

Future of Finance: Building Financial Reporting Resilience in the Cloud

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Steve Soter

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Q&A

Asking Questions




Help



CPE Credit

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 0 min(s)

Criteria for Full Credit

- ☐ Minutes to Watch: 50
- ☐ Number of completed Poll(s) required: 3

Moderator



Shari Littan CPA, JD
Manager,
Corporate Reporting Research & Policy
IMA

Featured Presenter



Conor O'Kelly, FCA, MSc.
Senior Director of Statutory Accounting
Workiva

Conor O'Kelly's Biography

- Conor O'Kelly has over 20 years of experience as a senior finance executive for multinational corporations. He is a fellow of the Institute of Chartered Accountants in Ireland (FCA). He was also a Member of Council at the Institute of Chartered Accountants in Ireland from 2002–2005.

Featured Presenter



Steve Soter
Senior Director of Product Marketing
Workiva
Executive Advisor
SEC Professionals Group

Steve Soter's Biography

Steve Soter is Senior Director of Product Marketing and Accounting Industry Principal at Workiva.

Previously, Steve served as an accounting leader in multiple roles including Vice President and Controller for Backcountry.com, a private equity owned, online retailer of outdoor products, and as the Director of SEC Reporting for Overstock.com (NASDAQ: OSTK), a \$2 billion revenue, online retailer of home goods and blockchain technology company. His experience includes multiple acquisitions, debt offerings, an IPO, and the world's first digital debt and equity offering (by Overstock). Steve is also a former member of the US XBRL Data Quality Committee.

Learning Objectives

Upon completing this webinar, you will be able to:

1. Recognize how multinational finance teams have responded over the last six months by accelerating the adoption of cloud-based Platform-as-a-Service (PaaS) to build process resilience.
2. Explain the role cloud-based computing plays in the preparation and audit of statutory financial statements.
3. Describe how cloud-based PaaS delivers operational efficiencies while increasing trust and confidence in audited financial statements.

Key Takeaways



Recognize how multinational finance teams have responded over the last six months by accelerating the adoption of cloud-based Platform-as-a-Service (PaaS) to build process resilience.



Explain the role cloud-based computing plays in the preparation and audit of statutory financial statements.



Describe how cloud-based PaaS delivers operational efficiencies while increasing trust and confidence in audited financial statements.

Polling Question 1

Please consider how your department has confirmed that emerging risks of material misstatement are being effectively identified as circumstances change since the COVID-19 pandemic hit early in 2020.

- a. We resolved this by using technology that was adequate for our needs
- b. We resolved this, but we would like a better technology-based solution
- c. We resolved this, but technology solution cannot replace adequately how we did this pre-pandemic
- d. This remained partly or wholly unresolved: an adequate technology-based solution was unavailable
- e. This is a nonissue / not applicable

Polling Question 1 Results (Placeholder)

What We've Heard So Far...

2008

Pre-Financial Crisis
Shareholder Focused

- GAAP/IFRS accounting
- Legal Entity accounting
- Transfer pricing
- Parent & subsidiary
- Earning per share
- GAAP reconciliation
- Financial audit

