IBM® Cognos Financial Statement Reporting (FSR) account reconciliation

Account reconciliation is a critically important process that ensures compliance and accuracy within financial reporting. Despite its importance, it still relies heavily on spreadsheets and e-mail, making it labor-intensive, error-prone and very difficult to monitor.

IBM Cognos FSR automates this process by linking all reconciliation activities directly to source data to enable accurate data matching and rapid issue resolution. Reduce risk and improve efficiency during your company's financial close with IBM Cognos FSR for Account Reconciliation.

The problem

A manual process

Account reconciliation is a fragmented process involving countless spreadsheets coordinated using a multitude of emails. This manual, cut and paste approach to account reconciliation increases cycle times and lacks process control mechanisms making it difficult to monitor, impossible to audit and difficult to approve with any confidence.

Increases risk

Without a way to link source data directly to reconciliation activities, companies have no choice but to implement an error-prone cut and paste process to compare source data to the general ledger. Additional slip-ups could cripple your reconciliation, such as mistakenly comparing outdated versions of Microsoft® Excel®, or worse. This process leaves room for human error and inaccurate data. Any mistake that slips through causes incorrect filings or, if discovered, can delay the financial close.

Reduced control and oversight

Each reconciliation issue is addressed manually as if it were a mini-crisis, each one independent of the overall process. This approach makes it difficult for management to track the status of the period's overall reconciliation effort. The process is chaotic due to an inability to track who signed off on what, an inability to track remaining tasks and an inability to identify tasks that threaten to delay the larger reconciliation process. Ultimately, poor progress monitoring leads to an inability to deliver on a deadline.

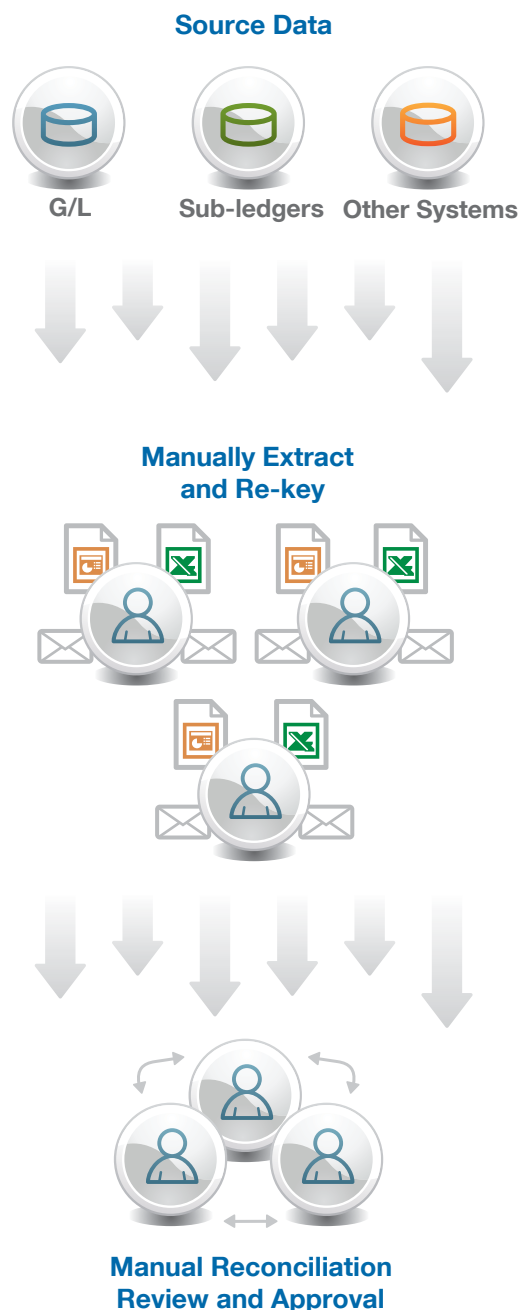# The solution

Visibility and monitoring

Use IBM Cognos FSR to track reconciliation process status. Use dynamic dashboards to see which team member is accountable for each stage of the process and the cause of any delays. For rapid problem identification and resolution, IBM Cognos FSR ensures that your team automatically receives an alert when any exception surfaces. Improve your account reconciliation process-control and identify bottlenecks with IBM Cognos FSR.

