

ADRA



# Key Financial Controls: Purpose-Built Automation For Every Level of the Office of Finance

IMPROVE YOUR COMPLIANCE FRAMEWORK FROM ACCOUNTANT TO EXECUTIVE

# INTRODUCTION

One of the most critical pieces of the month end close cycle is an organization's System of Controls, the comprehensive controls and compliance framework that all financial processes function inside.  This is what keeps all financial data accurate while it flows through the financial close process.

Every company has some form of a compliance framework.

However, the effectiveness of that framework depends entirely on the organization, its tools and the processes they've implemented towards their compliance considerations, and most importantly, its people. A strong System of Controls supports employees at all levels, from the staff accountant up to executive leadership.

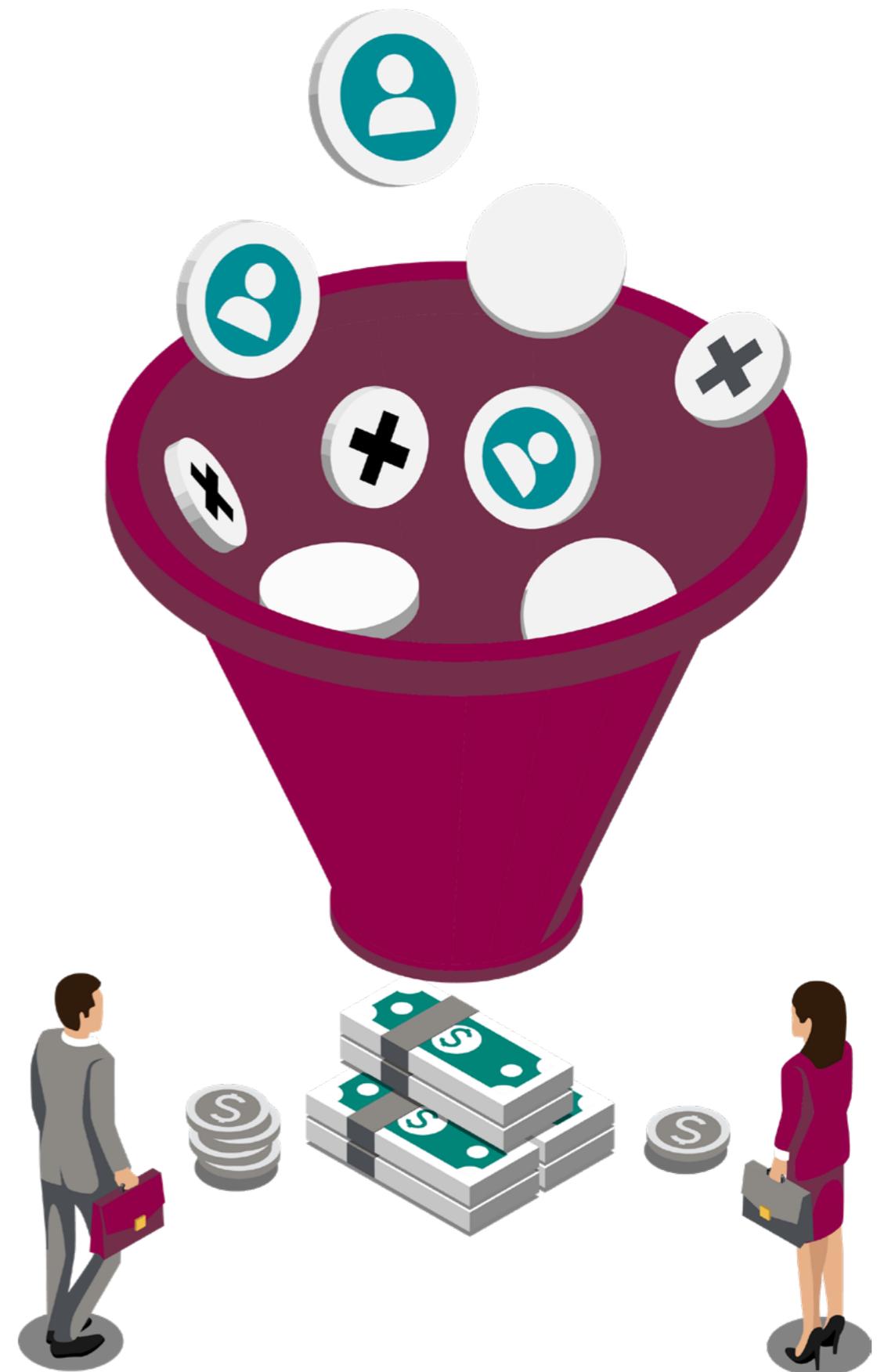
## WHY IS AUTOMATION NEEDED?