2019

Post Financial Crisis
Public Interest Focused

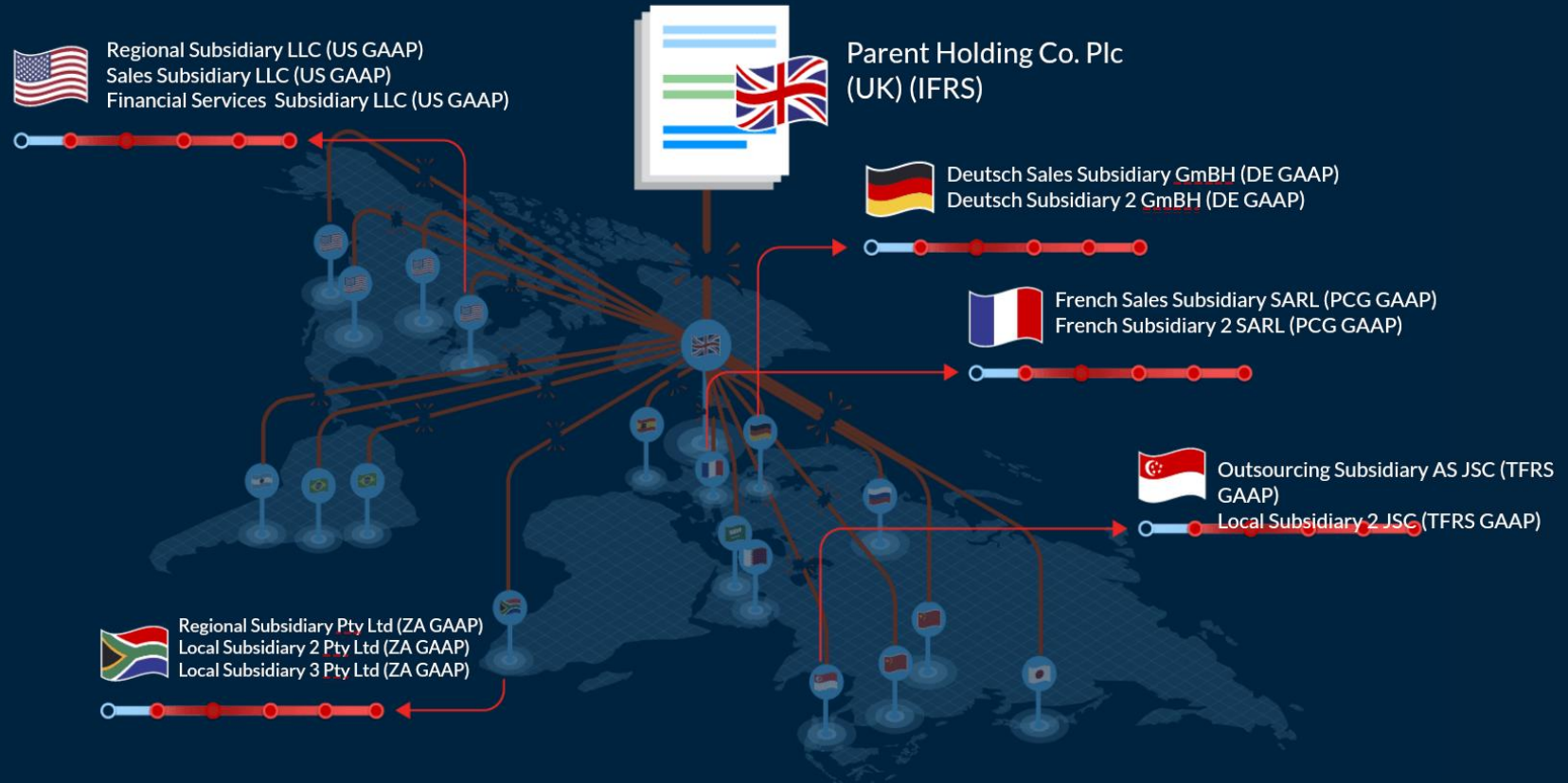
- Employee engagement
- Corporate governance
- Sustainability accounting
- Non-financial reporting
- Directors responsibility
- Trust in statutory audit
- Tax Transparency

2020

COVID-19
Redesign for resilience

- Acceleration to Cloud
- Employee Welfare
- Going Concern
- Liquidity assessments
- Management estimates
- Virtualizing the workspace
- Process resilience
- Agility in finance operations

Traditional statutory reporting architectures lack flexibility to respond.



