

Consolidation & Close: From Period-End to Continuous Insight

*Why the Close Still Fails to Deliver —
and How to Fix It*



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Executive Summary

Financial consolidation and close processes sit at the core of Enterprise Performance Management (EPM), intended to deliver timely, accurate, and controlled reporting to support management and statutory demands.

Over the past decade, organisations have invested heavily in modern consolidation platforms, automation tools, and data integration capabilities. The expectation has been clear: faster closes, improved control, and more time for analysis.

Yet, in many organisations, the close remains slow, manual, and resource intensive.

Finance teams continue to rely on spreadsheets and offline adjustments. Reporting cycles are compressed under increasing pressure, while confidence in the numbers often depends on late-stage validation rather than embedded control.

In parallel, regulatory and statutory expectations continue to increase. Greater scrutiny from auditors, evolving reporting requirements, and heightened expectations around governance and controls are placing additional strain on already fragile processes.

The issue is not the capability of modern consolidation systems.

In most cases, the technology is more than capable of supporting an efficient, controlled close.

The failure lies in how the close process is designed, integrated, and executed — and how poorly it is aligned with upstream data, planning, and operational processes.

This paper explores why consolidation and close processes continue to underperform in practice, drawing on real-world delivery experience, and outlines how organisations can move from period-end reporting to continuous, insight-driven performance management.

The Problem: The Close Remains a Period-End Event

Most organisations still approach consolidation as a structured, sequential process.

Data is collected.

Validated.

Adjusted.

Reported.

While systems may support these steps, the process itself remains heavily dependent on manual coordination.

In theory, modern platforms should enable a streamlined and controlled close.

In practice, the reality is often very different.

Data arrives late or requires rework.

Adjustments are made outside the system.

Reconciliations are performed under significant time pressure.

Reporting is delayed — or delivered with caveats.

The close becomes a deadline-driven exercise rather than a controlled, continuous capability.

I have worked with organisations where, despite implementing leading consolidation tools, the final stages of the close still relied heavily on Excel.

In one case, a group finance team maintained a complex “topside adjustments” workbook that sat entirely outside the system. This file became the de facto source of truth in the final days of the close.

When asked why, the answer was consistent:

“It’s the only place we can see everything and make changes quickly.”

The system existed — but it was not trusted to handle the realities of the process.

Symptoms of a Broken Close Process

Organisations experiencing ineffective consolidation and close tend to exhibit a consistent set of symptoms.

There is ongoing reliance on Excel for adjustments, reconciliations, and tracking.

Journal entries are posted late in the process, often repeatedly.

Transparency across entities and business units is limited.

Significant manual effort is required to validate and reconcile data.

Reporting deadlines are met, but with limited time remaining for analysis.

The process depends heavily on key individuals who hold critical knowledge.

In one organisation, the close process relied on a small number of experienced finance managers who understood how to navigate both the system and the numerous offline adjustments.

When one of those individuals was unavailable during a reporting cycle, the close was delayed by several days.

This is a common but often overlooked risk.

The process works — but only because certain individuals know how to make it work.

Why Consolidation & Close Fail in Practice

1. The Process Is Not Fundamentally Redesigned

A common mistake in consolidation programmes is assuming that implementing new technology will automatically improve the process.

In reality, organisations often replicate existing processes within new systems.

Manual steps are preserved.

Workarounds are carried forward.

Inefficiencies are embedded into the new solution.

In one programme I supported, a client implemented a modern consolidation platform but retained their existing approach to data submission and validation.

As a result:

- Data still arrived late
- Validation remained manual
- Adjustments were still made outside the system

The technology changed.

The process did not.

What this highlights

Technology enables improvement — but does not deliver it on its own.

2. Data Is Not Aligned or Trusted

Consolidation depends on consistent, aligned data across the organisation.

In practice, this is rarely achieved.

Differences in:

- Chart of accounts
- Entity structures
- Data definitions

create ongoing reconciliation challenges.

In one organisation, significant time was spent reconciling intercompany balances — not because the system lacked capability, but because upstream processes were inconsistent.

Transactions were recorded differently across entities.

The system surfaced the issue.

But could not resolve it.

UK regulatory context

This becomes particularly critical under UK statutory reporting requirements, where:

- Group reporting must align to legal entity accounts under the Companies Act 2006
- Audit scrutiny increasingly focuses on data lineage and consistency
- Regulators expect clear traceability from transaction to reported outcome

Without aligned data, achieving this level of control becomes extremely difficult.

