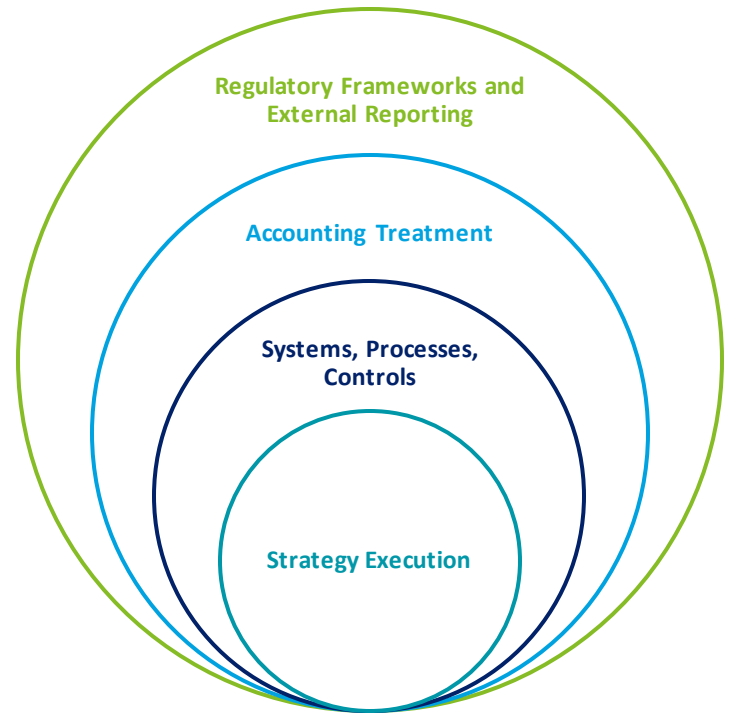


Treasury Reporting & Controls

The Importance of Treasury Financial Reporting and Controls

In today's ever-changing business environment, the Treasury function plays a pivotal role in managing financial risk and driving business strategy. From complex market conditions to increasingly stringent regulatory and reporting requirements, Treasurers are managing a greater number of risks and uncertainties than ever before.

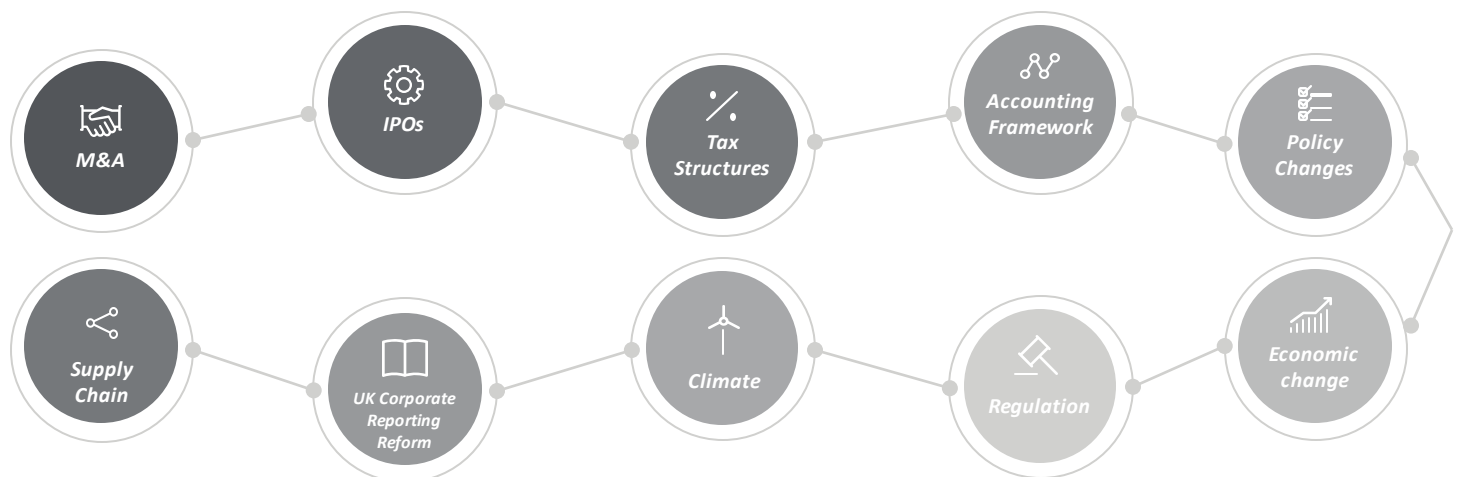
The starting point for responding to change is typically to assess how the risk management strategy should and can evolve. However, how frequently do you also consider the wider implications for accounting and tax, systems, processes, controls and reporting?



