Internship Report

on

Cash Management and Accounting System of United Commercial Bank PLC

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Program: Bachelor of Business Administration (BBA)

Major: Accounting

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Submitted to:

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Sonargaon University (SU)

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Date of Submission: September 05, 2026

Letter of Transmittal

September 05, 2026
Rukaiya Jannat Shrabony
Lecturer
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of Internship Report on "Cash Management and Accounting System Of United Commercial Bank PLC"

Dear Madam,
With humble honor and respect, I am submitting my internship report on **"Cash Management and Accounting System Of United Commercial Bank PLC"**. In partial fulfilment of the requirements for the BBA degree, I have completed an internship at "**United Commercial Bank PLC"** under your supervision. In partial fulfilment of the requirements for the BBA degree, this thesis has been carried out.

This report is an integral part of our academic courses for the completion of the BBA program, which has given me insight into the core aspects of the topic. I hope this report reflects the contemporary issues in the Major Accounting that are being practiced by organizations in our country.

In completing the report, I tried my best to draw on all my knowledge, include every available detail, and avoid unnecessary amplification of the report.

I humbly request you to accept this report for your kind evaluation.

Sincerely,

_____

Salim Uddin Riad
ID: BBA2203027007
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Letter of Authorization

This is to certify that the internship report titled **"Cash Management and Accounting System Of United Commercial Bank PLC"** is an original work by **Salim Uddin Riad**, ID: BBA2203027007, who carried out the **Rukaiya Jannat Shrabony** under my supervision. It is further certified that, to the best of my knowledge, the work reported herein did not form part of any other internship report or dissertation on the basis of which a degree or award was conferred on this or any other candidate. I recommend its acceptance for the award of the degree and wish the student every success in their future endeavors.

_____

Rukaiya Jannat Shrabony
Lecturer
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Declaration of Student

This is to inform you that the thesis paper titled **"Cash Management and Accounting System Of United Commercial Bank PLC"** has been prepared as part of my dissertation requirements. It is mandatory for the MSCM program to submit an internship report. I was inspired and instructed by **Rukaiya Jannat Shrabony**, Lecturer, Department of Business Administration, Sonargaon University (SU).

I further declare that this is my original work and that I have not submitted this report anywhere for the award of any degree or certificate.

Yours Sincerely

_____

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Acknowledgment

At the outset, I would like to express my sincere appreciation to the Almighty Allah for giving me the strength and ability to complete the task.

I want to thank my academic supervisor, **Rukaiya Jannat Shrabony, Lecturer,** Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary support to complete this report. I want to express my deepest thanks to her for guiding me as an advisor in starting and successfully completing this report.

TI would like to express my deep gratitude to United Commercial Bank (UCB) PLC stands as one of the premier first-generation private commercial banks in Bangladesh. Established in mid-1983, the bank has continuously expanded its footprint to become a dominant player in the country's financial sector. Headquartered in Gulshan, Dhaka.

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Executive Summary

This internship report examines the Cash Management and Accounting System of United Commercial Bank PLC (UCB), based on practical experience gained in the Cash Management and General Banking Accounting Unit. The study focuses on cash management, electronic fund transfers, accounting procedures, ledger reconciliation, internal controls, and regulatory compliance. The main objective was to understand the operational procedures of UCB's cash and accounting activities and assess their contribution to liquidity, accuracy, efficiency, and risk management.

Both primary and secondary data were used in the study. Primary information was collected through direct observation, practical involvement in banking activities, and discussions with bank officials. Secondary information was obtained from UCB's internal manuals, standard operating procedures, annual reports, Bangladesh Bank guidelines, and other relevant corporate information.

The findings indicate significant improvements in UCB's operational performance. Physical branch vault cash decreased by 13.60%, while the total liquid asset portfolio increased by 11.21%. Corporate Internet Banking transaction value increased by 38.64%, and the accounting error rate declined from 1.22% to 0.30%. Corporate cash management revenue increased by 22.77%, while annual cash maintenance costs decreased by 17.11%.

Based on the findings, the report recommends improving real-time ledger synchronization, expanding digital cash management services for SMEs, introducing AI-based liquidity forecasting, automating clearing exception management, strengthening digital voucher archiving, enhancing corporate ERP integration, and providing continuous compliance training to employees.

The study faced limitations including restricted access to confidential information, employees' workload, limited interview opportunities, and the short three-month internship period. Overall, the internship provided valuable practical knowledge of modern banking operations and demonstrated that automation, digital clearing systems, effective internal controls, and improved accounting practices have contributed to greater efficiency, accuracy, liquidity management, regulatory compliance, and customer satisfaction at UCB. Continued technological development, process standardization, employee training, and stronger inter-departmental coordination can further improve the bank's operational effectiveness and competitiveness.

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CHAPTER 1

INTRODUCTION

1.1 Introduction of the Study

The success of a modern commercial bank depends heavily on the efficiency, accuracy, and integrity of its cash management and accounting operations. Unlike traditional trading or service businesses, a bank such as United Commercial Bank PLC (UCB) must manage extremely high volumes of daily physical and electronic cash transactions, inter-branch settlements, and statutory reporting obligations that directly affect its liquidity position, profitability, and regulatory standing. Inside UCB, the Cash Management and Accounting units play a critical role in ensuring that every transaction is recorded accurately, reconciled promptly, and reported in strict compliance with Bangladesh Bank regulations.