### STRENGTHENING YOUR CONTROLS WITH PURPOSE-BUILT AUTOMATION

Organizations with the most effective risk management strategies have prioritized automation across the majority of their controls. These organizations also recognize that successful risk management automation is dependent on the standardization of processes and an effective system of controls.

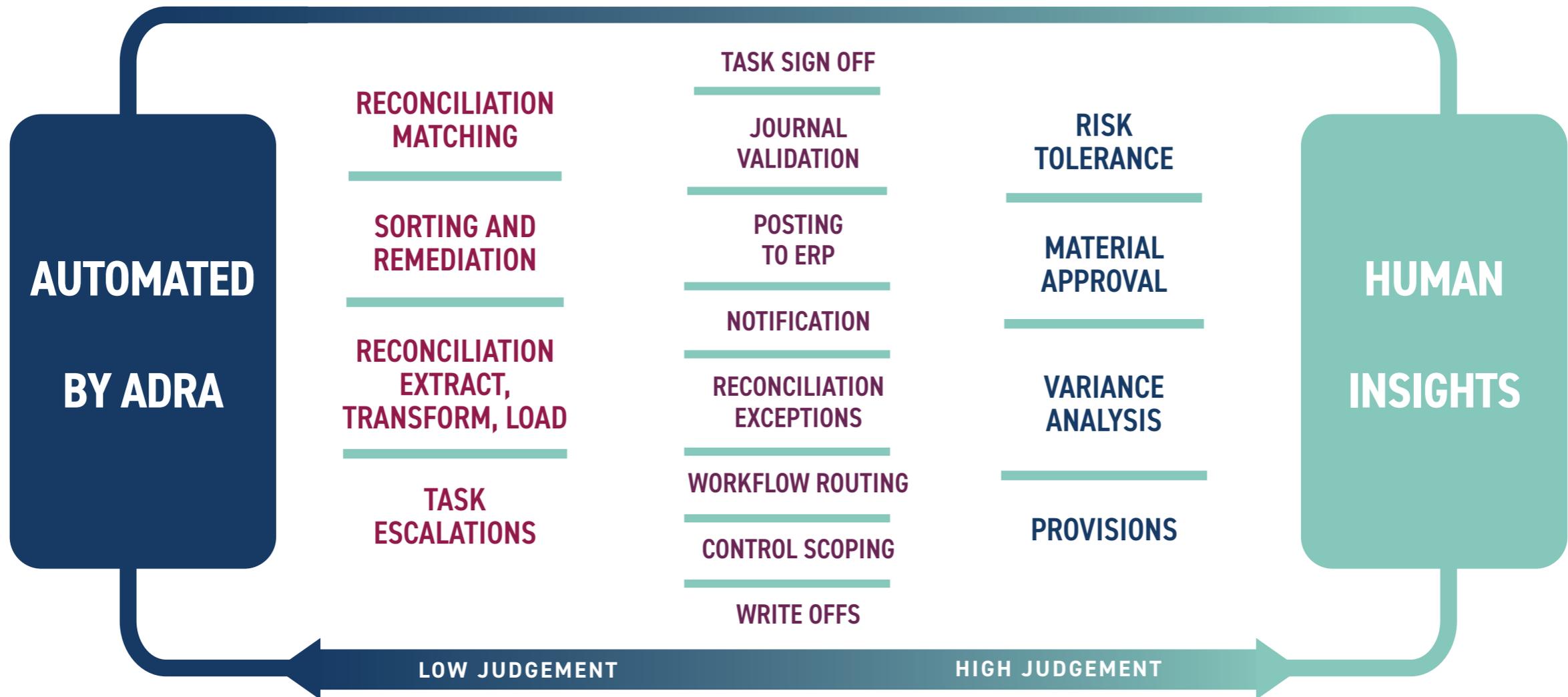
Applying automation across the financial close process significantly reduces workload, cost, and risk, while allowing finance and accounting team members to spend their time and skills supporting the entire organization through strategy and providing real-time insights to the business.

