Assurance on supervisory reporting using XBRL
the "easy" way to high quality data

Speaker

Paul Hulst
De Nederlandsche Bank
ICT Architect

Agenda

Assurance on supervisory reporting:

• Presenter and De Nederlandsche Bank

• Why assurance

• How assurance: technology, process and parties involved

• Challenges from technology, process and parties involved

• Impact on parties involved

• Summary

Speaker

Paul Hulst
- Architect for the process of collecting, validating, storing, exposing and dissemination of structured data at De Nederlandsche Bank (DNB)
- Member of BPB - Taxonomy Architecture Guidance Task Force
- Member of XSB – Open Information Model Working Group
- Board member XBRL Netherlands

Note:
  This presentation contains the views and opinions of the speaker and is not an official position of De Nederlandsche Bank.

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EUROSYSTEEM

About De Nederlandsche Bank

- DNB is the central bank, supervisor for the financial sector and resolution authority for the Netherlands. DNB also advises the Dutch government on economic matters.

- Collecting, validating, storing, enhancing and disseminating data is the key role of the Statistics Department.

- My presentation focusses on data from banks, insurers and pension funds

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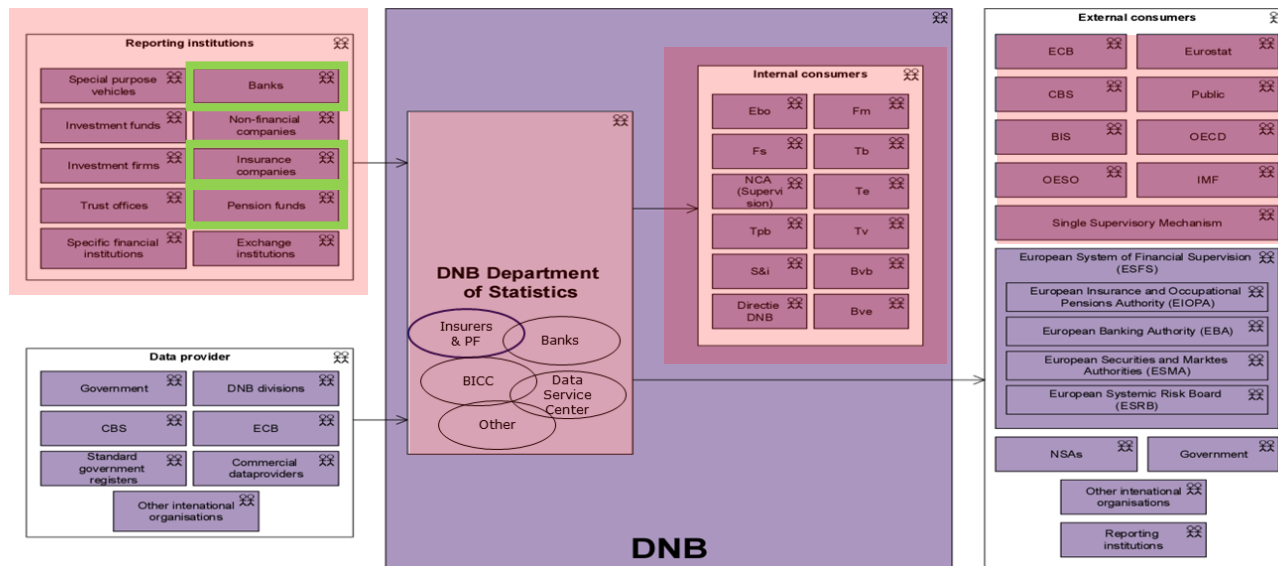
Why assurance