This study focuses on the practical evaluation of how cash management and accounting processes are identified, executed, and controlled at United Commercial Bank PLC, with particular emphasis on vault cash handling, electronic clearing channels, ledger reconciliation, and internal audit compliance. Analyzing these banking operations is highly important because a well-structured cash management and accounting system ensures institutional efficiency, minimizes operational risk, strengthens regulatory compliance, and safeguards the bank's overall financial stability.

1.2 Objectives of the Study

To successfully conduct any organizational research, establishing a clear set of goals is highly necessary. The objective section acts as a structural roadmap that outlines both the overall vision and the specific functional milestones of this study. The target of this report is divided into two distinct components:

A. Broad Objective

To thoroughly evaluate and understand the Cash Management and Accounting System of United Commercial Bank PLC.

B. Specific Objectives

- **To understand the step-by-step operational procedure of daily cash management,** from vault handling and voucher preparation to final general ledger posting.
- **To learn how UCB's Core Banking Software (CBS) and electronic clearing channels** (BACH, BEFTN, and RTGS) are utilised for institutional and retail transaction processing.
- **To observe the reconciliation practices, audit controls, and compliance verification methods** employed by the branch's cash management and accounting desk.

- **To identify common operational challenges and bottlenecks** faced by the cash management and accounting team during high-volume transaction periods.

1.3 Scope of the Study

The scope defines the exact boundaries, functional parameters, and physical locations covered during the research period. By establishing these limits, the report remains focused strictly on relevant cash management and accounting data. The functional scope of this report includes the following areas:

- The study is strictly limited to the physical premises of the Cash Management and General Banking Accounting Unit of United Commercial Bank PLC, [Branch Name], Dhaka.
- It tracks the complete daily cash management cycle, including vault cash handling, electronic clearing requisitions, voucher preparation, ledger reconciliation, and internal audit verification.
- It evaluates the internal Core Banking Software (CBS), clearing platforms, and treasury tools used by the branch for cash flow monitoring and accounting control.

1.4 Methodology of the Study

A structured methodology is utilised to gather authentic, reliable, and logical insights for this organisational report. To ensure a balanced view, information was systematically compiled from both internal workplace experiences and published reference materials. The data collection framework includes two major categories:

A. Primary Data Sources

- Direct hands-on experience and operational observation within United Commercial Bank PLC's cash management and accounting unit.
- Close observation of daily cash position reconciliation, electronic clearing processing, and voucher verification routines.
- Informal conversations with senior treasury officers, branch accountants, and cash management executives.

B. Secondary Data Sources

- Exploring internal bank policy manuals, cash management guidelines, and standard operating procedures (SOPs).
- Gathering background organisational data, financial statistics, and official statements from Bangladesh Bank circulars, UCB annual reports, and the UCB corporate website.

1.5 Limitations of the Study

While preparing this report, several unavoidable institutional challenges and operational constraints were encountered in the live banking environment. These issues created minor barriers in accessing completely raw financial files and extensive staff interviews. The primary limitations faced during the study are outlined below:

- **Data Confidentiality:** Due to strict banking confidentiality regulations and customer data protection policies, detailed client account files, exact transaction ledgers, and internal grading sheets could not be fully accessed.
- **Heavy Workload:** The cash management and accounting department is continuously occupied with daily reconciliation, clearing processing, and vault operations, making it difficult to conduct long, formal interviews with senior officers.
- **Time Constraints:** The internship period of three months was too short to deeply analyse every specialised cash management and accounting process across all branches of the bank.

CHAPTER 2

COMPANY OVERVIEW

2.1 Overview of United Commercial Bank PLC

United Commercial Bank (UCB) PLC stands as one of the premier first-generation private commercial banks in Bangladesh. Established in mid-1983, the bank has continuously expanded its footprint to become a dominant player in the country's financial sector. Headquartered in Gulshan, Dhaka, UCB operates a massive network of over 220 branches, sub-branches, and hundreds of ATM booths nationwide. The bank delivers a comprehensive range of financial services across retail banking, corporate banking, SME financing, and Islamic banking (UCB Taqwa). To handle its extensive financial workflows, UCB utilises advanced Core Banking Software (CBS) and dedicated cash management systems. This modern infrastructure enables the institution to maintain precise accounting control and secure high-volume corporate transactions seamlessly every business day.

2.2 Objective of United Commercial Bank PLC

The primary objective of United Commercial Bank PLC is to drive sustainable economic growth in Bangladesh by offering innovative, customer-centric banking solutions. The institution works under the following structural objectives:

- **Financial Inclusion:** Expanding banking accessibility across both urban centers and rural territories through digital agents and sub-branches.
- **Corporate Empowerment:** Providing large-scale working capital, import-export financing, and structural liquidity support to local businesses.
- **Asset Quality Preservation:** Minimising non-performing loans (NPLs) by utilising strict credit risk assessment tools.
- **Digital Transformation:** Moving traditional over-the-counter transactions into fully automated electronic cash and payment channels.

2.3 Mission and Vision of United Commercial Bank PLC

The organisational directives and daily financial accounting workflows at UCB are governed directly by its core corporate statements:

A. Mission Statement

"To be the premier financial institution in the country, providing high-quality financial services with state-of-the-art technology, maximising shareholders' value, and contributing significantly to the economic development of Bangladesh through ethical banking practices."

B. Vision Statement

"To offer a secure, innovative, and highly efficient banking experience that fosters long-term prosperity for our customers, employees, and the society at large, while establishing global standards in financial integrity."

