quality assurance practices. This was vital for several key reasons, not least to reduce costs and become more efficient and reliable in providing confidence in its change capability to internal customers.

The project team at the bank recognized the importance of assuring all and any changes to the new taxonomy XBRL files, but the existing manual process was becoming a costly bottleneck.

The team had a manual overhead of 20 man days testing to complete assurance checks every time changes to the taxonomy files are shared with the bank.

Counting the Cost of a Manual Approach

Working closely with test management and business units, the first task was to establish the cost of their UK based team:

Day rate cost of a single test analyst	£350
Total days to manually execute regression	20
Cost of manual checks	£7,000
Frequency of regression testing (monthly)	1
Total spend (monthly)	**£7,000**

The bank have to complete the checks, and given that the XBRL files have 100,000 records, taking a manual approach causes inconsistent and incomplete results.

In the case of the bank, the equivalent costs of their traditional manual checks become even higher:

Cost of regression testing	£7,000
12 iterations of manual XBRL checks	£84,000

With a clear understanding of the costs and return on investment opportunities available, IDS began the process of installing iData and configuring the rules to check taxonomy changes.

There had been limited success with the existing manual approach with issues being missed and causing embarrassment for the department.

Proof of Concept Demonstrates the Benefits

To reduce the risk of failure of such a change, IDS delivered a successful proof of concept to demonstrate the feasibility of the approach using a completely automated approach to the checks.

IDS worked with the team at the bank to implement the correct rules for the automated process to work with iData.

Once IDS had proven the approach, and the base solution was in and set up to be reusable, IDS began to focus on the build out of all taxonomy as a fully implemented solution.

"Through 2022, more than 50% of data migration initiatives will exceed their budget and timeline - and potentially harm the business - because of flawed strategy and execution.

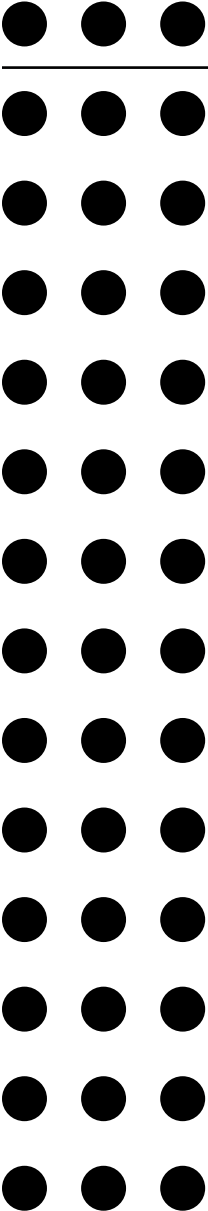Source: Gartner

iData Completed the Following Process;

→ Take the XBRL extract and "flatten" the data. Selectively picking only the records that are relevant to that collection type and store them

→ Utilizing Excel to modify the pivot tables to extract a tabular view of the correct data. Extract the records and store them in the same format as step 1

→ Compare all the records between step 1 and step 2

→ Generate a report with any mismatched values or values that fell outside of a set tolerance

This process took three days to implement, and the bank now have a solution to use each time they require XBRL comparisons.

The Outcome: Eliminating Manual Bottlenecks, Cutting Costs and Increasing Confidence

→ The bank now has the benefit of a fully functioning, repeatable and automated taxonomy check process

→ This empowers the bank teams to reduce cost and increase confidence in the assurance process, resulting in a much more robust approach

→ A repeatable solution that takes an extract of the XBRL (CSV output of the XBRL file) and compares this to the cube database within the analytics system.

The Result:
90% reduction in the cost of taxonomy assurance.

Driving down cost was a key goal for this engagement. For a huge reduction in yearly spend of manually assuring the changes in taxonomy, as well as a reduction in risk and the confidence related to data certainty. The bank can now deliver affordable assurance processes with every XBRL deployment.
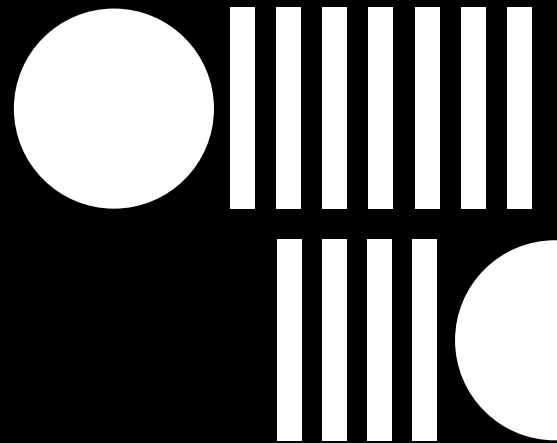
If they had chosen to execute the same level of automation using manual techniques the cost would be £84,000. In a like-for-like comparison they are making a yearly saving of £54,000.

Through the specialist implementation of the iData solution, the bank now benefits from a considerable saving in staff utilization, freeing up skilled resources to focus on other areas of concern.

The quality of assurance checks for taxonomy changes is also greatly improved with the bank having greater confidence in the output as the possibility of human oversight is now eliminated.

When data lies at the heart of your organization, you need data certainty. IDS's unique methodology brings together data testing and data quality assurance, to assure 100% of the data, through 100% of the journey, 100% of the time.

To find out more, discuss your data needs with an IDS data certainty specialist here:

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