1. Trustworthy data is essential for supervision
   Validation rules = consistency

   Audit checks whether the reported values as a whole are a true representation

2. Insight into the processes run by the institutions to prepare the data in the reports

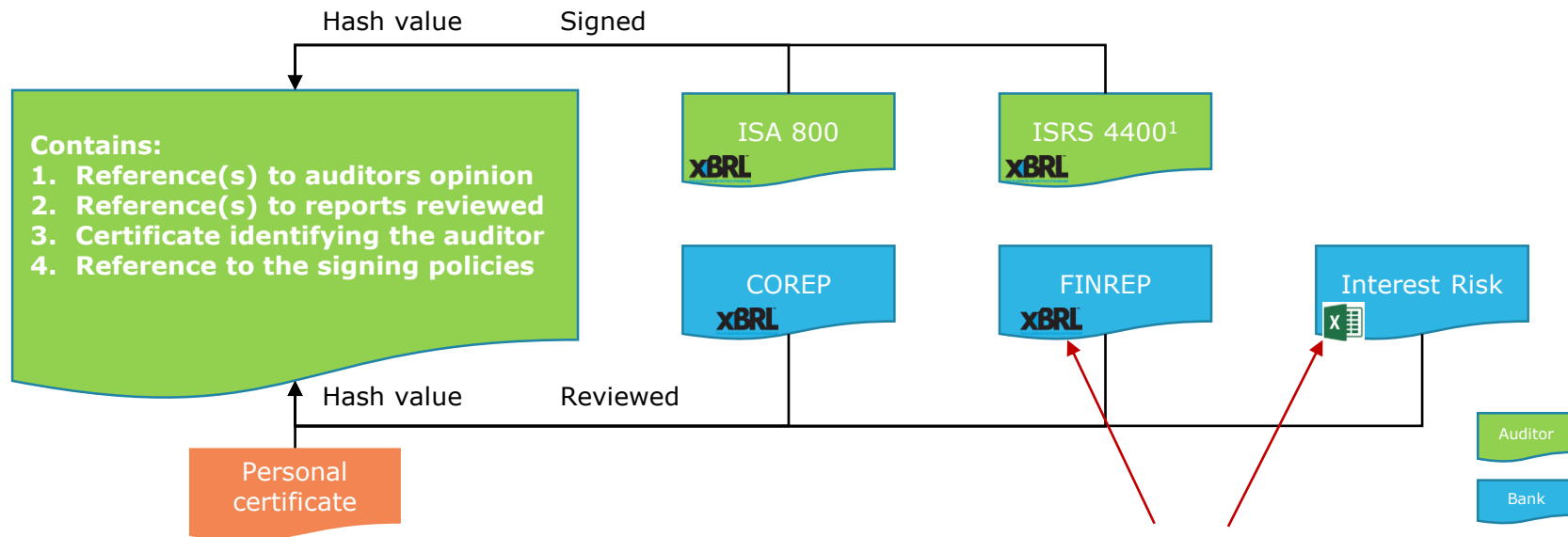F 34.00.a (AE-CONT) Asset encumbrance: Contingent encumbrance (a)

