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Oracle Financial Services Balance Computation Engine

It takes an assortment of systems with specialised abilities, processes and data structures to achieve digital essentials of modern finance. Managing such diversity calls for solutions like the Oracle Financial Services Analytical Applications suite to facilitate efficient data collation, standardisation, hosting, processing, consumption and publication, in support of internal and external oversight.

Financial Services Balance Computation Engine is an application from the OFSAA suite. BCE supports assessment and maintenance of instrument-level accounting balance information. It also supports revaluation, currency translation and statistical derivation of instrument-level accounting balance, working in tandem with accounting systems, including Oracle Enterprise Resource Planning Accounting Hub Cloud Service & General Ledger.
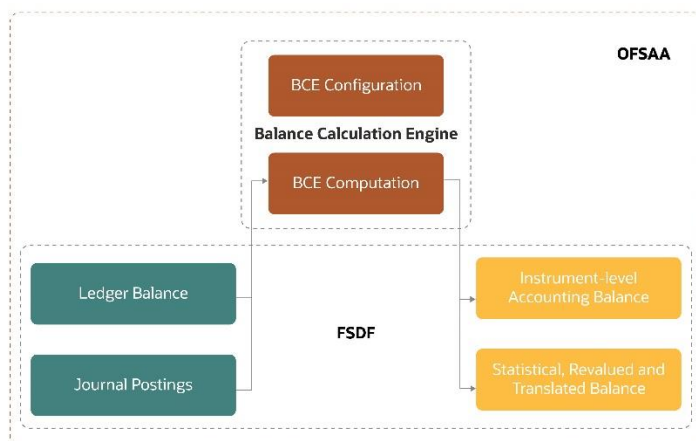
Key Features

- Assessment and maintenance of instrument-level accounting balance

- Assessment and maintenance of period average instrument level accounting balance

- Revaluation of instrument-level accounting balance, with offset functionality

- Currency translation of instrument-level accounting balance

- History of accounting balance information

- User configurable rate types, rates, portfolios, currencies, fiscal periods and books

Instrument Level Accounting Balance

BCE can assume the responsibility of computing and maintaining instrument-level accounting balance from accounting systems. This allows those systems to focus on ledger-account balance grain, as they are typically designed and optimised for. Instrument-level balance will instead be computed and maintained by BCE, aligned with ledger segments and Charts of Accounts, derived based on journal entries obtained from accounting systems. Ledger balance and journal postings will be ingested into Data Foundation from accounting systems, including Oracle ERP Accounting Hub Cloud Service and Cloud GL (AHCS), for use by BCE.

Instrument-level balance information will be stored against the Chart of Accounts (CoA) detailed to instrument grain, constituting a comprehensive Management Ledger. BCE has been designed to facilitate daily refresh of instrument-level accounting balance. History information on accounting balance at instrument level is also available from the management ledger prepared by the solution.

Period Average Accounting Balance

Apart from daily accounting balance, BCE also supports assessment and maintenance of period average accounting balance information, maintaining month to date, quarter to date and year to date figures.

Key Benefits

- Availability of revalued, translated daily and period average instrument-level accounting balance information, with history, for analysis and reporting

- Detachment of instrument-level balance processing from accounting / ledger systems

- Faster, more efficient consolidation and book close without compromising accounting balance detail

- Efficient options for reconciliation between product-processor and ledger figures

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Revaluation Of Accounting Balance

BCE supports revaluation of instrument-level accounting balance information - an essential function when operating a multi-currency accounting process / ledger. Such revaluation process is used to adjust accounting balance figures denominated in currencies other than accounting currency.

The solution also supports revaluation adjustments or offsets, representing the difference in the value of balance due to change in conversion rates between the date of the original journal entry and the revaluation date, being posted against unrealised gain or loss accounts.

Currency Translation

BCE supports instrument-level accounting balance information being denominated in a reporting currency, distinct from functional accounting currency, through a user-configurable translation process. This constitutes a reporting currency management ledger. Reporting currency ledgers may be used for analysis and internal or external reporting.

Ledger Reconciliation

It is standard practice for balance information in analytical systems like OFSAA to be reconciled with accounting balance information from ledger systems, prior to it being used for performance, risk, customer or compliance purposes.

Availability of instrument-level accounting balance information facilitates finer-grained comparison and identification of discrepancies, allowing quicker, more efficient adjustments and other rectification steps. This ensures smoother close of books and demonstrably reliable balance information for analytical use.

Performance Considerations

Ledger and accounting systems are designed and optimized to support balance assessment at the level of ledger accounts. Attempts to process balance information at a more detailed grain in accounting systems often lead to performance inefficiencies and suboptimal consolidation / close of books.

BCE is designed to handle extreme volumes of instrument-level accounting balance figures and has been benchmarked for performance on Oracle Engineered Systems.

About Oracle Financial Services Analytical Applications

OFSAA is a suite of applications covering risk, performance, financial crime, compliance, customer insight and regulatory reporting functions. These applications are built on a common technology infrastructure, works off a singular data model that has unified structures for non-redundant acquisition, hosting and processing of data, and renders rich information output that can be analysed across a conformed set of perspectives. Sophisticated processing engines underlying the suite facilitate modular deployment and are controlled by comprehensive, user-configurable metadata. OFSAA applications are in use at a number of financial institutions across the globe.

Related Solutions

- Oracle Financial Services Data Foundation
- Oracle ERP Accounting Hub Cloud Service and Cloud GL
- Oracle Financial Services Data Integration Hub
- Oracle Financial Services Data Foundation Integration with Accounting Hub Cloud

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