Cross-Regulation Compliance Changes

In an environment where a single organization services multiple industries and an expanding international footprint, corporations are finding themselves simultaneously subject to several regulatory compliance mandates. It is increasingly clear that the answer to compliance with the unique aspects of each regulation, as well as the significant overlap in their fundamental principles can no longer be found in expensive and often unsustainable “one-off” compliance projects or software solutions. Indeed, when shareholder value, loss of reputation, astronomical audit fees and potential fines are at stake, organizations must turn to solutions that integrate compliance and control into daily operations, embedding automated controls throughout their enterprise business functions.

Across the globe, organizations are faced with the challenge of maximizing performance and increasing revenues while simultaneously implementing a sound financial governance model through tightened internal controls and stringent audit management practices.

An Evolving Regulatory Landscape

Demonstrable control over systems and processes is not simply a high priority business objective; it is mandated through various compliance regulations. These regulations all demand the same fundamental requirements – organizations must implement sound systems of internal control, solid operational risk management practices, consumer/investor advocacy and full disclosure.

Recognized approaches such as the Committee of Sponsoring Organizations (COSO) framework, and guidance offered to directors in the Turnbull Report (U.K.), promote the implementation of strong internal controls, supported by appropriate processes for the escalation and notification of any control failings. The cost of non-disclosure is high, leading to lowering of an organization’s share price, loss of investor confidence and lower market reputation.

Driving Best Practices

Whether privately owned or operating in the public sector, organizations increasingly understand that implementing fundamental “best practice internal controls” is critical to streamlining processes, and ensuring the accuracy of transaction and aggregate level financial data across the enterprise. These could be operating guidelines and procedures set forth by recognized frameworks or internally authored Standard Operating Procedures (SOPs) related to their mission-critical business functions.
With the level of manual processes and spreadsheet utilization in practice today, businesses of all types and sizes are experiencing non-adherence to standard procedures, inadequate segregation of duties, internal fraud, irregular application of accounting principles, untimely reconciliation of financial data, irregular revenue recognition practices and unreliable financial data. A holistic approach to control and compliance will uncover and address these potential issues before they become a corporate crisis, and will ultimately lead to an improved, more efficient way of doing business.

The Solution

Account Certification from Fiserv delivers the control, compliance and competitive advantage that your organization requires. Designed to seamlessly integrate with your existing financial control solution or accept reconciliation data from existing, in-house solutions, Account Certification enables your organization to automate critical financial processes and controls, simplifying the adoption of a sound financial governance strategy and completing the transaction matching, exception management and reconciliation lifecycle.

Assign Ownership of Reconciliation and Certification Activities

With Reconciler, Reviewer and Approver roles accommodating up to six levels of authority, Account Certification facilitates automated review, task completion and digital sign-off from the business unit all the way up to the certifying officer. This ensures that data is presented in a timely manner to all responsible individuals without anyone along the line being able to manipulate the data itself. Levels of required approval and the actual approval chain are configurable by your organization based on the specific account type and risk profile.
In a recent survey of material weakness filings, 20 percent identified failings in account reconciliations, review procedures and compliance with policies.

**Enforce Reconciliation Frequency Policies and Tightly Control Your Financial Close Schedule**

A policy that requires a specific reconciliation frequency for high risk or significant accounts, without the benefit of an automated procedure to track and enforce the actual frequency, is a prime material weakness candidate. Account Certification not only tracks reconciliation frequency and completion, it proactively notifies responsible staff and management when deadlines are approaching and items are late. In a similar fashion, the system monitors key completion dates defined for the financial close process, proactively sending notices to responsible parties, ultimately ensuring all accounts are completed and certified before the books are closed.

**Mitigate Operational Risk by Focusing Staff on Higher Risk Accounts**

Account Certification allows you to define low risk accounts eligible for unattended “Automatic Certification” when certain balance and activity requirements are detected.

**Promote and Facilitate a “Prove It” Approach to Ensure Confidence and Streamline Audits**

Account Certification allows each responsible party in the certification process to attach and store supporting documentation of any type in read-only format, viewable by each person in the approval chain. Manual “Reject” capabilities ensure that anyone uncomfortable with the accuracy of the data can request further action from assigned individuals. In addition, the system provides configurable “Auto-Reject” functionality for higher risk activities that often go undetected until it is too late to rectify the problem without a financial restatement.

**Reducing the Cost of Compliance**

Direct auditor access to certification data and associated processes is the ultimate sign that your controls are tight, processes are effective, and full transparency is encouraged as a matter of internal and external policy. Account Certification allows you to determine the level of access provided to auditors, with configuration options that limit access based on the status of the account.

**Delivering Cross-Compliance Strategies**

Fiserv recognizes that there is a significant overlap in the principles and requirements of the growing regulatory environment worldwide, and that global organizations are finding themselves simultaneously subject to several of these mandates. Account Certification is part of the Fiserv group of products and services called Financial Control Solutions and represents an enterprise-wide “cornerstone” solution that embeds your risk policies, improves timeliness and quality of key financial and audit processes, and ultimately provides access to accurate and reliable financial data. This data will underpin compliance with multiple regulatory mandates and deliver a consistent financial control framework in an automated solution.

**Delivering Competitive Advantage**

Today, organizations need to see a return on investment (ROI) for any initiative, especially when it appears that significant resources are diverted away from the profit-making objectives of the business. Now, more than ever, organizations are realizing that quality controls and streamlined processes have opened up new avenues for cost management strategies, such as the creation of global or regional Shared Service Centers. The Fiserv holistic approach to control and compliance allows your organization to standardize...
business processes failings and embed risk management in your daily controls, meaning you can continually grow and scale your business while minimizing costs. The business advantages are numerous and in a world where your company’s financial health and market reputation are key, sound financial governance is simply good business.