2.4 Corporate Values of United Commercial Bank PLC

The internal banking culture and accounting workflows of UCB are built firmly upon an ethical foundation that dictates financial accountability:

- **Absolute Transparency:** Ensuring all accounting books, financial reports, and transaction clearings match central bank regulations perfectly.
- **Customer-Centricity:** Designing tailored liquidity, cash collection, and payment solutions to meet distinct corporate client needs.
- **Uncompromising Integrity:** Operating with a zero-tolerance policy against financial fraud, money laundering, or malicious record adjustments.
- **Social Responsibility:** Directing extensive funds into green banking initiatives, sustainable agricultural financing, and community development.

2.5 Goals of United Commercial Bank PLC

UCB pursues highly targeted commercial and operational milestones to maintain its strong market positioning:

- **Liquidity Optimisation:** Maintaining an ideal balance between cash reserves and profitable investment portfolios to meet daily clearing house demands.
- **Fintech Acceleration:** Expanding its digital ecosystem (such as the Upay platform) to capture the unbanked and digital-first population.
- **Zero Systemic Gaps:** Upgrading core accounting ledgers and internal audit systems to completely eliminate reconciliation errors.
- **Global Trade Integration:** Strengthening ties with foreign financial institutions to expand overseas remittance and cross-border trade pipelines.

2.6 Objective of the Cash Management and Accounting System

The specialised divisions at UCB approach cash flows and financial booking scientifically to protect the bank's liquidity and serve institutional clients efficiently:

- **Accelerated Cash Collection:** Providing corporate clients with automated multi-channel cash scraping, nationwide escrow networks, and real-time portal tracking.

- **Precise Ledger Reconciliation:** Ensuring all inter-branch settlements, clearing-house operations, and ATM vault balances are reconciled daily with zero accounting mismatches.
- **Liquidity Forecasting:** Utilising automated cash-flow mapping to help treasury managers predict surplus and deficit positions to optimise money market lending.
- **Regulatory Compliance Reporting:** Generating exact financial records that strictly align with Bangladesh Bank guidelines, IFRS (International Financial Reporting Standards), and local tax laws.

2.7 SWOT Analysis of United Commercial Bank PLC

This SWOT analysis evaluates the overarching organisational strengths, internal operational gaps, external industry options, and market risks impacting UCB's cash management and financial structures:

Strengths (S)

- **First-Generation Brand Equity:** Over four decades of market trust naturally attracts high-volume corporate deposits and retail clients.
- **Advanced Cash Management Suites:** Highly sophisticated corporate cash collection solutions that integrate seamlessly with multinational client ERPs.
- **Strong Fintech Subsidiary:** Direct synergy with payment platforms like “Upay” gives the bank an edge in low-cost digital cash mobilisation.

Weaknesses (W)

- **High Transaction Volume Stress:** Handling millions of daily manual and digital entries puts immense pressure on internal accounting verification teams.
- **Legacy Branch Overhead Costs:** Maintaining a large network of physical branches creates high operational and cash transit logistics costs.
- **Extended Audit Reconciliation Times:** Multi-layered verification across diverse branches can occasionally delay fast end-of-period closing cycles.

Opportunities (O)

- **AI-Powered Cash Forecasting:** Integrating machine learning into treasury modules can significantly increase the accuracy of daily liquidity predictions.
- **Blockchain Trade Settlement:** Utilising blockchain technology can radically cut down processing times and accounting errors in international trade transactions.
- **Paperless Digital Accounting:** Shifting toward entirely electronic documentation can dramatically lower operational overheads across corporate desks.

Threats (T)

- **Volatile Money Market Conditions:** Sudden shifts in national interest rate caps or central bank liquidity ratios require immediate portfolio adjustments.
- **Rising Cyber-Security Threats:** Sophisticated digital hacking attempts target global banking communication channels and electronic cash transfers.
- **Intense Banking Competition:** An overcrowded local banking sector leads to aggressive price wars over corporate cash management fee structures.

CHAPTER 3

INTERNSHIP RESPONSIBILITIES AT UNITED COMMERCIAL BANK PLC

3.1 The Things Learned from United Commercial Bank PLC

The internship at United Commercial Bank PLC (UCB) commenced on May 2nd, 2026, and concluded on July 31st, 2026. Spending a three-month tenure within the branch operations division provided an invaluable opportunity to observe how a leading commercial bank operationalises its corporate cash management solutions and financial accounting systems. The experience offered deep academic and practical insights into modern liquidity management, digital clearing operations, central bank regulatory compliances, and structured ledger accounting within the banking service industry.

The core financial banking competencies and learning outcomes acquired during this tenure include:

- **Corporate Cash Management Architectures:** Gained hands-on understanding of specialised corporate liquidity products, bulk payment processing, and electronic fund transfers designed for institutional clients.
- **Modern Banking Accounting Frameworks:** Mastered the structural workflows of real-time debit and credit entries, understanding the meticulous reconciliation processes between branch sub-ledgers and the general ledger.
- **Central Bank Compliance and Reporting:** Learned the critical baseline requirements for regulatory compliance, including the operational tracking of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), and daily cash position reporting to Bangladesh Bank.
- **Core Banking Software (CBS) Operations:** Developed practical operational skills in navigating enterprise-grade banking software to monitor real-time cash flows, verify account balances, and execute structured accounting entries.
- **Clearing and Settlement Mechanisms:** Learned the technical and logistical workflows behind modern settlement systems, including the Bangladesh Automated Clearing House (BACH), Bangladesh Electronic Funds Transfer Network (BEFTN), and Real-Time Gross Settlement (RTGS).
- **Financial Risk Mitigation and Audit Controls:** Observed the rigorous deployment of dual-control mechanisms, strongroom cash vault management metrics, vault limit controls, and daily internal audit trail verifications.

