

Financial statement preparation Streamlining for best results

The challenges

The preparers of financial statements face:

- distraction from core capability (an annual event that causes disruption to operational activities)
- availability and cost of quality accounting staff to focus on the preparation of reports.

In addition, the non-core feature of financial statements preparation results in the following challenges:

- it can lead to inconsistencies in presentation and degree of compliance with accounting standards
- the continued revision of IFRS makes it increasingly difficult to have all those involved in financial report preparation sufficiently skilled, particularly when this task is performed only once per year
- it reduces the opportunity to gain synergies and efficiencies and therefore reduce costs.

The Deloitte solution

Deloitte can assist by:

- developing all financial report templates and agreeing them with management and the respective entities auditors before each year end
- updating the financial report templates each year for changes in accounting standards
- providing information request lists well before year end and training your staff on these requirements to maximise reporting efficiencies
- assisting your staff to produce 'auditor ready' reporting packages, including all reconciliations supporting financial report disclosures
- establishing a dedicated and secure website (known as an 'eRoom') for all parties to easily upload and download all required information
- performing a technical review by senior Deloitte personnel prior to finalisation
- making all prepared financial reports available in Adobe PDF formats.

The benefits

The Deloitte difference	Benefits
Economies of scale as a result of one firm having responsibility for accounts preparation	Our pricing reflects the experienced synergies that will be achieved through being a large-scale provider. This includes synergies resulting from the familiarity with the issues that typically arise when preparing these financial statements. The primary benefit will be lower net cost , both direct (lower price per outsourced report) and indirect (redeployment of ineffective time to more productive use).
Use of technology which we currently implement for our existing clients	More effective communication throughout the financial reporting processes as a result of our team members' experience in using eRoom's for a number of clients. An eRoom is a dedicated and secure website providing 24 hour access to information. This access can be granted or restricted to certain times, depending on the role of the user. Information that would be included in the eRoom and updated in real time includes engagement letters, agreed reporting timetables and deliverables listings, supporting documentation for the audit, status reports, technical updates and financial reports. It significantly reduces email traffic between those parties involved in the reporting process and ensures there is one master version of each item. In addition, access is not dependent on network access.

The Deloitte difference Benefits

<p>Our team comprises industry specialists</p>	<p>Provides smoother reporting processes across the business each year end.</p> <p>The ability to drive efficiencies in the reporting process will be dependent on the ability to understand the industry within which entities operate and the complexity of the entities themselves. It also requires proactive management of accounting developments as they emerge.</p> <p>We have access to deep industry expertise which means minimal time is wasted on understanding the industry. Furthermore, management will receive thought leadership on issues as they emerge.</p>
<p>Our solution creates no independence issues irrespective of our role as external auditor of these entities (This does not apply to SEC restricted entities)</p>	<p>Even if we serve as the auditor of your entities, we are also able to serve as financial statements preparer where the following are present:</p> <ul style="list-style-type: none"> • the entities are unlisted • the Deloitte approach will include employing the safeguards required under the professional guidelines set out in APES 110 'Code of Ethics for Professional Accountant'. In particular, any team members involved in financial report preparation will not be involved in the audit of that entity.

Contact us:



Geoff Lamont
Partner
 Tel: +61 (0) 2 9322 7296
 email: glamont@deloitte.com.au



Pat McLay
Partner
 Tel: +61 (0) 3 9671 6863
 email: pmclay@deloitte.com.au



www.deloitte.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

© Deloitte Touche Tohmatsu, July 2009. All rights reserved.

This publication is provided as general information only and does not consider your specific objectives, situation or needs. You should not rely on the information in this publication or disclose it or refer to it in any document. We accept no duty of care or liability to you or anyone else regarding this publication and we are not responsible to you or anyone else for any loss suffered in connection with the use of this publication or any of its content.

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in 140 countries, Deloitte brings world class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's 150,000 professionals are committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

AM_Mel_07/09_039065