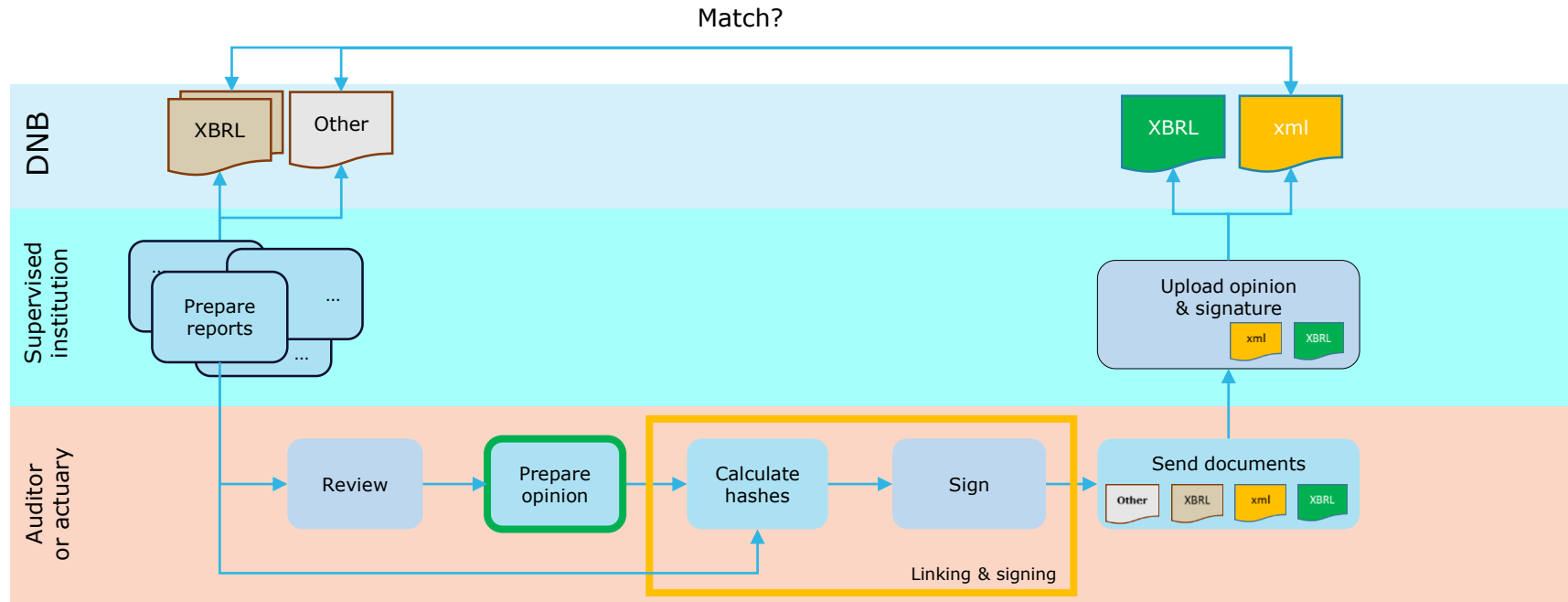|				Matching liabilities, contingent liabilities or securities lent
				010
				-
Carrying amount of selected financial liabilities			010	100.000,00
	Derivatives		020	€ 90.000,00
		of which: Over-The-Counter	030	€ 50.000,00
	Deposits		040	€ 10.000,00
		Repurchase agreements	050	
		of which: central banks	060	
		Collateralised deposits other than repurchase agreements	070	
		of which: central banks	080	
	Debt securities issued		090	
		of which: covered bonds issued	100	
		of which: asset-backed securities issued	110	
Other sources of encumbrance			120	€ 50.000,00
TOTAL SOURCES OF ENCUMBRANCE			170	€ 151.000,00

?

