



Best Practices: Harmonising the Four Elements of Statutory Reporting

The intelligence, technology and human expertise
you need to find trusted answers.



the answer company™

THOMSON REUTERS®

INTRODUCTION

Today, many organisations are going through some kind of finance, tax or IT transformation project to drive efficiency and reduce costs. Statutory reporting is a key focus area with recent legislation changes coming into effect and a global initiative to encourage corporations to be more transparent in their reporting.

Technology plays a big part in these transformations mostly to automate processes or centralise common functions. Even though technology plays a big part, it is only one of the four pillars that need to be incorporated to enable success.

The pillars of people, process and data are as equally important in supporting any changes to statutory reporting.

THE POWER OF FOUR: TRUST AND STATUTORY REPORTING

Trust is predicated on four pillars: constancy, congruity, reliability and integrity. It's these elements the ATO will be looking for to justify its trust in the organisations to which this initiative applies.

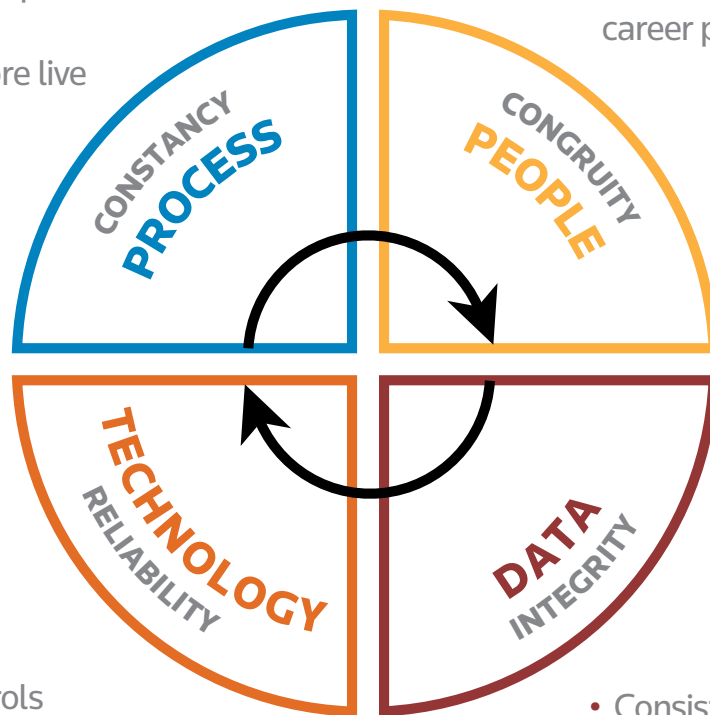
Considering the Four elements of statutory reporting[4] – process, people, technology and data

– in the context of the four trust pillars will help organisations demonstrate trust to the ATO.

Within this, organisations should consider whether adopting certain best practices will help them achieve justified trust with the ATO.

- Review process steps and gaps
- Same process, different location
- Consistency of output
- Controls
- Practice run before live

- Required skill sets
- Teams involved in review
- Motivation and career progression



- Enablement of process and controls
- Manual or automation?
- Tools for oversight and tracking

- Consistency of inputs
- Non-financial data
- Other uses of data outputs

KEY COMPONENTS TO SUCCESS

TRANSPARENCY ACROSS TEAMS

The sharing and processing of financial data and documents is rarely clean. Most hand-offs are not system to system and information rarely passes between individuals and teams without some degree of manipulation.

Developing a genuine appreciation for the processes between finance and taxation teams is going to be essential, as well as ensuring you have what you need from various reporting entities.

PEOPLE

Enable your team and optimise their ability to meet regulatory requirements and automate manual repetitive tasks. By providing them with an efficient and successful statutory reporting tool you empower them to spend more time on value-add activities.

DATA

Of the four elements, data is the most important. If you have bad data, you will waste a significant amount of time and money fixing it via multiple iterations with your auditors. Reconciling non-financial data to your financial data or trial balance can be frustrating, even at the best of times, so accurate data is critical.

Given the ATO's 'justified trust' initiative more and more businesses are looking to move away from the use of manual spreadsheets as a main tool for collecting data.

TECHNOLOGY

Technology in an organisation is the enabler of your process, data and people and how each of these interacts. If you have a current manual process adding automation through use of technology will not only reduce the cost but also reduce the risk.