3. Over-Reliance on Manual Controls

In many organisations, controls are applied after the fact.

Reconciliations are performed late in the close cycle.
Adjustments are identified and corrected manually.
Validation is dependent on review rather than prevention.

This creates both risk and inefficiency.

I have seen close processes where:

- Multiple rounds of validation were required
- Adjustments were made late in the cycle
- Final numbers were only confirmed hours before reporting

This approach is increasingly challenged by auditors, particularly in the UK, where expectations around control environments continue to rise.

What leading organisations do differently

They embed controls within the process:

- Automated validations
- System-enforced rules
- Real-time reconciliation

Issues are prevented — not corrected later.

4. Fragmented Workflows Reduce Visibility and Control

Close activities are often spread across:

- Multiple systems
- Different teams
- Offline processes

This fragmentation reduces visibility.

In one organisation, no single view existed of close status across the group.

Progress was tracked through emails and spreadsheets.

Issues were identified late.

Dependencies were unclear.

This created a reactive process.

What leading organisations do differently

They create integrated workflows:

- Centralised close calendars
- Real-time status tracking
- Clear ownership of tasks

5. Lack of Integration with Upstream Processes

Consolidation does not operate in isolation.

It depends on:

- Transactional systems
- Operational processes
- Planning and forecasting

When these are not aligned, issues flow downstream into the close.

In one organisation, planning and consolidation operated on different assumptions and structures.

As a result:

- Variances were difficult to explain
- Adjustments were required during the close
- Confidence in reporting was reduced

What leading organisations do differently

They align:

- Planning models
- Operational data
- Consolidation structures

Creating a single, consistent view of performance.

The Impact on Performance

When the close process is inefficient, the impact extends beyond Finance.

Reporting is delayed, reducing the value of insight.

Finance teams spend the majority of their time on process execution rather than analysis.

Confidence in reported numbers is reduced — both internally and externally.

Decision-making is based on outdated or incomplete information.

In the UK, this also has regulatory implications.

Increasing expectations around:

- Audit quality
- Internal controls
- ESG and non-financial reporting

mean that weaknesses in the close process are more visible — and more consequential.

I have worked with organisations where audit adjustments identified late in the process resulted in restatements and increased scrutiny in subsequent years.

The cost is not just operational.

It is reputational.

The Shift: From Period-End Close to Continuous Close

To address these challenges, organisations must move beyond the traditional close model.

This requires a shift:

From a period-end event	To an ongoing process
From manual validation	To embedded controls
From offline adjustments	To system-based processing
From fragmented workflows	To integrated processes
From reporting focus	To insight focus

The objective is not simply to close faster.

It is to maintain a continuous state of readiness, where:

- Data is aligned

- Controls are embedded
- Issues are identified early

What Good Looks Like in Practice

Organisations that achieve a continuous close demonstrate clear differences.

Processes are standardised and streamlined.

Data quality is high, with strong alignment across systems.

Manual adjustments are minimal.

Reconciliations are automated.

Visibility into close status is real-time.

Reporting cycles are shorter — and more time is available for analysis.

In one organisation, implementing automated intercompany matching and embedded validation reduced reconciliation effort significantly. More importantly, issues were identified earlier in the process, the close became more predictable and Finance was able to focus on insight rather than correction.

Implications for CFOs

For CFOs, improving consolidation and close requires a shift in mindset.

It is not about accelerating the existing process.

It is about redesigning it.

This requires:

- Simplifying structures and reporting requirements
- Strengthening data governance across the organisation
- Embedding controls within systems
- Aligning consolidation with planning and operational processes

It also requires recognising that the close is not just a finance process.

It is an enterprise-wide capability.

From Closing the Books to Enabling Insight

For many organisations, success is defined as completing the close on time.

However, this is a limited objective.

Closing the books is not the end goal.

Enabling insight and decision-making is.

A fast close that produces low-confidence numbers delivers limited value.

A controlled, continuous close that provides timely, trusted insight transforms how the business operates.

Conclusion

Consolidation and close processes do not fail because of technology limitations.

They fail because processes remain manual, fragmented, and poorly integrated.

Increasing regulatory expectations make these weaknesses more visible and more impactful.

Moving to a continuous close requires a fundamental shift in how finance operates.

It requires embedding control, aligning data, and integrating processes across the organisation.

Organisations that make this shift move beyond reporting outcomes — and toward delivering timely, trusted insight that supports better decisions.

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