Account reconciliation

Advanced automation for next-level Account reconciliation

Rethink the manual madness of intercompany

Account reconciliation is a critical and key control in the accuracy of financial reporting, but this process often requires hundreds of man-hours across the record-to-report (R2R) function.

Companies typically deploy tools such as Excel, emails, shared drives and workflow to help reduce the manual burden, but these do not solve the underlying issues. Others use point solutions designed to help complete the reconciliation and certification process, but these only deliver marginal improvements in automation and minimum efficiency gains and in some instances, create additional manual effort in other areas. Evidence shows that both methods still leave a substantial amount of work that must be performed manually.

Throw out the manual

Record to Report Automation by Redwood delivers the flexibility needed and the financial intelligence to provide higher levels of automation across Account reconciliation and certification than the point solution applications on the market today.

Between 60% and 70% of reconciliation work is performed by the preparers, and the key to removing the manual burden is the automatic checking of almost everything a preparer must do. Simply analyzing an account based on balances can mislead and can inaccurately portray the activity in the account for the period being reconciled. Therefore, it is equally important to analyze the underlying transactions as well as the balances themselves.

Record to report auto helps customers apply automation rules at the balance level first, then automatically check the line items to ensure the account can be reconciled based on the balance.

100% Automation of the following*:

- Reconciliation
- Sub-ledgers
- Zero balance accounts
- Prepayments
- Accruals

- Depreciation
- Allocations
- Other criteria based reconciliation
- Reconciliation completeness check
- Auto check of new accounts added

*Typical examples of Account reconciliation entries

Standard Balance Sheet Application Functionality

Pre-configured reconciliation routines validate the balances with the underlying applications, such as ERP, bank statements, files or other source systems. Redwood's Automated routines then compare account balances between these sources and identify and report any discrepancies, so accounting staff can investigate them. Some of the features of Redwood's Account reconciliation include:

- Reconciliation templates and checklists
- Linking to applicable policies and procedures for easy reference
- Integrated storage of supporting documentation
- Definition and monitoring of corrective actions reference
- Automated review and approval workflows
- Posting related corrections and journals directly into ERP
- Progress and risk dashboard

Record to Report Automation by Redwood can automate up to 95% of Account reconciliation tasks.

Redwood's catalog of pre-automated financial tasks standardizes and automates any type of reconciliation and cuts out costly, tedious processes. The end result is that Redwood's solution can automate up to 95% of Account reconciliation tasks.

Balance sheet integrity via our automation releases financial and accounting teams to focus on value-added activities. In addition, it helps organizations achieve a key milestone on the journey to digital finance by providing transparency into accounting performance and operations and moving beyond manual, error-prone processes.

A Deeper Look at Record to Report Automation by Redwood's Balance Sheet Solution

Redwood retrieves and evaluates balance level information, as well as line-item level information, in real-time from your ERP system. There's no need to extract ERP data for batch processing. The solution's evaluation rules are applied to achieve an average auto-reconciliation of 95%. This lets the reviewers and the approvers focus on the evaluation of true open items, erroeneous postings, excessively aged items and material postings, etc. rather than having to review items that are just a distraction.

The power of the solution lies in its flexibility, extensibility and visibility. This includes pre-configured reconciliation templates that minimize manual intervention and offer configurable 'per user' account setup. It also provides a full audit trail that captures every decision (automated or manual) and every

piece of evidence used for decision-making throughout the entire process. Redwood's solution works on the live database using APIs without replication of old data pulled from ERP systems, so it always has access to the most accurate data possible for reconciliation activities.

This improves the accuracy of your financial statements and eliminates errors and risks. Underpin your balance sheet integrity process with fully auditable automation and build trust to ensure reconciliations are thorough, accurate and completed on time.

About Redwood Finance Automation
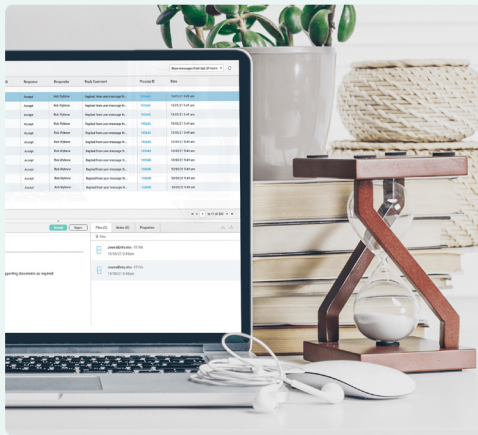
Redwood Finance Automation is a cloud based automation platform that runs transparently across your entire end-to-end close process. It takes care of your SAP/ERP close tasks natively inside your ERP deployment across different instances and versions, including SAP HANA and S4. It also handles other closing items, such as automated calculations of accruals, provisions, re-classifications, intercompany reconciliations and postings, and close-related reconciliations, and manages reminders, notifications and dependencies to manual activities such as essential reviews and approvals.

Redwood Finance Automation is designed to be configured and used by non-technical business and accounting functions. Easy-to-administer workflows, approval flows and thresholds can be used in a way that means everyone from subsidiary accounting teams to corporate SSCs knows their responsibilities, next steps and exceptions. This frees them from onerous, repetitive, detailed and error-prone tasks to focus on higher-value analysis and insight work.

See Redwood Finance Automation In Action

Redwood Finance Automation can eliminate time-consuming manual efforts, increase confidence and gain control over your financial processes.

Get a Demo

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