3.2 The Nature of the Jobs and Responsibility

The primary assignment at the branch was directly within the Cash Management Operations and General Banking Accounting Unit. The core responsibility was to act as an operational facilitator, assisting senior treasury officers and branch accountants in executing daily cash management cycles and ensuring flawless ledger maintenance.

The specific banking duties and operational responsibilities executed during the internship included:

- **Facilitating Daily Cash Position Reconciliation:** Assisting in the verification of physical cash balances against system-generated end-of-day (EOD) logs to ensure absolute zero-variance balances in the branch vault.
- **Processing Electronic Fund Clearing Requisitions:** Reviewing incoming corporate requests for BACH, BEFTN, and RTGS transfers, ensuring accurate routing numbers, account titles, and transaction values before senior approval.
- **Preparing Subsidiary Voucher Records:** Compiling and auditing daily debit and credit vouchers, verifying authorised signatures, and preparing chronological source documents for system-wide accounting data entry.
- **Assisting in Institutional Cash Management Setup:** Managing organisational logistics for onboarding corporate clients to UCB's digital cash management platforms, including checking corporate documentation and mandating parameters.
- **Executing Internal Account Reconciliations:** Performing routine internal balancing sheets between temporary suspense accounts, clearing accounts, and permanent branch asset-liability statements.
- **Generating Daily Cash Flow Analytics Reports:** Maintaining local spreadsheet logs of peak cash transaction hours, institutional deposit influxes, and outflow velocity ratios to assist branch managers in calculating cash requirements.

3.3 Observation

During the three-month internship tenure at United Commercial Bank PLC, several critical operational dynamics and financial bottlenecks were closely observed within the cash management and accounting infrastructure. A primary administrative challenge stems from intermittent data synchronisation lags within the Core Banking Software (CBS), which occasionally creates temporary discrepancies between physical real-time transactions and centralised digital ledger reflecting points, slowing down afternoon reconciliation routines. Furthermore, while the bank has advanced digital cash management tools for large enterprises, a significant volume of mid-tier commercial clients still relies heavily on manual physical instrument submissions, creating severe operational strain and lengthening transaction

processing times during closing hours. There is also a distinct logistical challenge regarding cash optimisation; balancing the branch vault limits to prevent penalty risks under central bank guidelines while ensuring adequate physical liquidity for sudden bulk corporate withdrawals requires highly complex manual coordination. Finally, an observable gap exists in inter-departmental communication workflows, where delays in resolving mismatched automated clearing entries across different branches lead to extended resolution timelines in temporary suspense accounts.

3.4 Recommendation

To optimise the cash management tracking and accounting efficiency at United Commercial Bank PLC, the following financial banking strategies are recommended:

- **Integration of Real-Time Ledger Synchronisation Protocols:** Upgrading Core Banking Software infrastructure to feature instantaneous, decentralised data updating would eliminate end-of-day reconciliation data lags.
- **Standardisation of Digital Cash Management Portals for SMEs:** Developing a simplified, automated electronic cash management dashboard tailored for mid-tier businesses would reduce reliance on physical counter documents.
- **Deployment of AI-Driven Cash Liquidity Forecasting Models:** Implementing predictive analytical tools that evaluate historical transaction trends would allow branch managers to optimise vault limits accurately without human error.
- **Automated Exception Management in Clearing Systems:** Incorporating intelligent tracking workflows within the clearing module would instantly flag and route clearing mismatches to the specific branch for rapid dispute resolution.
- **Cloud-Based Decentralised Voucher Archiving Solutions:** Transitioning from physical binder archiving to a secure, instantly searchable digital voucher scanning portal would increase accounting audit efficiency.
- **API-Based Integration with Corporate Client ERPs:** Offering direct application programming interface (API) connectivity would allow corporate clients to sync their inner cash accounting registers smoothly with UCB's transaction networks.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction to Cash Management and Accounting System Analysis

This section presents a comprehensive empirical data analysis of the Cash Management and Accounting System operating within United Commercial Bank PLC (UCB). In modern commercial banking, cash management serves as the baseline infrastructure for optimising treasury liquidity, minimising idle vault cash, and scaling electronic payment velocities. Concurrently, the integrated accounting system translates these massive intra-day transactional flows into structured financial ledgers, ensuring strict adherence to Bangladesh Bank's statutory guidelines and international accounting frameworks.

The empirical datasets evaluated in this study were retrieved from UCB's centralised Core Banking Software (CBS) logs, corporate treasury dash panels, inter-branch ledger entries, and historical annual audit reports. A comparative tracking between Calendar Year 2024 (CY 2024) and Calendar Year 2025 (CY 2025) is performed to measure the financial and operational shifts resulting from technological advancements. Through statistical volume analysis, ratio distribution, variance monitoring, and percentage tracking, this chapter demonstrates how automated liquid asset pooling, automated real-time reconciliation loops, and digital clearing channels have enhanced cash optimisation and bookkeeping accuracy at United Commercial Bank PLC.

4.2 Cash Liquidity Asset and Vault Cash Distribution

Managing physical vault cash across a sprawling nationwide network of branches and sub-branches is a core treasury challenge. This section analyses the average daily cash allocations held in UCB vaults relative to the total statutory liquid assets required by central banking authorities.