The difference between success and failure:

In our rapidly transforming world, the Treasury function must not only evolve and adapt to emerging risks but efficiently make informed decisions regarding business-critical operations. This agility will mark the difference between success and failure. The consequences of not doing so are far greater than ever before.

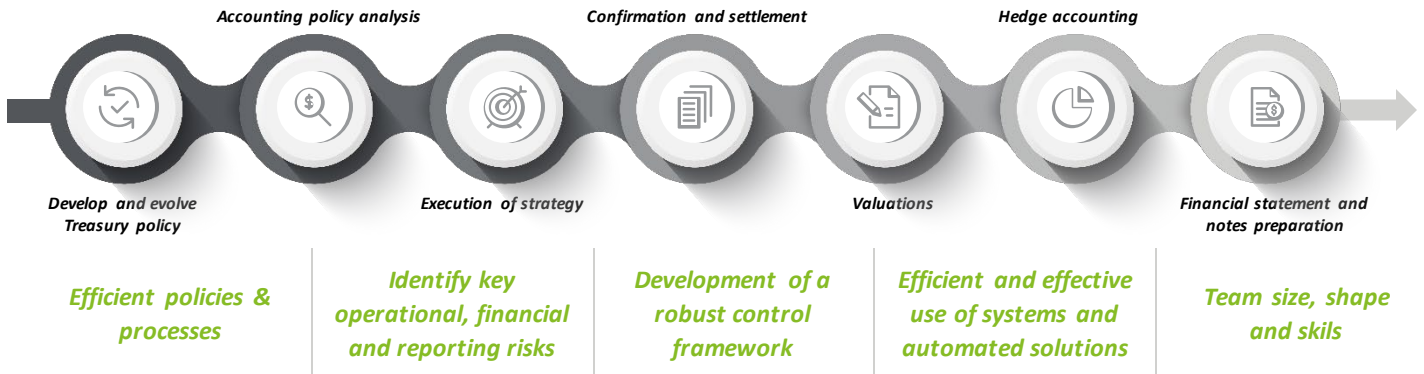
Triggers for change:



Understanding the risks that arise across your treasury processes from end to end and the establishment of a robust controls framework, supported by a treasury management system, provides for transparency, accountability, operational efficiencies, and a risk-based culture. Your Treasury Reporting and Controls function should be a key enabler of reliable business information during times of uncertainty, allowing for efficient execution of the risk management strategy. But don't just think risk management. Think about the full Treasury eco system - accounting and tax, systems, processes, controls and reporting .

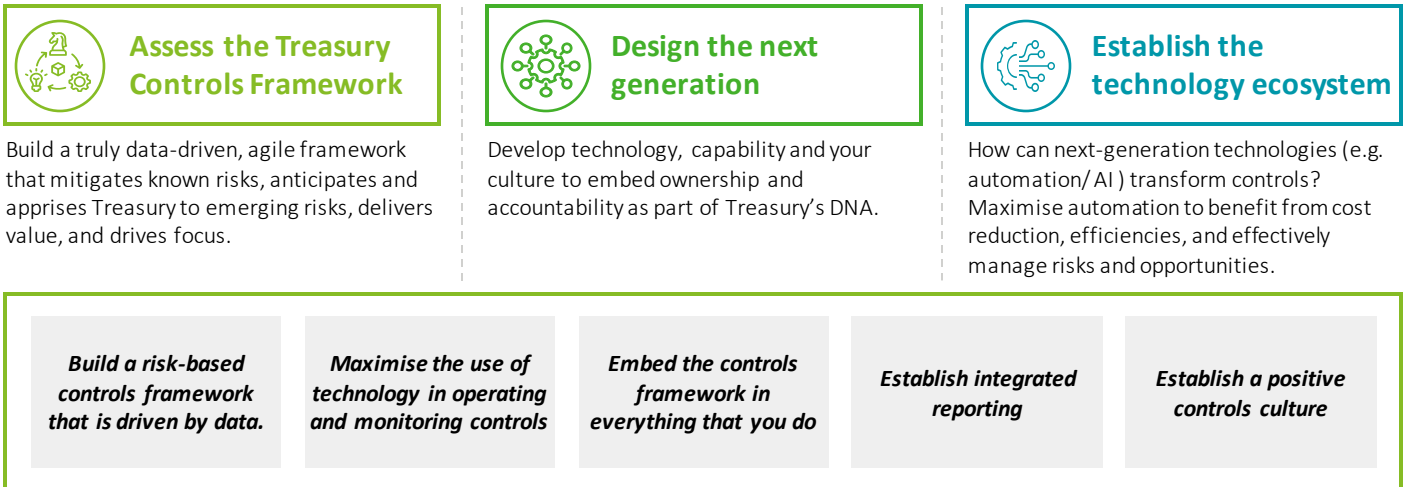
Evolving the Treasury Financial Reporting Lifecycle

