



Streamlining Account Reconciliations

The Finance department in most organizations is under increasing pressure to transform and streamline the financial close and reporting function while continuing to maintain the integrity of the financial statements and close process. A key part of this close process includes the completion of detailed account reconciliations, which is often a major bottleneck. The need to understand and certify an account balance and its transactions is prompted by regulatory and audit control requirements.

STREAMLINE YOUR ACCOUNT RECONCILIATION

In addition to the statutory pressure for account reconciliations, the current economic situation makes it imperative for finance executives to understand the details and transactions behind every account. They need to be able to easily identify fraudulent, improper and excessively aged transactions. In most organizations, the account-reconciliation process is a very time-consuming and manual process. A robust and integrated account-reconciliation software application can allow Finance to more effectively manage its business.

Percentage of Respondents Citing Issues That Delay Their Financial Close



The Challenge of Corporate Reporting Research Study carried out by Dynamic Markets on behalf of Oracle and Accenture.

Enable Automated Account Reconciliation

Many organizations have to perform thousands of account reconciliations at every month end. Doing this as a manual process requires considerable resources, takes too long, and can delay the financial-reporting process. This is further complicated by the number of managers and staff involved.

“More than half of respondents surveyed said they still reconcile accounts manually.”

**Benchmarking the Accounting & Finance Function 2015,
by Financial Executives Research Foundation (FERF) and Robert Half**

To effectively manage these large numbers of account reconciliations, organizations should ideally automate the process for appropriate accounts.

To do this, they need to:



Fully integrate the account-reconciliation process into the financial close



Provide workflow support for the account-reconciliation process, including monitoring, reporting, and analysis



Apply rule-based thresholds for automated certification and risk assessments

Organizations that do can this achieve a predictable process timescale that does not delay the financial close, improves finance staff efficiencies, and reduces the number of accounts to reconcile without compromising accuracy or increasing risk.

Comprehensively Address Security and Risk

Organizations typically have issues of risk in the account-reconciliation process with missing or lost reconciliations, along with un-reconciled accounts that are material. These are often difficult to find and can seriously compromise the accuracy of the reported numbers. In addition, organizations struggle to control access to many types of sensitive data across the many people involved when using spreadsheets and e-mail.

To control security and manage risk, organizations need to:



Directly integrate data from their ERP systems, thereby ensuring all accounts are included



Make sure they leverage existing IT investments



Ensure the security and reliability of the account-reconciliation software they use

Doing this gives organizations the peace of mind that their most important and confidential data is only visible to authorized users, and that they can trust that the numbers are accurate.

“The use of manual reconciliations is one of the reasons companies still have issues in their reconciliation process from a cost, accuracy, transparency, complexity, and comprehensiveness perspective. Other causes of account reconciliation weaknesses include ineffective management of the people and processes that surround it.”

Optimizing the close cycle using next-generation account reconciliation best practices and tools,
The Hackett Group, 2015

Efficiently Manage the Process

Very often, organizations have inefficient, manual processes for account reconciliation that involve many people across different departments. In addition, the process has insufficient justification and documentation. This can usually be attributed to the lack of modern tools for the job, as spreadsheets and e-mail are most commonly used for account reconciliation.

The best tools for efficient account reconciliation have the following characteristics:



Provide instant visibility of the progress and status of the reconciliation lifecycle



Employ cloud-based solutions to efficiently bring staff into the process



Give access only to staff required for the specific items to be reconciled



Use analytics to show process trends and areas for improvement

Collaboration is key to getting reconciliations done quickly and accurately, along with having clear responsibilities and timescales. Organizations that do this right will shrink the time it takes to complete the financial close.

Oracle Account Reconciliation Cloud Service

Oracle Account Reconciliation Cloud is a purpose-built solution in the cloud for managing the global reconciliation process. It provides real-time visibility into the performance of reconciliations, and ensures that all reconciliations prepared are properly qualified. It also helps companies streamline and optimize performance by automating certain reconciliation tasks and supporting risk-based reconciliation cycles.

The Oracle Cloud is an enterprise cloud for business. It offers self-service business applications delivered on an integrated development and deployment platform with tools to rapidly extend and create new services. With predictable subscription pricing, Oracle Cloud delivers instant value and productivity for end users, administrators and developers.

For more information, go to cloud.oracle.com/epm