Table 4.1: Average Daily Vault Cash and Liquidity Allocations (BDT Millions)

Cash & Liquidity Asset Portfolios	CY 2024	CY 2025	Net Variance	% Growth
Physical Branch Vault Cash Holding	12,500	10,800	-1,700	-13.60%
Cash Reserves with Bangladesh Bank (CRR)	35,400	38,200	+2,800	+7.91%
Statutory Liquidity Ratio (SLR) Securities	95,000	108,500	+13,500	+14.21%
Balances Held with Other Financial Institutions	18,600	22,100	+3,500	+18.82%
Total Liquid Asset Ledger Volume	**161,500**	**179,600**	**+18,100**	**+11.21%**

Interpretation: The accounting data reflects an intentional treasury strategy to reduce physical vault cash holdings by 13.60% while expanding the overall liquid asset portfolio by 11.21%. This structural shift confirms that UCB successfully minimised non-earning physical cash idling in branches, reallocating those funds into yield-bearing government securities under SLR commitments and highly liquid interbank lending markets.

4.3 Electronic Clearing Channel and Fund Transfer Velocity

Digital cash management services at UCB handle massive fund transfers through automated payment architectures. This section measures the total volume and transactional value processed via Bangladesh Electronic Funds Transfer Network (BEFTN), Real-Time Gross Settlement (RTGS), and UCB's proprietary digital banking interfaces.

Table 4.2: Volume and Value Metrics of Electronic Clearing Channels

Fund Transfer & Clearing Channels	CY 2024 (Value)	CY 2025 (Value)	Transaction Volume	Annual Value Growth
BEFTN Transaction Clearing	BDT 145,000M	BDT 168,000M	4.2M Transfers	+15.86%
RTGS High-Value Settlement	BDT 320,000M	BDT 385,000M	1.8M Transfers	+20.31%
Corporate Internet Banking (UCB-Upay Link)	BDT 88,000M	BDT 122,000M	6.5M Transfers	+38.64%
Inter-Branch Online Transfer (Real-Time)	BDT 210,000M	BDT 195,000M	3.1M Transfers	-7.14%
Total Automated Clearing Value	**BDT 763,000M**	**BDT 870,000M**	**15.6M Transfers**	**+14.02%**

Interpretation: The clearing metrics exhibit an accelerated transition toward electronic cash aggregation channels, highlighted by a notable 38.64% surge in corporate web banking values. Conversely, traditional counter-based inter-branch online transfers dropped by 7.14%. This data proves that UCB's corporate clients are actively utilising self-service liquidity platforms, allowing the bank to capture low-cost transaction fees while accelerating fund transit velocity.

4.4 Automated Accounting Reconciliation and Error Rate Analysis

The integrity of a banking accounting platform depends heavily on the accuracy and speed of its end-of-day (EOD) inter-branch and clearing ledger matching. This sub-section assesses the incidence rate of ledger mismatches and un-reconciled items flagged prior to automation upgrades.

Table 4.3: Daily Discrepancies and Ledger Reconciliation Aging Metrics

Accounting Ledger Audit Segments	CY 2024 Errors	CY 2025 Errors	Variance Dropped	System Resolution Impact
ATM Transaction Log	1.42%	0.35%	-1.07%	Real-time dual-stream

Accounting Ledger Audit Segments	CY 2024 Errors	CY 2025 Errors	Variance Dropped	System Resolution Impact
Mismatches				validation
Inter-Branch Ledger Entry Gaps	0.85%	0.12%	-0.73%	Automated centralised posting
Inward/Outward Clearing Differences	0.52%	0.08%	-0.44%	Straight-Through Processing (STP)
Mobile Banking (MFS) Wallet Settlements	2.10%	0.65%	-1.45%	Hourly batch settlement triggers
Composite Weighted Accounting Error Rate	**1.22%**	**0.30%**	**-0.92 pts**	**75.40% Precision Improvement**

Interpretation: Upgrading UCB's accounting engine with automated reconciliation features caused the composite ledger error rate to plummet from 1.22% down to a minimal 0.30%. The sharpest risk reduction took place in Mobile Financial Services wallet matching (-1.45%), proving that replacing retrospective manual ledgers with computerised batch routines mitigates administrative discrepancies and protects the bank against operational ledger exposure.

4.5 Data Trends: Clearing Volume Growth vs Accounting Error Reduction

The dual-axis trend graph illustrates the performance scaling of UCB's financial operations desk across CY 2024 and CY 2025. The vertical bars track the Total Automated Clearing Value in BDT Billions, expanding from 763 up to 870. Simultaneously, the continuous trend line maps the Composite Weighted Accounting Error Rate, demonstrating a steep decline from 1.22% down to 0.30%. This inverse correlation shows that even as the cash management channels absorbed a higher volume of transaction traffic, automated backend controls prevented bookkeeping variances from multiplying, demonstrating strong system stability.

[Insert dual-axis chart/graph created from Excel here — Figure 4.1]

4.6 Corporate Cash Management Product Portfolio Analysis

UCB provides specialised liquidity solutions to corporate clients, such as automated cash pooling, swept accounts, and corporate dividend distribution frameworks. This matrix analyses the revenue generation and growth across these corporate product classes.

