

Balance Sheet Reconciliation

Client needed to establish procedures and infrastructure in order to reconcile balance sheet accounts in a timely manner to meet reporting needs.

Challenges

- Client received a significant deficiency from their external auditors for not being able to complete balance sheet reconciliations (over 2,000 plus accounts) before their 10Q and 10K and statutory filings
- Client had recently implemented PeopleSoft as an accounting and reporting package and needed to revamp reconciliation procedures to take advantage of the new system's capabilities
- Client had not implemented a standard template or procedures regarding balance sheet reconciliations, creating confusion and inefficiencies
- The engagement team worked with management to standardize how accumulated reconciling and unreconciled differences were going to be handled
- Team designed tracking tool to ensure senior management and financial reporting group could track all reconciliations received or still outstanding and unreconciled differences in an efficient manner
- Our team assisted management as they selected and implemented balance sheet reconciliation software

Solutions

- Engagement team designed a standardized template for all balance sheet reconciliations and worked with all departments for acceptance
- Team held training session for all departments regarding the best use of the template, including best practices on source documentation to include documentation of resolution of outstanding items and completion of the reconciliation
- Engagement team worked with the financial reporting group and other departments to assign ultimate responsibility for all balance sheet account and centralize the reporting/completion of the reconciliations

Impact

- All balance sheet reconciliations were completed and received prior to the issuance of the 10K at year-end
- All accounts were assigned to individual departments with designated preparers and reviewers
- All departments used uniform procedures
- Client implemented Blackline balance sheet reconciliation software by the 2nd quarter of the subsequent year, which made tracking and storing the reconciliations more **efficient**
- Client was able to close and report on their usual timetable and take the time to find the appropriate long term resource to fill the open position
- High quality work product facilitated transition to the full-time resource

