Perpetuuiti™
Resilience Redefined...

Leading Bank achieves 100% Eradication of GL Reconciliation Errors

CLIENT PROFILE

Our client is India's leading private sector Bank. Client is the only Greenfield Bank license awarded by the RBI in the last two decades, associated with the finest pedigree investors. Our client, a "Full Service Commercial Bank", has steadily built a Corporate, Retail & SME Banking franchise, with a comprehensive product suite of Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, and Wealth Management business lines across the country.

THEIR CHALLENGES

The client was looking forward to an intelligent Process Automation solution for their General Ledger (GL) Monitoring and Reconciliation process. General Ledger Reconciliation process is a mandate and is carried out as part of the financial close mandate at EoD. Transaction inaccuracies need to be identified so that exceptions can be investigated, and to ensure that financial reports are correct. The time-consuming process of manually matching transactions against a General Ledger and correlating this information with a bank statement, exposes the client to errors, operational inefficiencies, financial risk and losses, and in some cases frauds. GL Monitoring and Reconciliation is a critical process but manual activities consume a lot of time in identifying cash balance discrepancies. Moreover, this being an EoD task, the client is not able to take any corrective actions in the current business day.

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OVERALL GL MONITORING AND RECONCILIATION CHALLENGES

➤ Manual Process is not efficient/ effective as team spends lot of time daily for executing repetitive tasks of GL Monitoring and Recon and there is no way to verify if manual process has introduced any errors

➤ Due to non-availability of appropriate software systems, number of regulatory compliance related activities are bypassed exposing the CMS (Cash Management System) department to Regulatory Risk and Frauds

➤ Due to inefficient/ ineffective Manual processes, CMS is not able to efficiently deploy balances with the bank in a gainful manner due to balances being stuck in wrong General Ledgers

➤ Being manual, the process is always exposed to regulatory risk/ frauds due to lack of audit-ability/ non-availability of logs of GL Recon/ Monitoring process

➤ CMS Operations team does not have an efficient way of tracking and monitoring instances of GL Balance mismatches with respective branches

➤ There is no system for top stakeholders to evaluate/ audit/ review current and top of the head issues in the GL Monitoring and Reconciliation Processes

➤ Report is prepared manually and communication of balance mismatches is using Outlook mail trail. Due to this, process audit-ability is not possible

CHALLENGES SPECIFIC TO GL MONITORING

➤ On a daily basis, The client's team manually validates the nature of balance and business rules of 3200 GLs

➤ Due to non-availability of appropriate software systems, The client's bypasses certain controls like,

  ➤ The client's CMS does not verify if system GLs have system entered transactions only (should not have manual entries) (related to Fraud Management)

  ➤ The client's CMS does not verify compliance of 1st Leg/ 2nd Leg entries for General Ledger transactions (related to Fraud Management)

  ➤ The client's CMS does not know if branches/ users execute transactions in their authorized GLs only (related to Fraud Management and lack of Access Controls)

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CHALLENGES SPECIFIC TO GL RECONCILIATION

➤ The client's CMS team manually reconciles 3200 GLs (2-way Recon) against daily Trial Balance Report

➤ Team manually reconciles CASA Balances against FlexCube Retail Core Banking System which is time consuming and ineffective

➤ Team manually computes GL Balance differences which is time consuming

➤ The client's CMS team does not perform 3-Way Recon due to non-availability of appropriate software system

OUR SOLUTION

➤ Multi-threaded, scalable and efficient execution engine that reads, compares and parses GL and trial balance Information from across different sources of software platforms and reports

➤ Binds and Integrates the complex GL Monitoring & GL Reconciliation process, steps into Perpetuuiti's orchestration engine that can be scheduled for server lean time execution

➤ Allows for tight control on the Process Execution logic by raising Alerts to right groups, generating process event related email content for corrective action to relevant Bank branch's stakeholders with escalation mechanisms for handling delays

➤ Builds Process Reports on BAU (Business As Usual) basis which support the Bank's Audit, Compliance and Regulatory requirements

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BENEFITS TO BUSINESS

- Av3ar iBoT improves The client's CMS profitability by massively improving the operational efficiency and effectiveness of GL Monitoring and Reconciliation process by identifying cash balance mismatches in GLs at the BoD rather than current practice of EoD and take corrective actions in the current business day – For an instance, if there is a balance mismatch of INR 100 crores in 25 GL accounts per day, at 7.2% cost of money, The client's CMS loses INR 2 lakhs per day as interest paid on Cash Balance if balance mismatch is not identified and resolved at the earliest. This being a daily process, on the above said figure, this translates directly into savings of INR 7-8 crores per year.

- Av3ar iBoT identifies this at BoD rather than current practice of EoD; The client's is able to gainfully deploy the Cash Balance and earn Net Interest Margin rather than losing interest money by virtue of not deploying the cash balance.

- Av3ar iBoT gives ability to The client's to reduce Regulatory Risk - for an instance, daily log generated by the iBoT can be stored/ produced for regulatory audits

- Av3ar iBoT gives ability to identify Frauds in CMS GL Transactions – for an example, daily log generated by the bot can be directly used to identify fraudulent activity/ unauthorized transactions

- Av3ar iBoT enables The client's to achieve regulatory compliance in GL Monitoring and Reconciliation areas – Daily Execution Report generated by the iBoT shows execution of all regulatory compliance related activities

- Av3ar iBoT provides a tracking/ monitoring mechanism to The client's CMS Operations team vis-a-vis The client's branches to allow for GL cash balance mismatches to be brought to compliance at the earliest
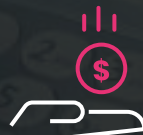
100% CONSISTENT EXCEPTION MANAGEMENT	**100%** ERADICATION OF RECONCILIATION ERRORS	**60%** REDUCTION IN MANPOWER COST	**90%** AUTOMATION ACHIEVEMENT	**75%** INCREASED EFFICIENCY INCASH MANAGEMENT

READY FOR YOUR OWN SUCCESS STORY?

Get in touch with our automation experts and learn how you can fast-track your digital transformation initiatives.

✉ mktg@ptechnosoft.com   📞 +91 - 020 - 6687 8300

About Perpetuuiti

Perpetuuiti empowers people and businesses alike. We deliver the world's most-comprehensive and urbane automation platforms making work more human. Our platforms deliver leading-edge automation solutions for modernizing resiliency management, and turbocharging the performance of your applications, IT and business operations at speed and scale to drive exponential efficiencies.

For more information, visit **www.ptechnosoft.com**

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