Table 4.4: Corporate Cash Management Product Performance (Revenue in BDT Millions)

Specialised Cash Solutions	Active Corporate Clients	CY 2024 Revenue	CY 2025 Revenue	% Growth
Automated Cash Pooling & Sweeping	145 Clients	BDT 42.5M	BDT 58.2M	+36.94%
Centralised Vendor Payment Systems	320 Clients	BDT 85.0M	BDT 102.4M	+20.47%

Specialised Cash Solutions	Active Corporate Clients	CY 2024 Revenue	CY 2025 Revenue	% Growth
Corporate Dividend Pay-out Services	68 Clients	BDT 24.5M	BDT 28.0M	+14.28%
Employee Payroll Disbursement Channels	550 Clients	BDT 112.0M	BDT 135.5M	+20.98%
Total Treasury Product Fee Revenue	**1,083 Corporates**	**BDT 264.0M**	**BDT 324.1M**	**+22.77%**

Interpretation: The product performance sheet highlights a 22.77% increase in total fee-based corporate treasury revenues. Automated liquidity structures (+36.94%) emerged as the leading expansion source, illustrating that large enterprise clients are willing to pay standard fees for systems that automatically consolidate fragmented affiliate balances into interest-maximising master accounts.

4.7 Cash Replenishment Efficiency in ATM and CRM Networks

Automated Teller Machines (ATM) and Cash Recycling Machines (CRM) require complex scheduling systems to ensure consistent uptime without building up excess cash positions. This analysis captures the velocity and cycle efficiency of UCB's terminal replenishment model.

Table 4.5: ATM/CRM Terminal Cash Replenishment Metrics

Operational Terminal Parameters	CY 2024	CY 2025	Net Variance	Operational Impact
Composite Machine Uptime Rate	92.4%	97.8%	+5.4%	Enhanced consumer retail footprint
Average Cash Outage Duration	4.2 Hours	1.5 Hours	-2.7 Hours	Accelerated logistical reaction time
Idle Cash per Machine (Average)	BDT 3.8M	BDT 2.6M	-BDT 1.2M	Lower opportunity cost of funds
Urgent/Ad-hoc Replenishment Trips	1,420 Trips	450 Trips	-970 Trips	Reduced transit security expenses
System Efficiency Index Score	**68.5%**	**89.2%**	**+20.7 pts**	**Streamlined Device Operations**

Interpretation: Deploying predictive software algorithms for cash scheduling improved terminal network operations substantially. UCB increased machine uptime to 97.8% while lowering the average idle cash floating within individual machines by BDT 1.2 Million. This dynamic configuration frees up substantial capital reserves for central treasury deployment while significantly reducing armored vehicle and emergency logistics fees.

4.8 Cost of Cash Maintenance and Operations

Physical cash management operations incur significant overhead costs, including insurance premiums, CIT (Cash-in-Transit) security charges, vault sorting labor, and central bank processing penalty fines.

Table 4.6: Annual Cost of Managing Physical Cash (BDT Millions)

Expense & Operational Cost Pools	CY 2024 Cost	CY 2025 Cost	Financial Variance	Cost Saving Performance
Cash-in-Transit (CIT) Security Leases	BDT 65.4M	BDT 52.1M	-BDT 13.3M	Optimising travel route planning
Vault Insurance Premium Structures	BDT 32.8M	BDT 27.5M	-BDT 5.3M	Lower average branch balances
Sorting, Bundling, and Processing Labor	BDT 18.2M	BDT 19.5M	+BDT 1.3M	Inflationary wage index modifications
Bangladesh Bank Defective Note Penalties	BDT 4.6M	BDT 1.2M	-BDT 3.4M	Advanced multi-scan sorting
Total Annual Cash Maintenance Costs	**BDT 121.0M**	**BDT 100.3M**	**-BDT 20.7M**	**17.11% Net Operational Saving**

Interpretation: UCB achieved a net 17.11% drop in cash operations expenses, trimming expenditures from BDT 121.0 Million down to BDT 100.3 Million. This reduction was primarily driven by decreasing branch cash footprint levels, which led to lower insurance coverage thresholds and allowed for more consolidated, cost-effective CIT routing profiles across branches.

4.9 Core Banking System (CBS) Accounting Processing Efficacy

The computational capacity of the accounting framework is measured by analysing the time duration and database resource consumption required to run day-end ledger closing batches across the entire banking footprint.

Table 4.7: Day-End Processing (EOD) and System Throughput Metrics

CBS System Processing Parameters	CY 2024	CY 2025	Operational Gain	Infrastructure Relevance
EOD Batch Run Time Duration	145 Minutes	55 Minutes	90 Mins Shorter	Accelerated batch accounting speeds
Average Database Query Lag Time	2.4 Seconds	0.4 Seconds	2.0 Secs Faster	Smoother teller desk interactions
Maximum Peak Transaction Capacity	1,200 TPS	3,500 TPS	+2,300 TPS	High scalability for payment flows
System Down-time During Posting	18.5 Hrs/Yr	2.1 Hrs/Yr	-16.4 Hours	Highly resilient business availability

Interpretation: The accounting framework metrics reveal a massive technological advancement. Processing time for the nationwide day-end accounting batch dropped from 145 minutes to just 55 minutes. This acceleration ensures that ledgers are verified and locked well before the next calendar day, allowing management teams to access accurate liquidity insights early each morning.

4.10 Internal Audit Compliance and Accounting Discrepancy Rectification

Internal audit inspections verify compliance with central bank ledger rules. This section monitors the volume of unadjusted items flagged by auditors and the time required for accounting teams to execute ledger balance corrections.

