

## **Capstone Project Summary**

### **Standardization and automation of cash and derivative confirmation processes for global audit clients**

**CERTIFICATE OF AUTHORSHIP: I certify that I am the author. I have cited all sources from which I used data, ideas, or words, either quoted directly or paraphrased. I also certify that this paper was prepared for this course specifically. Name & Signature:**

**Tamás Bakos Student ID: 2100117**

**Central European University**

**MS in Finance**

**Capstone Project**

**2022**

## **Table of Contents**

<b>1. Introduction.....</b>	<b>3</b>
<b>2. Approach and Methodology .....</b>	<b>4</b>
<b>3. Outcome.....</b>	<b>5</b>
<b>Bibliography.....</b>	<b>6</b>

# 1. Introduction

In this introduction part, I will summarize the main parts of the confirmation robotization capstone project which needs to be automated and standardized. This part is the below mentioned confirmation.com robotization, which helps us with the cash and derivative confirmations. The main problem is that we needed to upload 450 accounts per client to the confirmation.com website manually. Furthermore, we also needed to import the authorized signatories and assign them individually to every single bank account.

This process is a huge amount of manual work which was typically done by an associate. We can easily see that the company can rather use these manual hours to higher value-added projects instead. As a result, we implemented a robot technology.

Businesses become more lucrative, adaptable, and adaptive as a result of automated processes. It also improves staff experience, commitment, and performance by eliminating tedious chores throughout their daily routines. RPA is non-intrusive and may be applied quickly to speed up technological change. It is also great for automating repetitive tasks with outdated systems that do not have APIs, virtual machine architectures, or access management.

Powerful bots can indeed execute higher cognitive functions such as deciphering language, participating in discussions and discussions, comprehending large amounts of data, and making complicated judgments using sophisticated machine learning methods. Humans are liberated to focus on the positives they perform better and appreciate more when robots execute these sorts of monotonous, elevated activities: developing, collaborating, producing, and connecting with consumers. Businesses benefit as well, with increased production, reliability, and adaptability. It was no surprise because RPA is changing the way we operate. (UiPath, 2022)

To start with, currently audit firms are facing some challenges regarding to regular manual processes which are stem from the increasing number of clients and regulatory requirements. Mainly if we are starting to focus on global clients with hundreds of entities. The term of entity means that we have a global client which consists multiple subsidiaries.

One of the key elements during this automation is the confirmation processes, in particular the Cash and Derivative confirmation procedures. A global client has approximately 100 entities and every entity has around 4-5 bank accounts and 2 derivative accounts.

Therefore, we can summarize this for the whole landscape, so we got all together 450 bank accounts and 200 derivative accounts for only 1 global client. This alone is enough manual work for a whole engagement team not to mention the fact that we have multiple global audit clients. As a result, we needed to standardize the entire workflow as well. Also automate as much as possible and continue to do so in future.

In the next step, there is a need for some robotic processes. Mainly because there is a third-party confirmation platform called confirmation.com. Usually banks and third-party partners use this portal to make sure that the given confirmation request is coming from a valid source or audit firm. Also, this portal supports us during the busy season. Their highly secured verification platform can help us upgrade our auditing process.

Among the most evident advantages of automating the audit process seems to be the increased efficiency. Conventional, time-consuming processes may be automated and performed out by coded technologies, allowing professionals to concentrate on significantly greater activities while avoiding the need to recruit extra people to do audits. Obtaining the essential data is amongst the most time and labor-intensive aspects of the audit process.

## **2. Approach and Methodology**

In the next part, I am going to further describe the robotic technology we used during the confirmation automatism. The market is developing in the direction of developing new procedures. It really has increased the pressing need for technology. Each firm, major or minor, aspires to automating its company's operations in such a manner that it supplements conventional strategy while keeping processes running smoothly.

Robotic Process Automation (RPA) is a cutting-edge technical wonder that allows businesses to automate operations and processes. You will discover all the basics of the famous RPA software, Blue Prism, and how this might be utilized for automating in this project. Process Robotic Automation is a technique whereby machines execute a procedure to complete a set of activities without the need for human involvement.

Every one of these innovations help to minimize the human workforce by providing them more opportunity and better utilizing their skills. Inside the RPA industry, there are a variety of techniques.

### **3. Outcome**

In conclusion, performance measurement leads to enhanced project control and productivity by emphasizing on desired outcomes. It determines positive value and implement solutions that are more probable to have a big impact. The development's outcomes must demonstrate the capstone's significance in improving the competitiveness of confirmation methodology. As a result, auditing sector gains from the initiative.

The effectiveness of a program is dependent on dealing with high-quality achievements and employing relevant indicators. One of the main outcomes is the time saving from the confirmation.com robotizations.

We will save around 100 hours from confirmation.com phase I. robotization and approximately 150 hours from confirmation.com phase II. robotization respectively. These numbers are significant enough to recover the cost of development.

To make RPA process more efficient, a structure for instruction is required. 1) Establish project objective for RPA automated processes, 2) discover and learn the system, 3) standardize financial information, 4) enable RPA run automatically audit procedures, then 5) assess the RPA deployment when rebuilding the audit using Robotic process automation. Analyzing the process from start to finish so that it could be broken down into separate components that can also be coded as RPA software robots is underlined as a key driver for effective RPA deployment process. In particular, the principle of audit data integrity can help you get the most out of RPA.

RPA helps improve quality of the audit by performing tasks in just the same way that conventional auditors do without becoming exhausted. Throughout the auditing and accounting business, automating involves overlay technology integrating labor-intensive repetitive operations. RPA, for instance, completed audit work in 5 mins or fewer in the circumstances stated above. As a result, RPA may complete audit tasks in a relatively short amount of time it takes an auditor. Consequently, RPA can expand because it can perform audit on a substantial percentage of audit clients along the same period of time that perhaps a single auditor might spend on a single audited entity.

## Bibliography

- DevExpress. (2022, 05 12). *WinForms*. Retrieved from devexpress.com:  
<https://www.devexpress.com/products/net/controls/winforms/>
- Thomson Reuters. (2022, 05 12). *Ready to transform your busy season?* Retrieved from confirmation.com: <https://www.confirmation.com/audit-confirmations/index.html>
- Corporate Finance Institute. (2022, 05 14). *VBA in Excel*. Retrieved from corporatefinanceinstitute.com:  
<https://corporatefinanceinstitute.com/resources/excel/study/vba-in-excel/>
- Hammad, M. (2022, 04 26). *Difference between WPF and WinForms*. Retrieved from Geeks for Geeks: <https://www.geeksforgeeks.org/difference-between-wpf-and-winforms/>
- Kappagantula, S. (2022, 01 06). *What Is RPA Blue Prism? A beginner's Guide to Blue Prism*. Retrieved from edureka!: <https://www.edureka.co/blog/rpa-blue-prism/>
- UiPath. (2022, 05 12). *Robotic Process Automation (RPA)*. Retrieved from uipath.com: <https://www.uipath.com/rpa/robotic-process-automation>
- Vanner, C. (2021, 07 19). *The Benefits of Audit Automation: Real-Life Examples*. Retrieved from Bizagi: <https://www.bizagi.com/en/blog/the-benefits-of-audit-automation-real-life-examples>









