

## BUSINESS CASE



**macro global**<sup>®</sup>  
creating value through innovation

# Reconciliation Support with CBS Data Reporting



## Executive Summary

Reconciliation of account transactions is one of the critical operations in every financial institution and the effective management of the subjected activity is essential to the success of an organisation. The main objective of performing reconciliation is to identify incompatibilities in data and achieve resolution.

In this business case, we will discuss about the process of comparing the different sets of organisation's account data and confirm that the Reconciliation report produced by our "SCV Forza - FSCS SCV Automation Platform" have the same totals or pair in a specific, predefined way and ensure that the records from two different sources are correct, comparable and matching system of records. This process reassures the validity of the account balance and the accuracy of the organisation records harmonising with Core Banking Solution (CBS) data records.

## Business Background

In today's business world, financial teams receive more and more transaction data on a daily basis that needs to be mastered and processed effectively and efficiently. Many financial institutions still take a fragmented, departmental approach to reconcile that constitutes multiple systems and manual interventions. When financial controls break down, it leads to damage in organisation reputation, and the bottom line is undeniable. Hence, management need to have access to a single view of the reconciliation report at any time, which need to be accurate and up to date since the consolidated report need to be shared to Regulators on demand. However, with multiple systems and various departments managing different aspects of the reconciliation process, preparing and providing manually the most current information is extremely difficult.

Reconciliation is an important accounting procedure performed by organisations since bank accounts for businesses involve thousands of transactions. Account balance reconciliation play a fundamental role in the success of business operation and is a critical component. There is a noticeable focus being placed on the operational, technical and financial aspects on data reconciliation with the assigned responsibility of ensuring the quality, accuracy and completeness of data across the organisation.

## Our Clients Problem Statement

Compiling financial data, manually reconciling accounts and ensuring accuracy is a time-consuming process, especially for organisations that use manual spreadsheets to manage reconciliations. It is essential for every financial institution to have a real-time information on their fingertips. There is amounting pressure from Regulators to increase the transparency in financial reporting. With no central catalogue in place and the inconsistency in balance reconciliation can hamper big picture strategy ad decision making. This in turn have a profoundly negative impact on the financial institution.

The CBS data retrieved from internal systems of bank/institution create significant challenges for finance departments and is often error-prone and time-consuming task in matching and processing the unstructured data vs SCV intake. Manually summing up the numbers and spending their time on the mechanics of account reconciliation can result in data errors. The need to cut downs manual errors during reconciliation is of utmost importance to reduce potential operational risk and thereby minimising operational expense without the hindrance to the normal processes.

Regulators use the reported data time-to-time to monitor and keep the customer and account data under surveillance for manipulation, fraud and systemic risk, with the intent to reduce the risk of market corruption. It is vital that the information being reported is complete, remains integral, and provides a true reflection of the firm's status. Reporting obligation have allowed Regulatory bodies to proactively observe and inspect financial institutions, and in many cases their findings have resulted in enforcement action being taken against the financial institution.

## Macro Global's Approach Framework

The foremost phase in implementing an automated reconciliation process is understanding and recognising the true projected outflow of a manual system. Bringing together transaction-level and balance-level data in a single system is a key advantage to launch an intuitive reconciliation solution and provide detailed information about the exceptions occurred and how they can be resolved effectively and swiftly. Rather than manually identifying and spotting the errors, our solution "SCV Forza - FSCS SCV Automation Platform" is composed of latest technology and improves effectiveness and lowers the operational costs of involving multiple resources. You can focus on your core business challenges rather wasting time in compiling and matching complex data sets.

Post the project analysis phase performed over the system of records (CBS), the MG's team of SME's developed a centralised reconciliation process through a single service model architecture as a data lake in sourcing data into a single repository that holds the raw data from various golden sources into a structured data snippet and provide the reconciliation report matching the SCV final output with a sign off document for the stakeholders to review and archive to maintain audit log to fulfil FSCS's Mandatory documentation/Daily Checklist obligations.

"SCV Forza - FSCS SCV Automation Platform" is designed and developed to suit the account balance reconciliation as a need of the hour to our client. Regardless of given spread out volume of the account or transaction data where our clients require help to cross verify that the accounts balance reported in the SCV output is consistent and comparable and should match the internal system of records (CBS vs general ledger vs balance sheet) as presented in the organisation's time period report. Over the years, we have gained humongous knowledge and experience in the field and have the competence to support even the most complicated cases because we offer expertise with the processes and best practices.

A well-planned, streamlined and automated reconciliation process includes supporting information to ensure not only that all accounts balance is matched, but that the process is transparent and clearly justified on client clarifications. Account balance reconciliation also provides benefits including reducing the time it takes to close, consolidate and prepare for reporting and done in an error-free manner. In accomplishing the subjected objectives,

- 💡 Gives management a timely and accurate delineation of account balance, categorised by account type.
- 💡 Demonstrates the organisation's financial integrity to internal and external stakeholders –including accurate and transparent regulatory reporting.

The automated reconciliation process helped in rationalising man-hours and identifying the exceptions and rectifying them at full tilt. This strategy also ensures that organisations to be acquainted and remain compliant with Regulatory standards and reporting within the mandated time period.

## Business Benefits

When automated reconciliation tool come to aid, a key benefit of reconciliation automation software is time saving. Thus, accounting teams can focus more on investigating and managing exceptions and other key challenges and business priorities. Also, period-end close campaigns run more smoothly and with less stress.

"SCV Forza - FSCS SCV Automation Platform" supports account balance reconciliation by setting the seal on the discrepancies and spot the exceptions. The modern reconciliation solutions offer versatile, cloud-based platforms that streamline financial processes and increase audit readiness.

- 💡 A fully automatic reconciliation process, at any time during an accounting period and all reconciliation history recorded.
- 💡 Improve operational efficiency by overcoming the time-consuming inefficiencies and reduce the time spent in matching the account balances between two different systems (CBS and the SCV Forza - FSCS SCV Automation Platform).
- 💡 Helps improve visibility, transparency and insight by tracked the transaction balance in a detailed report and directly associated with each account and reduce the internal audit effort with a facility to drill down to the details of specific value and their underlying records.
- 💡 Reduce risk by resolving exceptions and proactively eliminate loss due to errors.
- 💡 Removes the risk of human error, including, matching algorithm, formulas, logics with preset business/process rules thereby providing a vital layer of control.

# 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 advice 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**<sup>®</sup>  
creating value through innovation