



More than meets the eye: Transforming the global statutory reporting process while incorporating multi-entity considerations around tax and transfer pricing

Workiva Amplify conference 2021

Introductions



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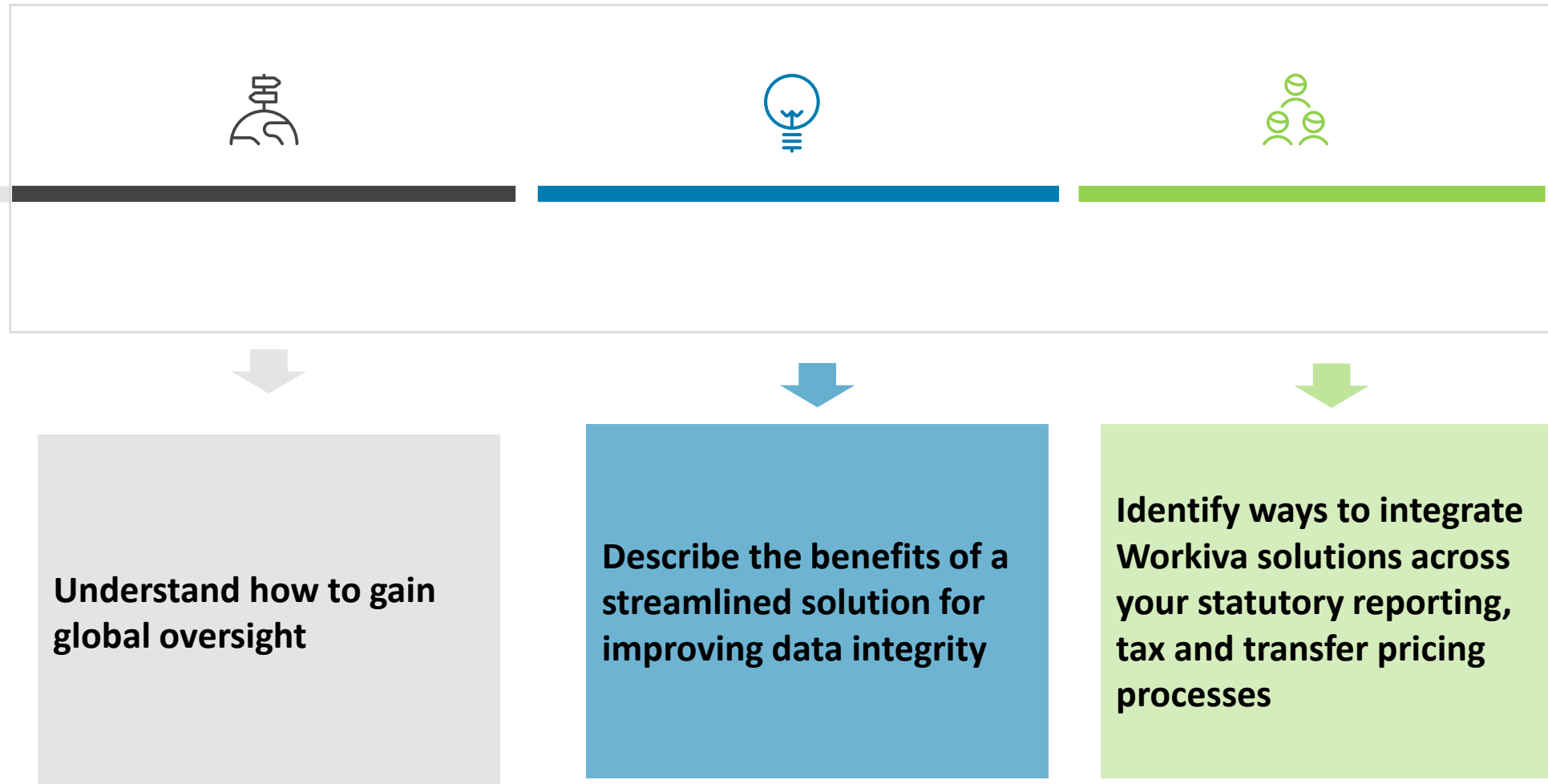


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Session objectives



Compliance reporting priorities change

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
- ✓ Nonfinancial reporting
- ✓ Director's responsibility
- ✓ Trust in statutory audit
- ✓ Tax transparency

2020

COVID-19 accounting for distress

- ✓ Employee welfare
- ✓ Remote environments
- ✓ Going concern
- ✓ Liquidity assessments
- ✓ Management estimates
- ✓ Revenue recognition
- ✓ Cashflow impairments
- ✓ Expected credit losses
- ✓ Government response

2021

COVID-19 economic recovery

- ✓ Employee welfare / engagement
- ✓ Reporting in a remote environment
- ✓ Corporate governance
- ✓ Sustainability accounting
- ✓ Board reporting / managerial reporting
- ✓ Trust in statutory audit
- ✓ Tax transparency

Transformation opportunities: Global Statutory Reporting (GSR)



Reduce costs
of GSR



Increased efficiencies
by streamlining
and centralizing
processes,
enabled by
technology



