Finance Function Remediates Reconciliation Audit Point

PROBLEM

Decentralization of General Ledger reconciliations gave rise to inconsistent and incorrect performance of reconciliations

SOLUTION

Alacer reviewed all in- scope reconciliations to validate reconciling items and adjustments.

RESULTS

Multiple instances of incorrect reconciliations were adjusted for in the P&L and Balance Sheet along with best-practice recommendations

OVERVIEW

An internal audit review of reconciliations found that certain reconciliations contained errors and did not correctly show reconciling items, their rationale or age. Accruals were also not correctly matched/ reversed with the corresponding expense. Alacer was required to apply objective scrutiny to the reconciliation reviews to ensure documentation would stand up to review by other stakeholders, including auditors and regulators.

CHALLENGES

Over 2,000 General Ledger accounts required review in a short space of time, and additionally the reconciliations covered a wide spectrum of account types such as Fixed Assets, Equity and Leases. Month-end pressures on reconciliation owners also meant planning and preparation for discussions was critical to ensure maximum utilization of available client time.

RESULTS

Alacer consultants reviewed all reconciliations within the required time frame and discovered errors and omissions amounting to several million dollars. The results of the reconciliation review also served as input into a wider strategic review of General Ledger reconciliation ownership and best practice (see separate case study “Alacer Helps Streamlining General Ledger Reconciliation Process”).

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