However, not all financial close automation technology can effectively reduce cost, risk and workload. Adra by Trintech enables automation via built-in tools for workflow management, transaction matching, balance sheet reconciliations, and 3rd-Party connectors. Adra eliminates manual efforts, improves the efficiency of the financial close, and reduces risk from manual error by deploying unique automation capabilities to help ensure a strong control environment for the entire finance organization which benefits all levels of the Office of Finance – including staff accountants, middle and senior management, and executive leadership.



# BENEFITS OF PURPOSE-BUILT AUTOMATION

The diagram below features common tasks involved in the financial close. On the left are repetitive, low judgement activities that can and should be automated. On the right are activities that require the highest level of human judgement to complete – these should be left to the accountants.



## BENEFITS OF PURPOSE-BUILT AUTOMATION FOR THE STAFF ACCOUNTANT

Purpose-built automation is fully customizable, allowing for reconciliations to be completed based on a company's specific risk tolerances and considerations. In a manual process, accountants evaluate and reconcile 100% of transactions and accounts. However, an **automated** solution significantly boosts efficiency by analyzing tasks according to their risk level, automatically performing low-risk, low-judgement tasks, and assigning the appropriate personnel to tasks that shouldn't be automated. 

In terms of testing, automation utilizes financial data tied to reconciliation and close behavior to identify which controls require testing. This creates a higher-quality testing strategy versus mass testing that doesn't provide any insight into specific improvement opportunities.

Lastly, rather than reviewing every transaction or manually identifying and notifying approval levels, automation invokes a rules-based risk management approach to the approval process that reduces or eliminates the need to post material journals that are discovered after the close period.

### DRIVE TEAM FOCUS USING BUSINESS RULES THAT FOLLOW YOUR POLICIES

- Auto-reconcile based on business rules and approved thresholds
- Utilize materiality to scope testing of the control framework
- Dynamically assign workload from current balance sheet risk
- Route based on automated policies

## **BENEFITS OF PURPOSE-BUILT AUTOMATION FOR MIDDLE AND SENIOR MANAGEMENT**

A lack of visibility is one of the most significant disadvantages of a manual process. Therefore, executive transparency and visibility is one of the most impactful controls in an organization's system of controls.

For finance leadership, the workflows in Adra Task Manager provide greater visibility into the holistic financial close process as well as granularly into each part, like reconciliations, close management or transaction matching.

For most organizations, "visibility" is meetings, phone calls and e-mails, repeated hour after hour, day after day, until the books are closed. With Adra Task Manager, the status of the activity updates as you perform work.

Furthermore, Adra Task Manager and Adra Analytics allow for post-period reviews that help to identify issues such as bottlenecks and reduce future exceptions. This is especially critical to the audit process later, as both internal and external auditors will evaluate the strength of your internal controls, which includes the remediation of issues.

The Adra Suite also strengthens quality assurance in a system of controls by providing a place to manage quality reviews of the activities performed during the financial close cycle with full documentation versus driving them back into tools like spreadsheets.