How: technology

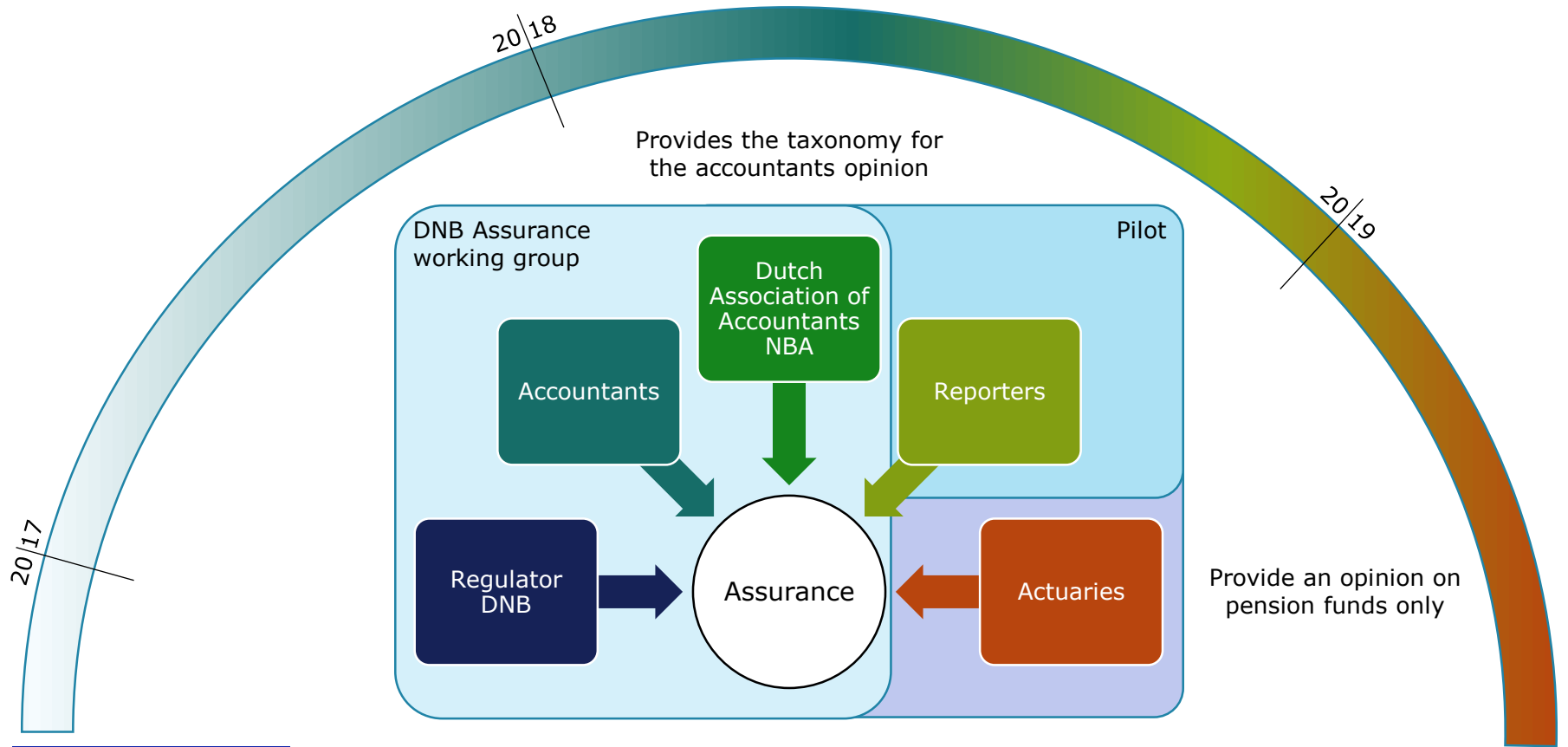XBRL will be used to capture the accountants opinion.

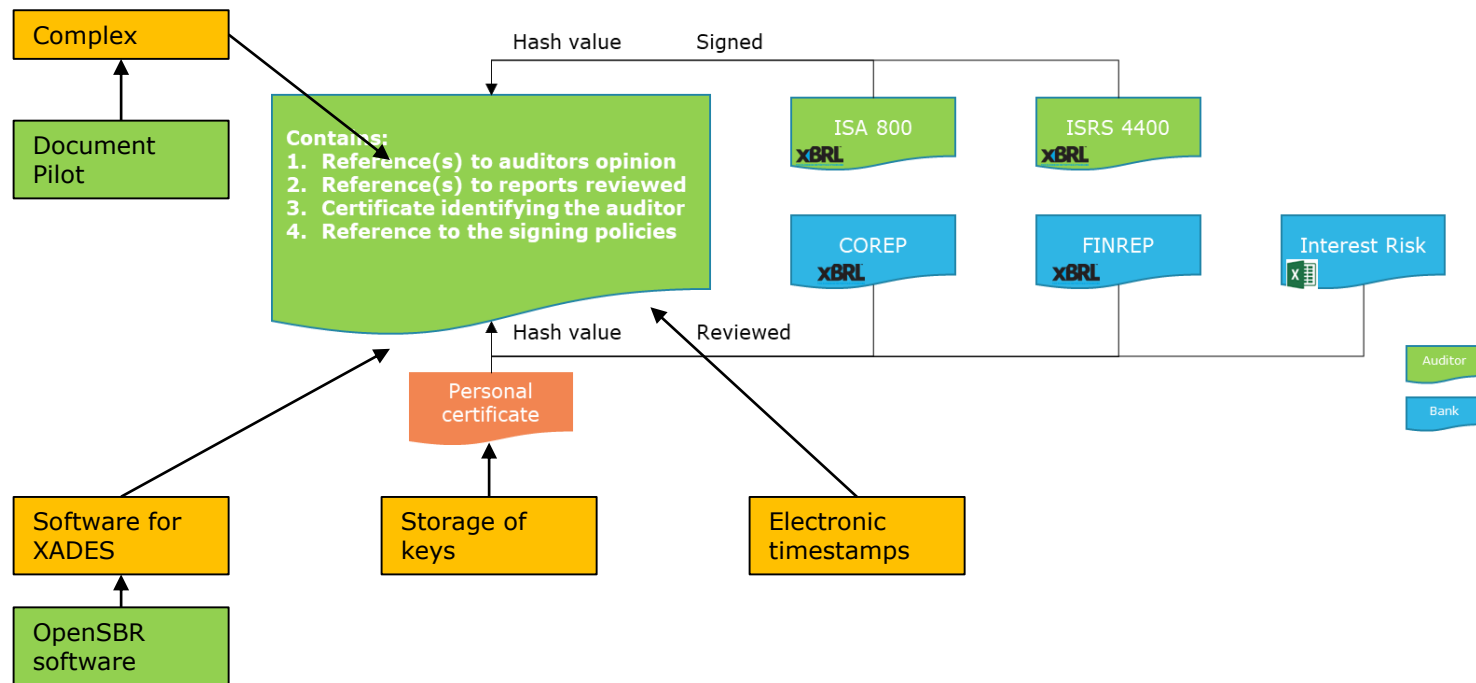XML Advanced Electronic Signatures will be used to capture the auditors signature.

