

## FOUR TIPS FOR AUTOMATING RISK MANAGEMENT IN BANKING AND FINANCE

Solutions to four of the most frequently asked questions regarding the automation of risk management.

### THE CHALLENGES

While all finance and accounting professionals are expected to be confident in their final numbers, financial institutions need to be more confident than most. And, to make things even more complicated, they must contend with evolving regulations and a variety of risk categories that are difficult to handle when using manual processes and tools, such as spreadsheets. Still, they've historically been hesitant to make improvements that will help them efficiently handle any changes and create that assurance.

### THE GAME PLAN

With these challenges in mind, this FAQ is to help F&A professionals effectively deal with financial close risk management issues. Read the four tips below for information on how to prepare a risk management structure that reliably serves your customers and shareholders alike.



# FREQUENTLY ASKED QUESTIONS

1

**Now that the Bank SIFI threshold of the Dodd-Frank Act has been raised, are we safe to delay our compliance planning until we get bigger?**

Not at all! You need to get ahead of the curve by establishing automated risk management controls throughout your entire financial close process now; doing so will allow you to be compliant today and also prepare for future growth. If you integrate risk management procedures throughout your financial close process, then you can catch issues before they become a problem during an audit, while also strengthening the validity of your financial reports.

2

**We recently merged with another bank, and the number of reconciliations we have to process has tripled. How can we handle that and plan for strategic growth as a new organization?**

Short answer: you likely can't if you are using spreadsheets or anything that introduces a manual component to your current process. However, by transitioning to an automated account reconciliation solution, you'll be able to handle all of them efficiently and effectively—most likely even more so than before the merger.

Redistribute the time you will save among your employees and you'll be able to redirect their efforts from repetition and data processing to high-value tasks, such as analyzing the results of the merger and identifying additional opportunities for the company to grow. We understand that you want to have confidence in your financial statements before looking to the future, and we know that sticking to spreadsheets will only slow you down—automation can help you catch up and even get ahead!

3

**It seems like there's a new regulation for my team to tackle every day. What if we can't hire more people to make sure we can handle the changes?**

Don't worry, you don't need more people! Throwing people at the problem can actually increase the chance of error because you're essentially compounding the risk of data-entry mistakes when performing reconciliations and even conducting your entire financial close process. Automation ensures that the correct controls and regulations are applied each and every time. Furthermore, testing of key controls is done throughout the financial close process, instead of being left to the end.

4

**We really want to transition to a cloud-hosted platform as our customer base grows, but shouldn't we be worried about the level of data security in cloud storage?**

While you should never take a security-related move lightly, it's important to realize that the transition can actually yield benefits for both data security and the use of employee time. By using a cloud-based solution, you can empower your IT department to focus on the truly mission-critical needs of your organization instead of monopolizing their time with software maintenance.

## ADDITIONAL RESOURCES

Over the past decade, financial regulatory reform has increased dramatically, especially for banking and finance institutions.

To keep up with these changes and increasing expectations, adjustments to the day-to-day processes are inevitable.

Check out the resources below to learn how other banking and finance organizations have effectively achieved a compliant and cost-effective close.

## MITIGATE YOUR FINANCIAL RISK

### EBOOK:

6 BEST PRACTICES  
FOR A COST-EFFECTIVE  
CLOSE WITHIN THE  
BANKING INDUSTRY

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