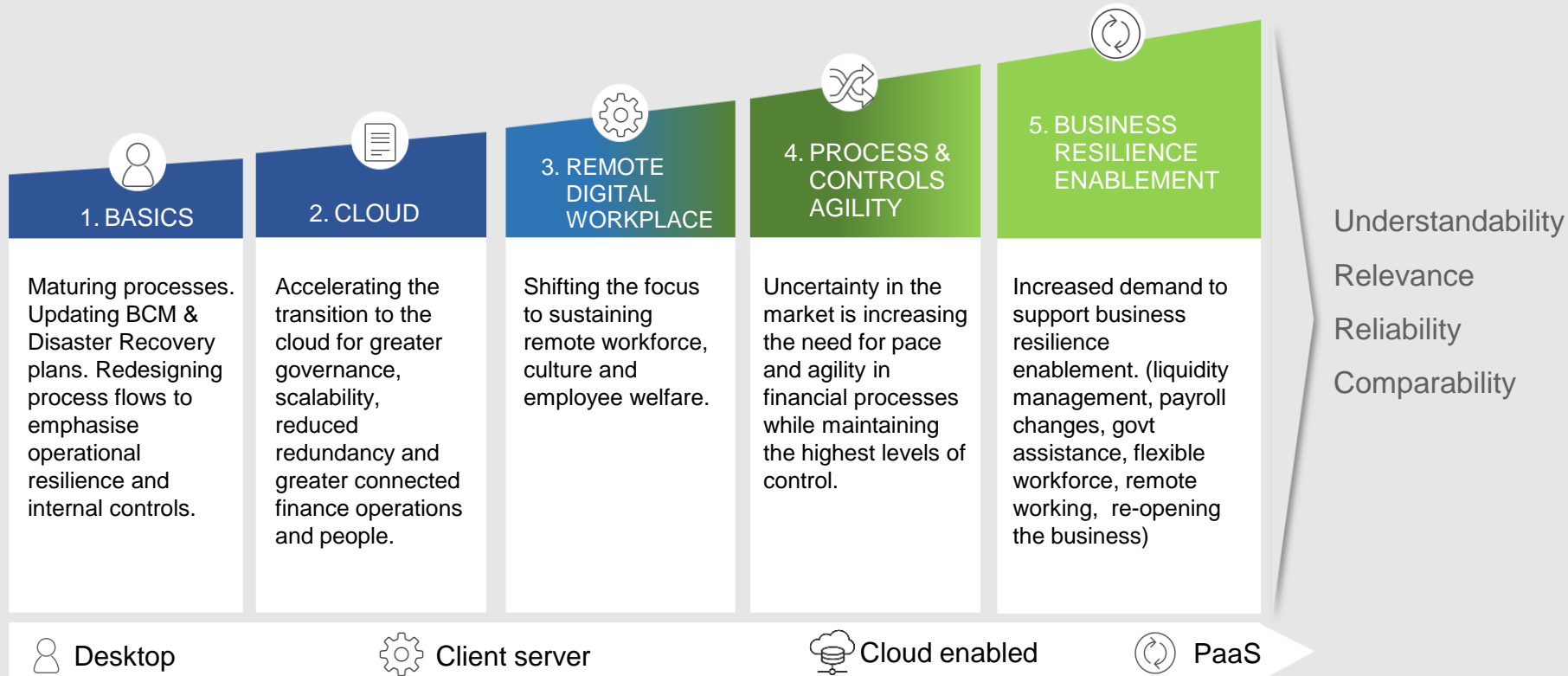
Polling Question 2

Please consider how your department has created processes around compliance with government assistance programs in various local jurisdictions.

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Polling Question 2 Results (Placeholder)

Finance teams are redesigning their strategies around longer term **resilience** and **control** to deal with COVID



Emerging topics for the 2020/2021 reporting season focus on **judgements** and **disclosure management**

IFRS and local GAAP

IFRS15 - consistency between revenue-related information in the strategic report and information in the group financial statements



IFRS15 - clear descriptions of performance obligations, timing of revenue rec. and explanations of significant judgements



IFRS16 tailor descriptions of leasing accounting policies to match particular circumstances and cover all material areas;



IFRS16- provide detailed information about the significant judgements affecting their accounting for leases



Companies Act UK 2006 - describe in the annual report how the interests and the matters set out in section 172 have been considered in board discussions and decision-making



US GAAP/SEC



FASB ASU Updates- Defers the effective date of ASC 606 and ASC 842 for certain entities



FASB Projects- Accounting for Goodwill, for identifiable intangible assets – address presentation, disclosure, and transition topics



FASB: Targeted improvements project for Topic 842



Management discussion and analysis (MD&A) including: Business section, risk factors, ratios, etc. Consideration of non-GAAP measures



SEC- inundated with more than 13,000 tips, complaints since mid-March—this represents a 64% increase over the same period last year.