[1] Taxonomy doesn't exist yet.   Assurance on XBRL supervisory reports   October 2019

How: process

How: parties involved & progress through time

20|18

Provides the taxonomy for
the accountants opinion

20|19

DNB Assurance working group

Pilot

Dutch Association of Accountants NBA

Accountants

Reporters

Regulator DNB

Assurance

Actuaries

20|17

Provide an opinion on
pension funds only

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Challenges from technology

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Challenges from the process
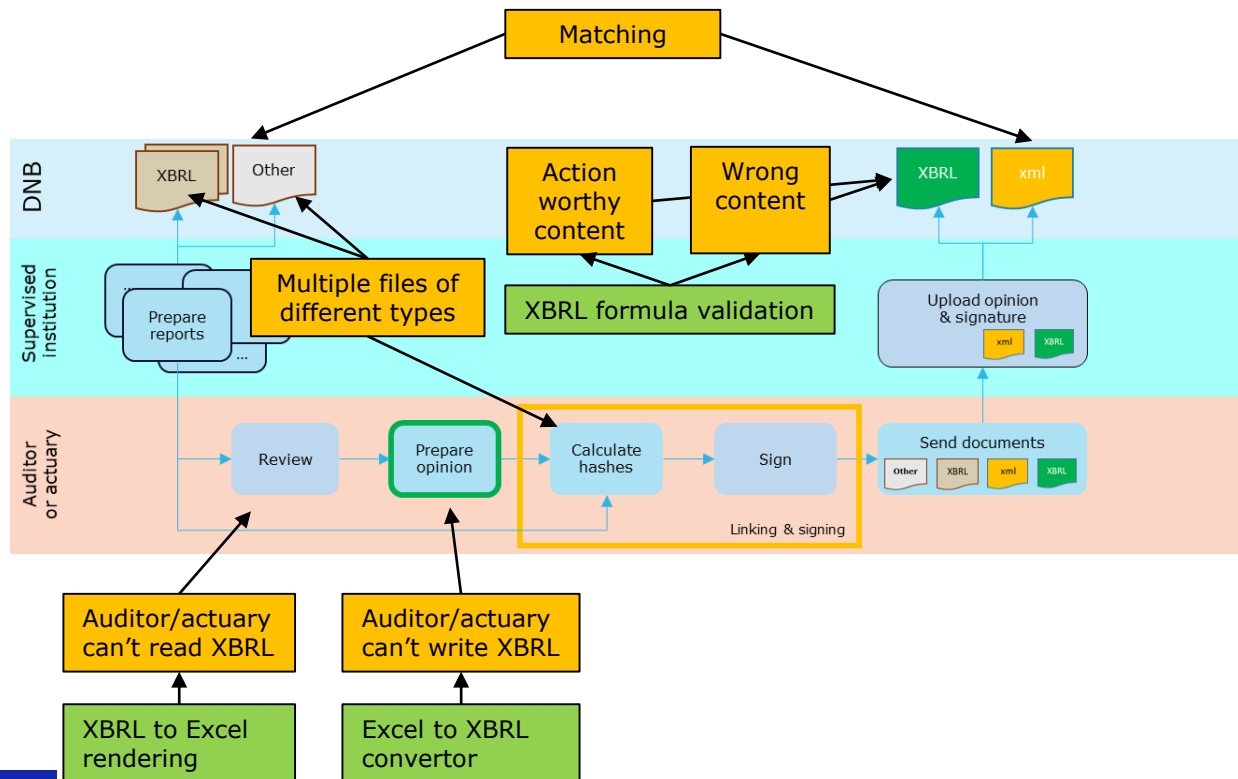
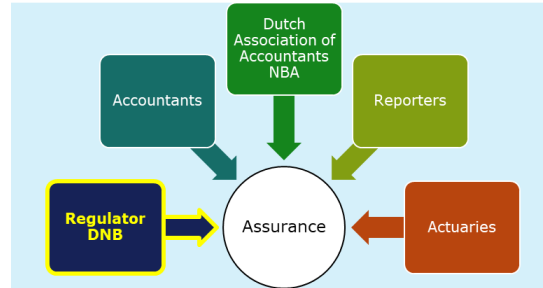# Challenges from the process
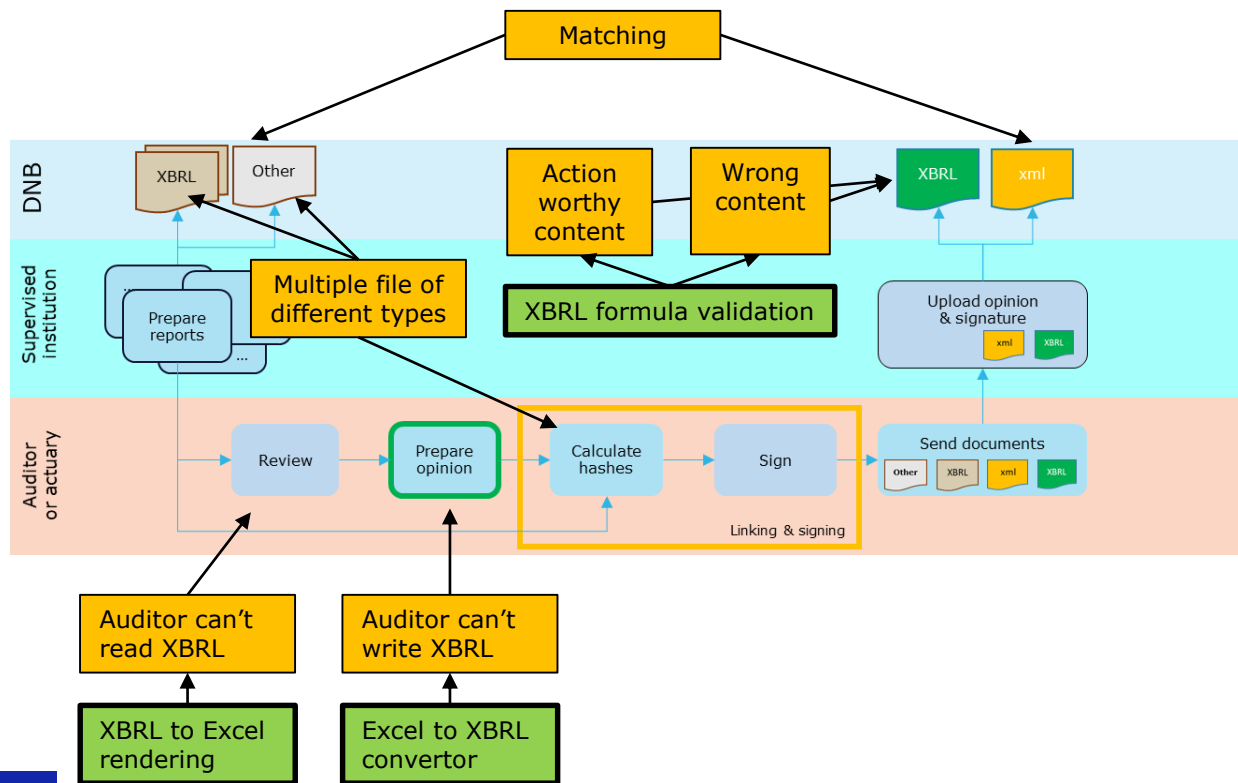
Challenges from parties