Integrate source data directly into the reconciliation process to ensure accuracy

IBM Cognos FSR gives you the power to pull financial data directly from your source system, including Enterprise Resource Planning (ERP) systems, sub-ledgers, and other data sources. Stop manually cutting and pasting data from Microsoft Excel. IBM Cognos FSR provides powerful data matching functionality to reduce cycle times and improve data accuracy.

Automation

Streamline the complete financial reconciliation process across the entire balance sheet, including bank reconciliations, transaction matching, vacation accruals, revenue recognition and payroll recognition. IBM Cognos FSR has the capacity to match high-volumes of transactions. Automatically rollover reconciliation tests to reflect your new financial period and let the system also retrieve the latest data through embedded variables. Spend less time conducting tests and more time investigating account anomalies. IBM Cognos FSR also includes built-in workflow and electronic sign-offs for improved productivity and increased precision.

Source Data

G/L   Sub-ledgers   Other Systems

Manually Extract and Re-key

Manual Reconciliation Review and Approval
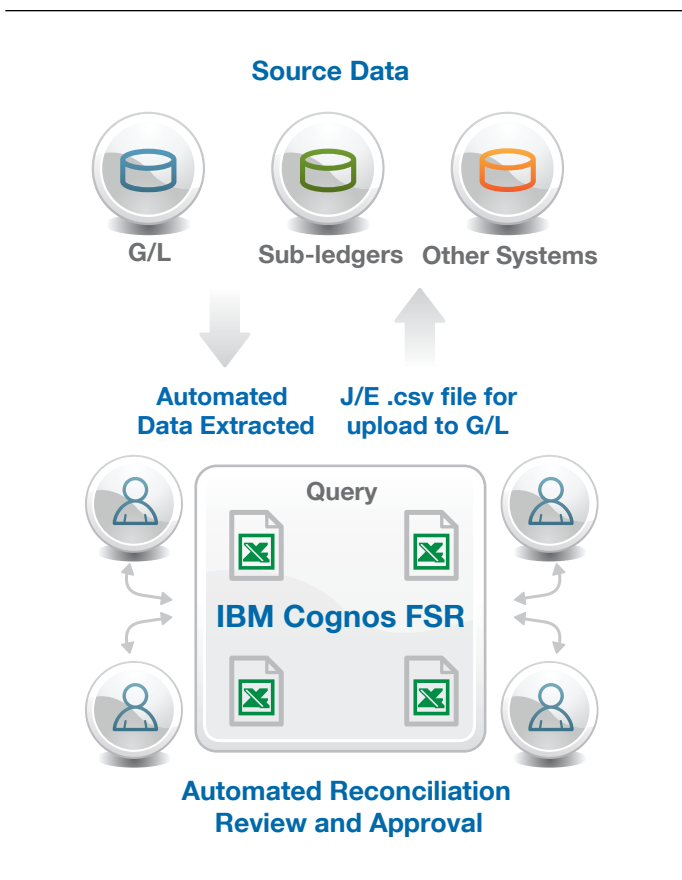
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Fully integrated financial close

IBM Cognos FSR easily integrates with your ERP and other source systems. Furthermore, IBM Cognos FSR helps to integrate the entire financial close process including: financial consolidations, account reconciliation, external financial reporting, filing and eXtensible Business Reporting Language (XBRL). Rely on this streamlined approach for a one-stop-shop financial close process.

Leverage your current Microsoft Excel process

Leverage your existing Microsoft Excel spreadsheets and utilize the work you have already done. There is no need to start from scratch to rebuild your current reconciliation models. By leveraging your current models, IBM Cognos FSR becomes very easy to deploy, easy to use and results in a rapid return on investment.

Audit trail

Track all edits and approvals throughout the process with IBM Cognos FSR's automatic and comprehensive audit trail. Team members are held accountable for their work, edits and postings so management can confirm the data is current and quickly identify, analyze and back out of any mistakes.

Source Data

G/L   Sub-ledgers   Other Systems

Automated Data Extracted   **J/E .csv file for upload to G/L**

Query

IBM Cognos FSR

Automated Reconciliation Review and Approval

About IBM Business Analytics

IBM Business Analytics software delivers complete, consistent and accurate information that decision-makers trust to improve business performance. A comprehensive portfolio of business intelligence, predictive analytics, financial performance and strategy management, and analytic applications provides clear, immediate and actionable insights into current performance and the ability to predict future outcomes. Combined with rich industry solutions, proven practices and professional services, organizations of every size can drive the highest productivity, confidently automate decisions and deliver better results.

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