

Success Story



Balance Sheet Substantiation & Account Ownership

GFT improves balance sheet processes and resolves operational risk issues with a new operating model, whilst managing an extended project team.

Achievement

Fragmented and manually intensive processes can result in operational risks for investment banks. In this project GFT participates in the definition of a new operating model to maintain balance sheet account ownership and attestation for all the bank's global markets locations worldwide.

GFT is working with the bank and its development centre in India to reduce the costs on this project by a third and bring it back to within the target development cycle and completion date.

The existing month-end balance sheet checking process relies on exceptions being raised, rather than positive confirmation that the process has been completed. GFT's input into this project is resulting in the following key achievements:

- A balance sheet attestation toolset providing transparency and therefore enabling enforcement in line with global markets policy leading to improved quality and accuracy of balance sheet numbers.
- Facilitating reduced risk of operational losses from invalid account balances through better early warning of emerging reconciliation problems and Potential Financial Exposure (PFE).
- Alignment with the group level balance sheet substantiation initiative.

Benefits

By resolving these operational risk issues, the project is providing the bank with benefits in three main areas:

Control

- Transparency of balance sheet issues for monthly reporting, as well as allowing systemic issues to be identified.
- Clearly defined and agreed ownership and accountability for the entire global markets division balance sheet.
- Resolution of the outstanding audit action.

Service

- A standardised fit-for-purpose global platform and methodology for performing balance sheet attestation enabling greater centralisation of the process.
- Reduction of manual processes and end-user developed applications (EUDAs) used to perform the balance sheet attestation process.
- Provides visibility and transparency of the front-to-back balance sheet substantiation control process and issues to the business facilitating front office ownership and sign-off.

Effectiveness

- A balance sheet attestation toolset to facilitate the completion of the end of month process within required timeframe.
- Reduction in number of tools used for the balance sheet attestation process leading to potential cost savings.
- Standard process provides an opportunity to automate and centralise parts of balance sheet attestation leading to potential cost savings.

GFT's Approach

GFT was brought in at the detailed requirement gathering phase of this complex project, having presented a proposal which would reduce costs by one third and get the programme back on track; bringing the development cycle back to the target delivery date of Q4 2010, when it had slipped to Q2 2011. This was made possible through the re-use of code from a previous project.

Project organisation involves bank staff in the UK, functional analysts and development people from GFT in Spain, as well as a team in India. GFT is also managing the different cultural and methodology approaches within the extended project team;

for example, being very formal on technical documentation, while working iteratively with the bank on functional issues.

As a result of the success of GFT's involvement in this project, the team is currently working collaboratively to define the system architecture, and take ownership for the delivery of discrete functional components within that architecture.

GFT's technical expertise in the systems feeding the new tool is playing an important role in the success of the development phase; for example, the team is able to re-use some of the code written for the upstream system.

GFT Subject Matter Expert

Enrique Monton, Project Leader at GFT commented, "This project shows how GFT can overcome internal IT project ownership conflicts to build relationships and work collaboratively towards a mutual goal".

Technology

Prior to this project there had been a move in the bank from .Net technologies towards Java, so when the project started neither the bank nor its incumbent supplier had strong knowledge of the latest technology. Java is one of the core technologies used in GFT projects, which is key to ensuring high quality code.

Oracle BI was chosen as the reporting solution, although there was little knowledge within the bank on this technology. GFT's market research has shown an important appetite for this technology within the major investment banks' Finance IT areas; as a result GFT is expanding its centre of competence in Oracle BI.