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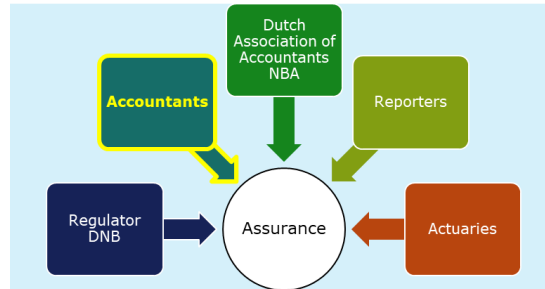EUROSYSTEEM
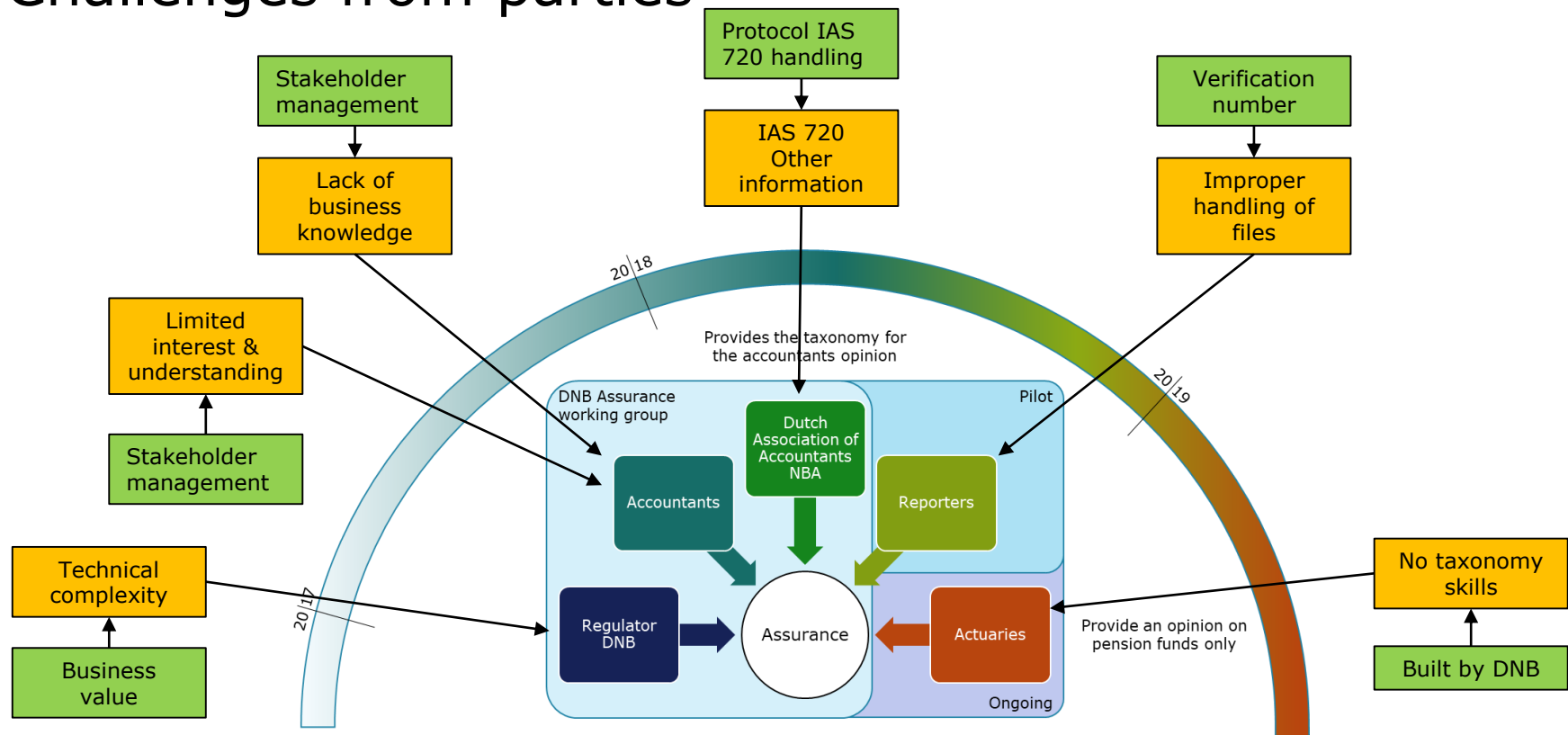
Impact op parties involved - regulator