### **AUTOMATE TO CREATE VISIBILITY TO CONTROL ACTIVITIES PERFORMED BY TEAMS ON THE GROUND, AS WELL AS AUDIT**

- Track visibility to completed close activities in other systems
- Analyze performance of teams to reduce future exceptions
- Workflow for items that require remediation
- Drive quality assurance for work performed

# BENEFITS OF PURPOSE-BUILT AUTOMATION FOR EXECUTIVE LEADERSHIP

Last but not least, the Adr Suite enables leadership to implement a system of controls and feel confident in the performance of processes without being deeply involved in them daily.

The one question you must ask your team is, **“Do we have a control environment that easily supports data integrity across our organization and produces accurate financial reporting?”**

With the Adra’s executive dashboards and the accurate, timely data it provides, leadership can quickly evaluate the progress and impact of the financial close process on the organization.

Furthermore, for a strong and effective control environment, Adra easily provides the “how” and the “why” to each performing that role or function, streamlining the onboarding process to incorporate new team members more easily and efficiently.

Finally, the purpose-built automation offered by Adra drives higher quality work, tighter controls and increased job satisfaction. Rather than utilizing accountants’ high-value certifications and skills on manual work, the Office of Finance can now support the organization through strategic analysis and provide insights to the enterprise to drive business growth.

## LEADERSHIP DRIVES A STRONG CONTROL ENVIRONMENT BY LEVERAGING AUTOMATION

- Management view into overall process but detail when necessary
- Quickly drive resolution to exceptions that increase control risk
- Document policies and procedures for proper succession planning
- Identify bottlenecks in global process for improved reporting

# TAKE THE NEXT STEP TO A WORLD-CLASS SYSTEM OF CONTROLS

*“Due to our previously inconsistent and manual processes, there was always fear around the overall integrity of the numbers we were externally reporting. Now with Adra, we have full transparency and control over our processes and confidence in the integrity of the numbers we are disclosing each month.”*

**RE/MAX**

To move towards a world class System of Controls, Trintech recommends utilizing a phased methodology when it comes to financial transformation.

## 1. START WITH QUICK WINS

- Integrate with ERP landscape to improve data quality
- Centralize reconciliations
- Standardize process
- Eliminate duplicate tasks

## 2. STANDARDIZE PROCESSES

- Create workflow for the entire financial close process
- Review and approvals for all process activities
- Standardize production of statutory and regulatory reports

## 3. LAYER IN AUTOMATION

- Automate reconciliations with a risk-based approach
- Accelerate data collection and timeliness of judgment-based decisions
- Ensure electronic records for auditing the entire close cycle

## 4. FURTHER OPTIMIZE FOR EFFICIENCY

- Explore automation across the entire financial close process
- Leverage benchmarks for process measurement from period to period
- Provide timely, accurate data insights to all business

## ABOUT TRINTECH

Trintech Inc., a pioneer of Financial Corporate Performance Management (FCPM) software, combines unmatched technical and financial expertise to create innovative, cloud-based software solutions that deliver world-class financial operations and insights. From high volume transaction matching and streamlining daily operational reconciliations, to automating and managing balance sheet reconciliations, intercompany accounting, journal entries, disclosure reporting and bank fee analysis, to governance, risk and compliance – Trintech’s portfolio of financial solutions, including Cadency® Platform, Adra® Suite, and targeted tools, ReconNET™, T-Recs®, and UPCS®, help manage all aspects of the financial close process. Over 3,500 clients worldwide – including the majority of the Fortune 100 – rely on the company’s cloud-based software to continuously improve the efficiency, reliability, and strategic insights of their financial operations.

Headquartered in Dallas, Texas, Trintech has offices located across the United States, United Kingdom, Australia, Singapore, France, Germany, Ireland, the Netherlands and the Nordics, as well as strategic partners in South Africa, Latin America and Asia Pacific. To learn more about Trintech, visit [www.trintech.com](http://www.trintech.com).



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