# Robotic Process Automation (RPA) in Accounting

## NCACPA Current and Emerging Technologies Conference

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# Agenda

- Overview of RPA
- Benefits of Implementing RPA
- Use Cases in Accounting
- Challenges of Implementing RPA
- Risk and Controls
- Demo with UiPath RPA Software and Hands-on

# What is Robotic Process Automation?


- RPA is the development and deployment of “bots” to automate routine, labor-intensive, rule-based tasks in a repeatable and reliable manner.
- Processes ripe for RPA use should be standardized, well-defined and stable, and the inputs should be digital and easily readable.
- Can be “no-code” which means “citizen developers” can create automations using RPA software with no coding experience (i.e. ME!)

# RPA Basics

- It is a non-intrusive technology to the systems already in place.
- Top industry users: financial services, insurance, and healthcare.
- Top RPA tools: UiPath, Automation Anywhere, Blue Prism.
- Key components:
  - Bot – software robot that performs the automation tasks
  - Orchestrator – centralized platform to manage and monitor bots
  - Development environment – tools to create, test, and deploy bots

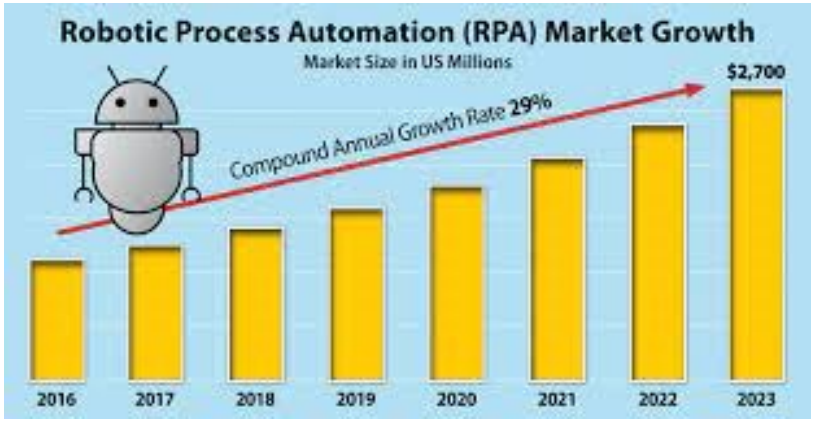
# RPA is Simpler Than You Think!

- Think about a process that requires manual, repetitive work.
- Break the process down into components and rules (e.g., are you trying to consolidate data across systems and prepare financial reports? Are there any if/then rules?)
- Organize the flow (e.g., login to SAP, go to a PO form, enter data from Excel into SAP, obtain the PO number).
- However, just because a process can be automated, does not mean it should.
  - Q&A: What process/tasks should NOT be automated?

# Benefits of Implementing RPA

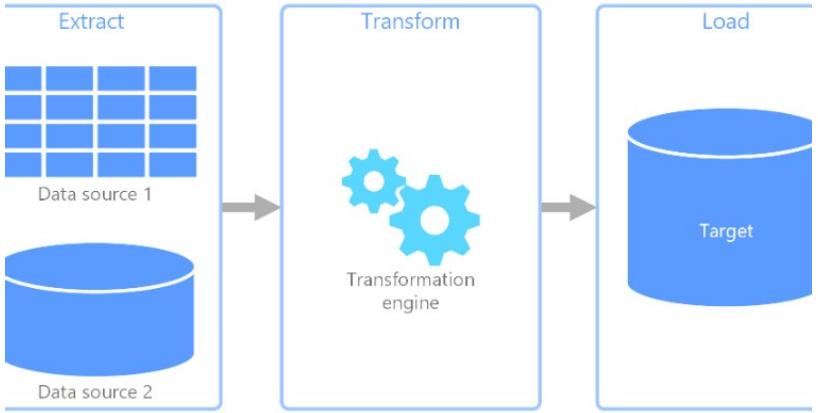
- Time and cost savings
- Improved employee/organizational productivity
- Enhanced accuracy/improved data quality
- Cost effective and fast ROI
- Scalability
- Audit trail
- Compliance

# Use Cases in Accounting




- Data Entry: Automate the manual entry of data into systems
- Data Migration: Migrate data between systems
- Bank Reconciliations: Compare transactions to bank statements and accounting records, identifying discrepancies
- Extract Data: Automate the extraction and validation of financial data
- Generate Reports: Automate the collection and consolidation of data across systems

# Use Cases in Accounting




- Audit Support: Populate working papers, check application controls in ERP systems, extract data from systems
- Tax Compliance: Assist in tax return preparation by automating data collection and validation, calculations, and preparation of tax returns
- A/P: Extract information from invoices such as vendor details and amounts and update accounting records
- Q&A: If you company or clients use RPA, what do they use it for?