Table 4.8: Internal Accounting Audit Exception Resolution Performance

Audit Observations & Exceptions Raised	CY 2024 Cases	CY 2025 Cases	Resolution Rate	Remedial Management Action
Inter-Branch Account Gaps (>3 Days)	84 Cases	12 Cases	100% Fixed	Automatic system suspension locks
Clearing Suspense Account Balances	142 Cases	34 Cases	94.1% Fixed	Strict end-of-day clearing rules
Incorrect General Ledger Head Mapping	35 Cases	6 Cases	100% Fixed	Mandatory software system paths
Unexplained Vault Ledger Balances	18 Cases	2 Cases	100% Fixed	Real-time security camera audits
Total Audit Compliance Exceptions	**279 Cases**	**54 Cases**	**96.3% Resolved**	**Strong Internal Vetting Framework**

Interpretation: The systematic drop in total compliance audit exceptions (from 279 down to 54 cases) demonstrates the effectiveness of UCB's digital internal control systems. Enforcing hardcoded general ledger paths and automatic account aging alerts has mostly eliminated prolonged suspense account blockages, ensuring that all cash assets are correctly classified across financial reporting sheets.

4.11 Customer Interface Satisfaction with Cash Desk Operations

To evaluate the front-end impact of accounting and cash systems, this metrics tracking table measures customer satisfaction ratings among corporate accounts handling extensive deposit and check clearing transactions.

Table 4.9: Client Survey Ratings on Cash and Counter Experience (Scale 1-5)

Survey Experience Assessment Criteria	CY 2024 Score	CY 2025 Score	Net Score Jump	Strategic Customer Field
Speed of Corporate Check Clearing	3.42 / 5.0	4.55 / 5.0	+1.13	High satisfaction with digital clearing

Survey Experience Assessment Criteria	CY 2024 Score	CY 2025 Score	Net Score Jump	Strategic Customer Field
Accuracy of Real-Time Account Updates	4.10 / 5.0	4.75 / 5.0	+0.65	Confirmed system synchronisation speed
Processing Speed at Cash Vault Counters	3.25 / 5.0	4.20 / 5.0	+0.95	Automated bundle counters deployed
Query Resolution for Discrepancies	3.50 / 5.0	4.38 / 5.0	+0.88	Specialised corporate helpdesks
Composite Counter Experience Index	**3.56 / 5.0**	**4.47 / 5.0**	**+0.91**	**Enhanced Corporate Market Value**

Interpretation: The client perspective metrics show a notable improvement, with the composite satisfaction score increasing from 3.56 to 4.47. The most significant customer satisfaction increase is seen in corporate check clearing velocities (+1.13 points), directly showcasing the operational benefits of integrated image-based clearing systems and straight-through database workflows at UCB.

4.12 Operational Risk Mitigation and Cash Fraud Incident Tracking

Evaluating risk management performance is critical for any banking infrastructure. This final ledger maps the occurrence and preventive capture of operational cash risks, counter-fraud indicators, and suspicious transactional filings.

Table 4.10: Financial Risk Tracking and Suspicious Activity Flags

Security and Operational Risk Indicators	CY 2024 Incidents	CY 2025 Incidents	Capture Rate	Strategic Security Mechanism
Fake Currency Notes Identified	412 Notes	58 Notes	100% Intercepted	High-grade counter sorters
Unauthorized System Ledger Access Attempts	24 Attempts	3 Attempts	100% Blocked	Dual-factor admin security
Anti-Money Laundering STR Alerts Triggered	1,250 Alerts	2,840 Alerts	98.4% Audited	Artificial Intelligence monitors
Cash-in-Vault Shortage Reporting	14 Incidents	1 Incident	100% Remedied	Strict end-of-day supervisor counts

Interpretation: The risk indicators showcase two distinct trends: structural reductions in manual vault issues alongside an expansion in anti-money laundering (AML) Suspicious Transaction Report (STR) flags (climbing from 1,250 up to 2,840 alerts). The increased generation of automated AML notifications reflects the deployment of predictive database tracking modules that analyse cash movement velocity profiles, protecting UCB's accounting platform against illicit transactions and compliance vulnerabilities.

CHAPTER 5

FINDINGS AND RECOMMENDATIONS

5.1 Findings of the Study

1. **Reduction in Idle Vault Cash:** The treasury management system successfully reduced non-earning physical branch vault cash holdings by 13.60%, allowing UCB to reallocate capital into profitable interest-bearing government securities.
2. **Surge in Corporate Digital Banking:** UCB experienced a substantial 38.64% volume growth in Corporate Internet Banking (UCB-Upay Link), validating a structural shift by institutional clients away from traditional physical counter transactions.
3. **Plummeting Accounting Error Rates:** Due to the introduction of automated reconciliation engines, the bank's composite weighted accounting error rate dropped significantly from 1.22% down to a highly secure 0.30%.
4. **Growth in Fee-Based Treasury Revenue:** UCB generated 22.77% higher revenue from its specialised corporate cash management product portfolio, with automated liquidity pooling serving as the leading revenue driver.
5. **Optimised ATM/CRM Machine Operations:** Deploying predictive software scheduling for terminal cash replenishment successfully enhanced overall machine uptime to 97.8% while reducing the average amount of idle cash floating within individual machines.
6. **Minimised Cash Maintenance Overhead:** Total physical cash handling operational expenses decreased by 17.11%, which was heavily supported by a reduction in Cash-in-Transit (CIT) security transport leasing costs.
7. **Accelerated Day-End Closing (EOD):** Technological upgrades to the Core Banking Software (CBS) optimised computational speeds, dropping the nationwide day-end accounting ledger execution time from 145 minutes to just 55 minutes.
8. **Substantial Drop in Compliance Exceptions:** Hardcoded general ledger paths and proactive automated alerts reduced internal accounting audit exceptions from 279 cases down to only 54 cases, showcasing enhanced financial governance.
9. **Elevated Corporate Customer Satisfaction:** Corporate client survey feedback parameters showed a major counter experience rating index jump from 3.56 to 4.47, specifically driven by faster clearing times for high-value checks.
10. **Enhanced Anti-Money Laundering Vigilance:** The integration of artificial intelligence modules into database systems allowed UCB to catch more operational anomalies, leading to an increase in Suspicious Transaction Report (STR) alert triggers.

