Streamlining General Ledger Reconciliation Process

PROBLEM

A large national bank had internal audit issues due to decentralized nature of their General Ledger Reconciliation processes

SOLUTION

Alacer provided a streamlined and optimal future state process and control structure

RESULTS

The centralized future state General Ledger Reconciliation process addressed Internal Audit findings through better role delineation between operational and accounting activities and provided a detail plan to implement the changes

OVERVIEW

The GL Reconciliation process was spread across over 20 groups and was not clear how the actual reconciliation process was performed or what were the key pain points involved. The reconciliation processes were conducted in silos with multiple instances of deficiencies identified by the management, internal audit, and Alacer teams. Bank wanted Alacer team to perform an end-to-end process review and evaluate if current processes should be centralized and come up with a target operating model including automation opportunities, organization structure, and an implementation plan to facilitate the proposed changes.

CHALLENGES

Internal Audit identified multiple areas of concerns for the bank’s GL Reconciliation processes including multiple instances of over or under statements of balance sheet accounts. The bank’s process was highly decentralized where the operational teams, without proper accounting knowledge, were performing the reconciliations. The overall process was highly manual in terms of collecting the transactional and GL entries from various source systems and using spreadsheets for reconciliations. The entire process required large teams across the various groups and management was looking for a more centralized, efficient, and automated process while ensuring appropriate controls and governance is in place.

RESULTS

Within 5 weeks, Alacer’s senior accounting and process consultants conducted in depth “as-is” process mappings, stakeholder interviews and surveys to determine key metrics such as processing times, completion times, frequencies, and other quality measures. Based on the review, the Alacer team worked closely with the bank management team and came up with a robust future state structure and operating model that included short term and long term automation opportunities such as Robotic Process Automations (RPA) with estimated 30-40% capacity savings, a target operating model including organization structure and staffing plans, and a prioritized implementation project plan.

Historical client engagement. Results reflect the original case study; outcomes vary.