[https://www.frc.org.uk/news/september-2020-\(1\)/frc-requires-improvements-in-the-reporting-of-reve](https://www.frc.org.uk/news/september-2020-(1)/frc-requires-improvements-in-the-reporting-of-reve)
<https://www.frc.org.uk/news/october-2020/tips-to-help-companies-make-s172-statements-more-u>
Stephanie Avakian, Director, Division of Enforcement, SEC (September 17, 2020)

Source Data



Connectors

including



APIs

Structured Systems
(HR, CRM, Data Warehouses,
Marketing, Procurement)



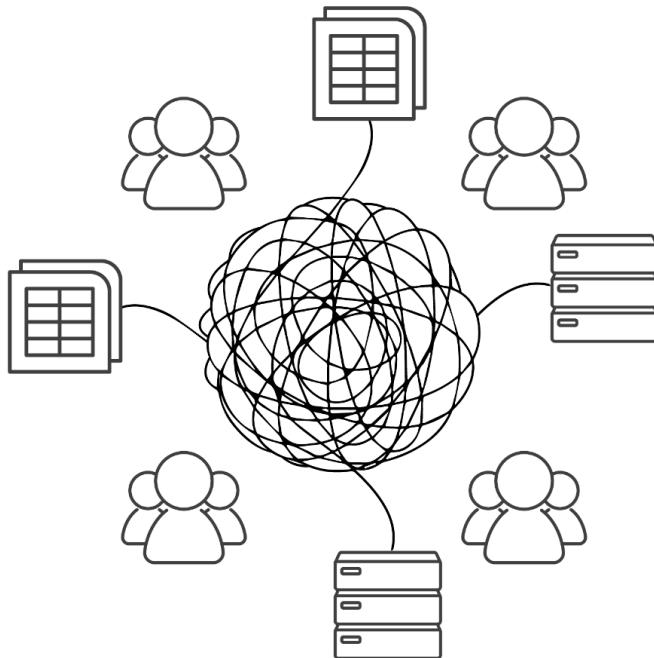
Tabular Data

CSV, TSV, JSON, Workiva Spreadsheets

Data Wrangling

People and Platforms

Financial Analyst, Business Analyst,
System Liaison

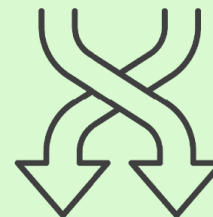


Microsoft Access®, Microsoft Excel®, SQL Database,
SharePoint®, Shared Drives, etc.

Reporting



CTRL + C / CTRL + V



Copy/Paste Reporting

Spreadsheets, reports, decks

Polling Question 3

Please consider how your department has built long term process and corporate governance resilience by connecting business owners, financial reporting, and internal controls in a controlled workspace.

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Polling Question 3 Results (Placeholder)

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SAP

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salesforce

FMP Global

.XLS

**CONNECTED FINANCIAL AND
NON-FINANCIAL DATA**

Chart of Account, secondary GL
ledgers, ETB, non GAAP
adjustments, COVID non-financial
curated in data tables, compiled in
explorable queries

**CONNECTED REPORTING AND
COMPLIANCE**

IFRS/GAAP disclosure checklists,
audit PBC, tax recons, spreadsheets,
reports, decks

**ORCHESTRATE DATA DOWNSTREAM**

Business Unit Reporting, BPM
Dashboards, Tableau®, Microsoft Power
BI®, Anaplan®, and many others

