

# Mutual Insurance Company Resolves Large General Ledger Risk with Minimal Investment



## Background

A leading mutual insurance company that provides financial services to credit unions, cooperatives, small businesses, and other customers was in the middle of a major Financial Transformation Initiative. However, they had a tactical issue in financial controls with a third party partner that had caused a significant write down in the previous fiscal year.

The partner system provide fee income and fee expense revenue detail for the client's PeopleSoft General Ledger. There was no way, other than extremely manual processing to reconcile the transactions and sure that one, the entries tied out, and two that the entries were those indeed meant for the clients' general ledger.

- Client required a cost-effective, yet sustainable fix and financial control for this problem. With the previous year write down came additional reporting requirements.
- Astute proposed a sub-ledger and interface structure that served three functions:
  1. Allowed for account reconciliation feed
  2. Provided a reporting source
  3. Control and insight into the

## Customer Requirements

- Capability to identify and extract only the clients fee transactions.
- Capability to control, report, and generate accounting entries for the general ledger.

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## Astute Solutions

Astute developed two interfaces, designed and implemented the sub-ledger and reporting database, and designed and implemented the account reconciliation feeds.

The Astute design insulated the project effort from impacting the upstream broker partner and did not impact any parallel work efforts on-going for the client's Finance organization.

The resulting business architecture, a specialized sub-ledger integrated into the account reconciliation process, was used as a prototype in Finance transformation for integrating other ancillary, but critical system with the PeopleSoft General Ledger



A 7-figure top line business risk was mitigated with an investment under \$100,000 and less than 3 months.

No impact to on-going initiatives

## Customer Benefits

The client had a solution for a the specific business problem and a roadmap to implement and integrate similar defects in their business architecture. The specialized sub-ledger design gave the client several benefits and advantages they did not possess just a quarter earlier:

- 3rd Party auditor sign-off on the process
- Reduced demand on Finance operations resources
- Historical transaction retention
- Auditable Financial Controls
- A repeatable reporting capability that had previously been exclusively managed in spreadsheets.