5.2 Recommendations Based on Findings

11. **Expand Dynamic Treasury Allocation Models:** UCB should continue leveraging its advanced liquidity pooling software to systematically identify and reallocate any remaining non-earning physical vault balances across remote branches.
12. **Enhance Interface Features for Corporate Platforms:** To sustain the rapid growth of digital transaction channels, the bank should implement multi-currency transaction features and custom interface layouts into the UCB-Upay corporate portal.
13. **Transition to Hourly Automation Protocols:** While the daily computerised reconciliation loops have reduced error margins, UCB must work toward hourly automated straight-through processing (STP) to eliminate the remaining mobile banking wallet mismatches.
14. **Launch Tiered Pricing for Cash Solutions:** The corporate product division should offer volume-based tiered service fee structures to small and medium enterprises (SMEs) to replicate the financial success seen in the enterprise sector.
15. **Upgrade Terminal Networks to Dual-Purpose CRMs:** UCB should systematically replace older, deposit-only ATM designs with high-efficiency Cash Recycling Machines (CRMs) to allow self-automated cash balancing and further minimise cash transit trips.
16. **Implement Intelligent Route Planning for CIT:** The logistics department should utilise geographic information system (GIS) route optimisation tools for cash-in-transit vans to further decrease insurance overheads and fuel expenses.
17. **Establish a Secondary Cloud CBS Backup Node:** To secure the accelerated 55-minute day-end closing cycle against future data spikes, UCB should establish a secondary cloud processing node for automated cloud backup storage.
18. **Conduct Continuous Compliance Training for Branch Staff:** To permanently eliminate the remaining 54 annual audit exception cases, the internal control team must host mandatory quarterly compliance review sessions for front-desk cash officers.
19. **Deploy Digital Check Inward Scanning Terminals:** To push counter customer satisfaction index scores toward a flawless 5.0 rating, the bank should deploy automated digital check inward scanning kiosks directly inside major corporate branches.
20. **Refine AI Suspicious Alert Filtering Frameworks:** UCB should optimise its transaction tracking software parameters to balance the high capture rates of anti-money laundering alerts, helping compliance specialists avoid excessive false-alarm investigations.

CHAPTER 6

CONCLUSION

6.1 Concussion

The three-month internship attachment to the Cash Management and Accounting division of United Commercial Bank PLC provided a comprehensive, practical understanding of how a first-generation private commercial bank in Bangladesh sustains liquidity efficiency, accounting accuracy, and regulatory compliance amid rapidly rising transaction volumes. The study set out to evaluate UCB's cash management and accounting system across vault operations, electronic clearing channels, ledger reconciliation, terminal networks, cost structures, audit compliance, customer experience, and risk mitigation, and the year-on-year comparison between CY 2024 and CY 2025 consistently confirmed that the bank's digital transformation strategy is producing measurable operational gains.

The data analysis chapter demonstrated that UCB has successfully shifted away from idle, non-earning physical vault cash toward yield-generating liquid assets, while simultaneously channeling a growing share of transaction volume through automated clearing platforms such as BEFTN, RTGS, and its proprietary Upay corporate portal. This transition has been accompanied by a sharp decline in the composite accounting error rate, a substantially faster day-end closing cycle, and a marked reduction in unresolved internal audit exceptions — evidence that automation and stronger internal controls are reinforcing one another rather than operating in isolation. At the same time, cash-handling costs, ATM/CRM idle balances, and manual reconciliation trips have all fallen, translating directly into savings that support the bank's broader profitability and liquidity optimisation goals.

Beyond the quantitative gains, the internship experience also surfaced genuine operational challenges that automation alone has not fully resolved: intermittent CBS synchronisation lags, continued reliance on manual instruments among mid-tier corporate clients, and communication gaps between branches when resolving clearing mismatches. These observations reinforce that technology upgrades must be paired with process standardisation, staff training, and closer inter-branch coordination in order to sustain the improvements already achieved and to close the remaining operational gaps identified in this report.

In conclusion, United Commercial Bank PLC's Cash Management and Accounting System reflects a bank that is actively modernising its treasury and back-office infrastructure while maintaining firm regulatory discipline under Bangladesh Bank's oversight. The rising corporate client satisfaction scores, expanding fee-based treasury revenue, and strengthened anti-money laundering vigilance together indicate that the bank's investments in automation, straight-through processing, and predictive analytics are translating into tangible institutional value. Continued investment along the lines proposed in the recommendations — particularly real-time reconciliation, SME-focused digital cash tools, and AI-driven forecasting — would further consolidate UCB's competitive position in Bangladesh's increasingly digitised banking

sector. On a personal note, this internship offered invaluable exposure to real-world banking operations and served as a strong practical foundation for future academic and professional pursuits in finance and banking.

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