A robust and resilient treasury function is integrated across the wider business and considers the far-reaching implications of any business activity across the Treasury lifecycle. We consider a typical Treasury life cycle to be as follows:



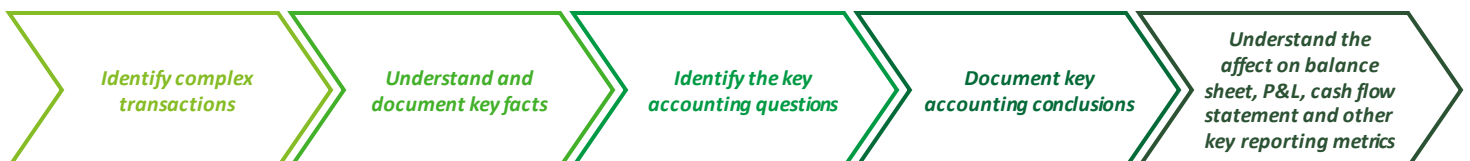
A robust risk-assessed controls environment

As the Treasury function evolves to support the needs of the business, it is important that the reporting and internal controls environment is not forgotten. This requires more than just standardising, benchmarking, or rationalising the controls framework. Designing a bold and positive vision for an agile controls operating model within Treasury has three key components with five key objectives:



What about the accounting?

It is increasingly important to the Treasurer that the accounting treatment and the impact on financial statements is understood prior to the execution of any transaction. Ensuring that your Treasury Reporting and Control Framework can identify and quickly respond with the required accounting analysis will enable agility in the execution of the risk management strategy.



What we do and how we can help

We work with the CFO and Treasurer to navigate a wide range of accounting, control, reporting and corporate governance challenges across the Treasury lifecycle. We have a team of Treasury accounting and control specialists who have vast experience supporting both financial institutions and corporate clients across a range of industries and variety of topics. Our extensive portfolio of clients means we have experience in a broad range of treasury issues against the backdrop of an ever-changing macroeconomic environment.

Our Services

Accounting and valuation support

We provide expert accounting support to a wide range of corporates on the accounting for financial instruments, for example, the application of hedge accounting, commodity transactions, carbon programmes, debt and equity issuances or refinancings, derivative restructures, group reorganisations, and supply chain financing. We also support companies in adopting new financial reporting frameworks (such as switching from FRS 102 to IFRS) or implementing new accounting standards, from impact assessment to implementation. We have also helped multiple clients in identifying and remediating prior year errors, including journal entries.

Complex accounting can result in complex valuations. We typically provide valuations in accordance with the relevant accounting standards, or we support the company in the development of internal valuation models.

Processes & Controls

We provide expert support on processes and controls, working across multiple industries and covering debt, cash, liquidity, FX, interest rate, commodities. Our involvement is triggered in several scenarios including findings arising from the external reporting cycle, system implementations, M&As, internal audit reviews, regulatory findings, preparation for regulatory change and finance transformation. Our work includes:

- Detailed independent review and benchmarking of treasury governance, management information, processes and controls to identify gaps and deficiencies, with recommendations for improvement provided.
- Detailed documentation of the control framework including process flows, risk and controls matrices and control documentation.
- Design of key financial reporting processes and controls.
- Internal audit of the Treasury Function.

Hedge accounting

We have provided expert support to several multinational companies in the implementation of hedge accounting, including:

- Review, design and documentation of the key hedge accounting processes and controls. This includes hedge effectiveness assessment, measurement, basis adjustment processes etc.
- Hedge accounting eligibility assessments (for all types of economic hedges).
- Preparation of hedge documentation.
- Provision of valuation and hedge effectiveness measurement.
- Support in relation to preparation of the cash flow hedge reserve, including basis adjustments.

External audit

We support our Audit practice in the audit of the Treasury function. This involves the audit of controls, treasury management systems, valuation of a range of financial instruments and hedge accounting application and processes. Additionally, we assess the accounting for complex financial instruments including debt modifications, complex debt transactions, impairment, investments etc.

Let's talk ...



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