**BOARD
DECISIONS****MANAGEMENT
ESTIMATES****AUDIT
OPINIONS****REGULATOR
IMPACTS****EMPLOYEE
WELFARE**

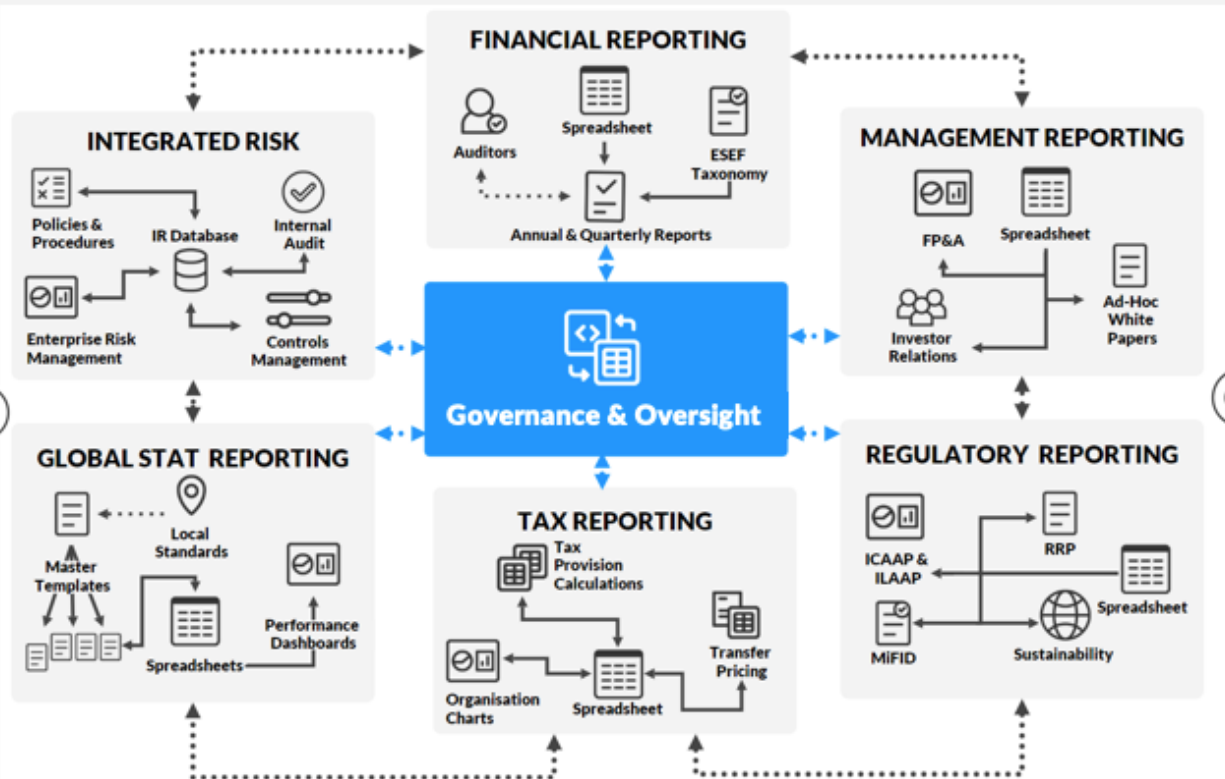
ORACLE

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BOARD
DECISIONSMANAGEMENT
ESTIMATESAUDIT
OPINIONSREGULATOR
IMPACTSEMPLOYEE
WELFARE

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- Trial Balance/GL/Finance MDM
- Enterprise Risk Register (ERM)
- Furlough staff /Working from Home
- Physical workspace/ Real Estate

- GAAP to STAT walk
- Supporting documentation
- Group & subsidiary entity disclosure
- 100% remote finance close & audit