DRAWING ON BEST PRACTICES

Once you understand the four elemental components of the statutory reporting process, it's time to start optimising them. By understanding some overall best practices, you can reduce the work of your staff at peak times and provide outputs to auditors correctly the first time by minimising iterations.

Some best practices to consider include:

- Using workpapers to provide proof to substantiate the numbers in the report to external and internal stakeholders. This makes reconciliation much easier, saves time and reduces questions from the auditors.
- Using documentation of adjustments/journals to help show which journals are relevant for

other teams, prove the numbers for the auditors and show which journals need to be put back into the general ledger at the end of the process. That way, the starting point for next year is the same as the adjusted ending point.

- Staying ahead of account and disclosure updates by getting sign-off on pro-formas in the quiet time leading up to year-end.
- Using rounding/scaling to the thousands, millions, etc. to maximise your materiality and then make modifications.
- Asking yourself whether you need to do intercompany reconciliations as you may be able to streamline them with the same data that you are already using.

ITEMS TO CONSIDER

1 Workpapers required internally or to auditors

2 Accounting and disclosure updates

3 Documentation of adjustments / journals

4 Controls over process and data

5 Other reconciliations

6 Rounding / scaling where possible and using materiality

MAKING THE MOVE TO TECHNOLOGY

Technology is the enabler of an efficient and successful statutory reporting process and lets you automate the simple things in your reports that can cause the biggest headaches. The right technology also puts best practices to work by simply and efficiently reconciling the “walk” from consolidated global reports to local statutory reports and vice versa—rather than manually pulling financials and reformatting.

Today, modern technology provides intelligent task automation through workflow engines that help maintain consistency, compliance and standards across the business.

With the right tools at their disposal, your team can securely centralise documentation, prioritise tasks, automate manual efforts, monitor projects and produce consistent progress and risk management reporting through a real-time data dashboard.

Imagine how much easier and faster your team could be if they had access to prepopulated statutory deadlines in more than 80 jurisdictions across the globe.

Real-time tracking through dashboard reports and risk management reporting features help ensure timely project completion and increased compliance transparency.



SPOTLIGHT: ONESOURCE Workflow Manager

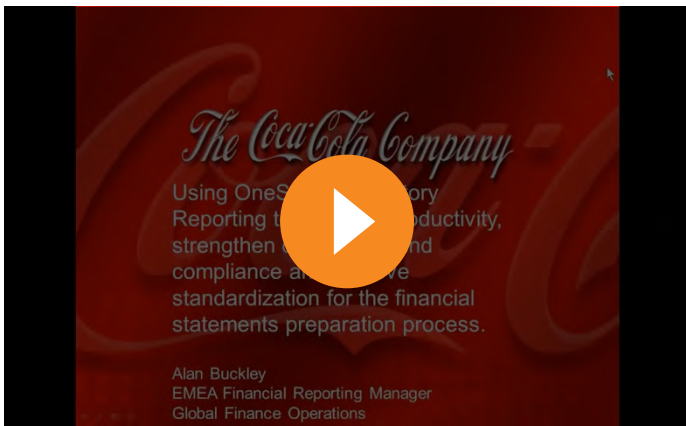
Keeping track of critical dates on the tax calendar and tracking tasks against statutory due dates is easier with ONESOURCE WorkFlow Manager. Intelligent task automation through a powerful workflow engine helps teams to prioritise tasks, automate manual efforts, monitor projects at each step, and complete every aspect of their work with accuracy and efficiency.

In addition, ONESOURCE Workflow Manager comes with pre populated statutory deadlines for Corporate income tax and Indirect tax in more than 80 jurisdictions across the globe. Real-time tracking through dashboard reports and risk management reporting features help ensure timely project completion and increased compliance transparency.

LEARNING FROM LEADERS

More multinationals are managing statutory reporting by harmonising the 4 key elements for success – People, Process, Data and Technology.

Discover how Coca-Cola transformed its statutory reporting process by listening to this in-depth and recent webinar, hosted by Thomson Reuters.



[Request a demo >](#)

JOIN OVER 150,000 TAX PROFESSIONALS
WORLDWIDE WHO ARE TRANSFORMING
THEIR TAX PROCESSES WITH THOMSON
REUTERS ONESOURCE.

For additional information

Call **AU: 1800 497 918** or **NZ: 0800 785 483**

Or email info.anz@thomsonreuters.com