# Attended vs Unattended Bots

- Attended bots work alongside human users assisting them with specific tasks.
  - Running a bot to perform ad hoc tasks such as a bot to extract audit evidence from an ERP system based on a spreadsheet of requested samples.
- Unattended bots work in the background in batch mode without the need for human intervention.
  - AP invoice processing bot that checks for invoices sent to an AP mailbox, converts the invoices into structured data that is then keyed into the ERP system by the bot.

# Challenges of Implementing RPA

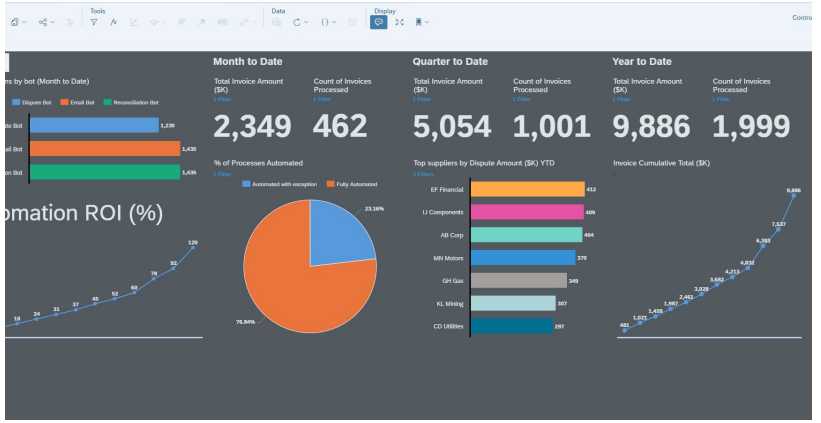
- Change management
- Technical issues
- Security*
- Maintenance and monitoring*
- Billable hours
- Governance*

# IT as a Partner



- Partner with IT for authentication into systems and access privileges to systems/data.
  - Bot access to systems needs to be controlled by the same process as with humans.
  - Collaborate with IT to address security, privacy, and compliance requirements.
- IT needs to be aware of all bots in production (no shadow systems!)

# Maintenance and Monitoring




- Maintain an inventory of automations and periodically assess them for usefulness and effectiveness.
- If systems update or change or workflows change, need to update bots.
- Monitor bots through a “command center” that provides metrics (e.g., failed runs) and set up alerts that go to the correct individuals.
- Obsolete bots need to be retired in timely fashion.

# Center of Excellence

- Establish an automation CoE that oversees and manages all aspects of RPA within the organization and define roles and responsibilities
  - Evaluates and prioritizes use cases
  - Develops change management process
  - Establishes testing procedures and standards
  - Opposite of citizen developer implementation

# Risks and Controls for RPA

| Risk | Control Objective | Internal Control |
|---|---|---|
| The RPA use case is not appropriate for the problem statement | Ensure that automation deployments adhere to certain mandated development standards | All automation deployments are assessed using an intake form and are authorized by the RPA Center of Excellence prior to deployment |
| Automation builds are modified by an unauthorized user | Change management of all automation builds is strictly controlled based on proper authorization | All changes to automation builds are authorized and tested prior to release into the production environment |

# Risks and Controls for RPA

| Risk | Control Objective | Internal Control |
|---|---|---|
| The automation exposes enterprise data to company users who are not “authorized” to view such data | Ensure that for each automation “data access” rights are provisioned properly and that only the required data for the automation is provisioned to the automation owner | For each new automation or analytics build data access provisioning is reviewed according to company guidelines and data access is minimized to ensure all access is authorized |
| Automation builds have “write access” to databases and end up erroneously changing the golden source of truth of enterprise data | Ensure that bots cannot erroneously modify company original data | Write access is not granted to automation builds, rather, only read access is provided to allow the automation builds to complete their task |

# Risks and Controls for RPA

| Risk | Control Objective | Internal Control |
|---|---|---|
| Automation builds are not risk assessed and high-risk builds are not monitored more closely than low risk builds. | Ensure that all automation builds are risk-assessed on a regular basis and are assigned a qualitative or numerical risk score. | All automation builds in production are risk assessed according to appropriate dimensions. |
| Automation builds that become obsolete are not timely retired. | Ensure that all automation builds remain relevant and effective at performing their originally designed procedures. | All automation builds are re-certified periodically on a quarterly or annual basis, and builds that are obsolete are retired. |

# Risks and Controls for RPA

| Risk | Control Objective | Internal Control |
|---|---|---|
| Automation exceptions go unnoticed and cause failures, errors, or delays in routine processes. | Ensure that failures and exceptions are identified and resolved in a timely manner. | An alert is generated to the process owner if an automation run fails. The alert provides detailed information about the failure point. |
| Key risks and performance metrics are not tracked or communicated throughout the firm in a timely manner. | Ensure that KPI's capture the risk and performance of the automation. | Automation KPIs that capture performance are tracked and communicated to management on a regular basis. |

# Thank You! Questions?

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