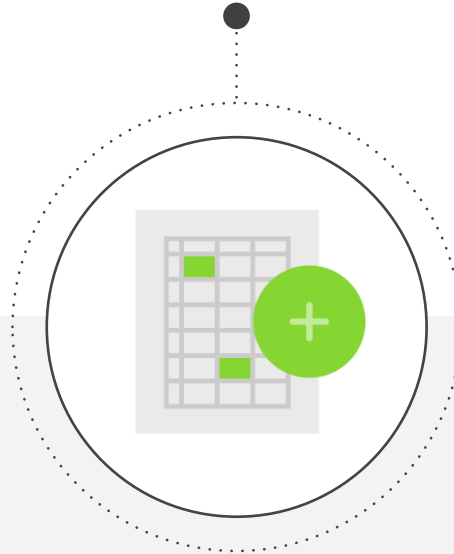
- Management estimates
- Expected credit losses
- Impairment estimates
- Post Balance Sheet Events

CFO priorities to drive operational resilience

Virtual workspace and workflow planning.



Secure remote access in the cloud.



Better employee support and customer visibility.



Polling Question 4

Are you considering purchasing new technology for your reporting and/or compliance needs?

- a. Yes, looking to purchase in the next 12 months
- b. Yes, but not looking to purchase for at least 12 months
- c. No, we are not looking to upgrade at this time.

Polling Question 4 Results (Placeholder)

Survey

TECHNOLOGY |

FINANCIAL REPORTING DURING THE PANDEMIC

BY SHARI LITTAN, J.D., CPA

October 1, 2020

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The COVID crisis prompts professionals to rethink technology for forward-looking assessments.

Although many see financial accounting as primarily focused on historical results, today's financial statements are based, in significant part, on expectations and estimates of future conditions. Forward-looking assessments affect how companies report a broad range of items, such as receivables, loans, investment securities, inventory, fixed assets, and intangibles. They affect whether a company can recognize revenue on long-term contracts. Assessments of future conditions also support how a reporting company determines whether certain items reported are temporary or result from long-term trends.

They're applying all the tools at their disposal, such as cloud-based data-gathering systems, external reporting platforms, spreadsheets, virtual communications, and professional judgment. The situation may be leading financial reporting practitioners to consider their needs around new, modernized solutions.

SurveyMonkey Powered Online : x +

← → ↺ <https://www.surveymonkey.com/r/WebinarPromo> 🔍 ☆ ⚙️ 🗑️ Not syncing ...

 The Association of Accountants and Financial Professionals in Business

• Which best describes your company?

- ☐ Publicly-held company – one reporting jurisdiction
- ☐ Publicly-held company – global/multiple jurisdictions
- ☐ Privately-held company
- ☐ Auditing or consulting firm
- ☐ Other (please specify)

If you are in an external audit or consultant role, please respond to this survey by thinking of your primary client(s).

• When you consider your company's accounting function pre-pandemic compared to peers, which best describes the overall pace of acquiring new systems?

- ☐ Considerably ahead: We prioritized new solutions for efficiency and as a means to stay ahead of our competitors
- ☐ Ahead: While we may have avoided being the first to adopt new solutions, we acquired and implemented solutions as needed.

Questions & Answers

Use the Q & A Panel to send your questions to our panelists.



Conor O'Kelly, FCA, MSc.
Senior Director of Statutory
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Workiva



Steve Soter
Senior Director of Product Marketing
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Shari Littan, CPA, JD
Manager,
Corporate Reporting
Research & Policy
IMA

Thank You to Our Featured Presenters!



Steve Soter
Senior Director of Product Marketing
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Conor O'Kelly, FCA, MSc.
Senior Director of Statutory Accounting
Workiva

Final Reminders

- ▶ **Complete the Evaluation poll** – 2 options
 - On your screen
 - Evaluation Survey icon at the bottom of your console
- ▶ **Access to your CPE Certificate** – 2 options
 - Click the “CPE” icon at the bottom of your console
or
 - Click the link in your post-event e-mail
- ▶ Please print a copy of the CPE certificate for your records.
- ▶ Your CPE credit will be automatically recorded in your transcript.



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