+   Great data for analysis

+   Almost fully automated validation

-   Implementation & testing effort
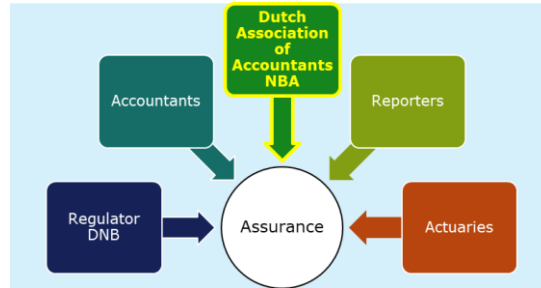
Impact op parties involved - accountants

+ Great data for analysis
+ Almost fully automated validation
+ Standardisation

- Implementation & testing effort
- Less flexible
- Certificate management

Impact op parties involved – accounting association
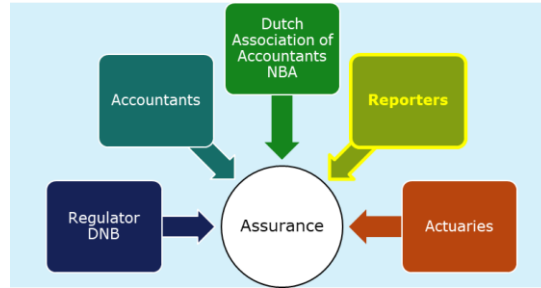
+ Great data for analysis

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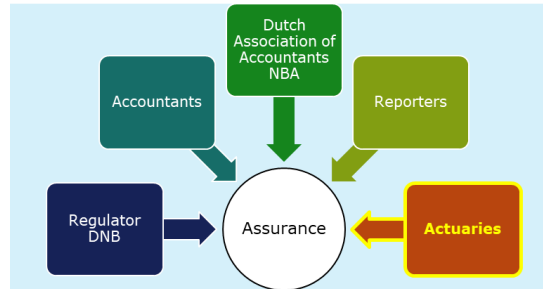
+ Standardisation

- Implementation & testing effort

- Less flexible

- Certificate management

- Create taxonomy skills

- Outreach to members

Impact op parties involved - reporters

+ Great data for analysis

+ Almost fully automated validation

+ Standardisation

- Implementation & testing effort

- Less flexible

- Certificate management

- Create taxonomy skills

- Outreach to members

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Impact op parties involved - actuaries

+ Great data for analysis

+ Almost fully automated validation

+ Standardisation

+ Competitive advantage

- Implementation & testing effort

- Less flexible

- Certificate management

- Create taxonomy skills

- Outreach to members

- And learn / teach this real fast

Summary

Fact is that assurance means better quality data.

Easy for DNB
- as it is provided by other parties: accountants and actuaries

It is not easy, being a complex multi-party process
- it requires extensive cooperation of people
- with in-depth knowledge of technical and business aspects
- and thorough testing

Only possible by using existing standards as xBRL and XADES