Maximize investments
in technology
and
centralization



Efficient integration
of statutory
reporting with
management
and tax
reporting

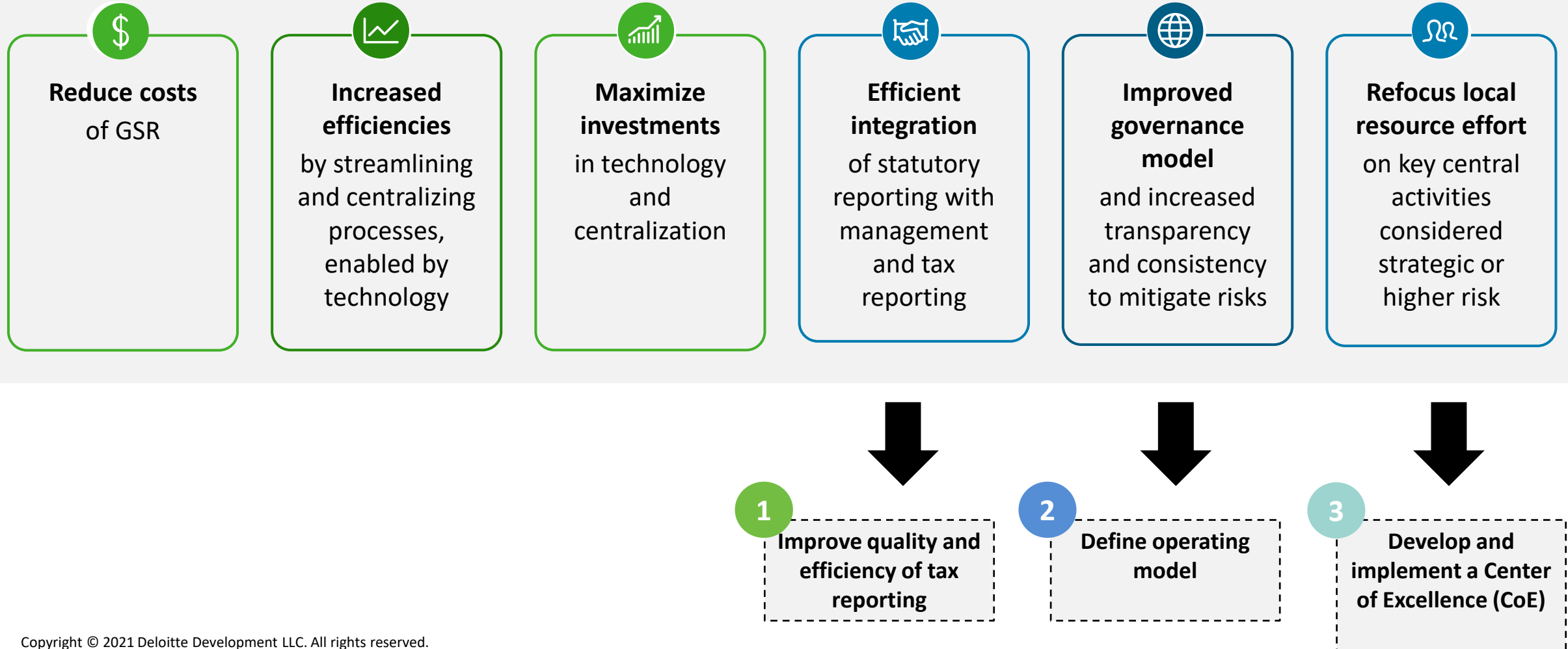


Improved governance model
and increased
transparency
and consistency
to mitigate risks

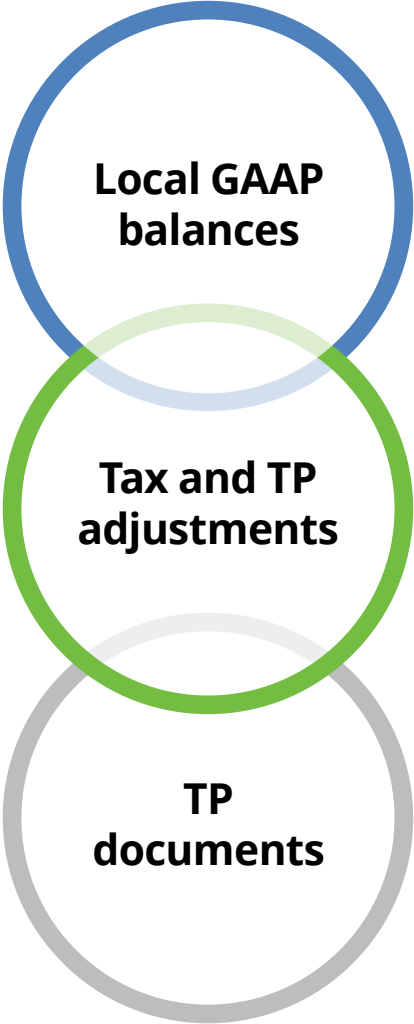


Refocus local resource effort
on key central
activities
considered
strategic or
higher risk

Transformation opportunities: Global Statutory Reporting (GSR)



1 Improve the quality and efficiency of tax reporting (continued)

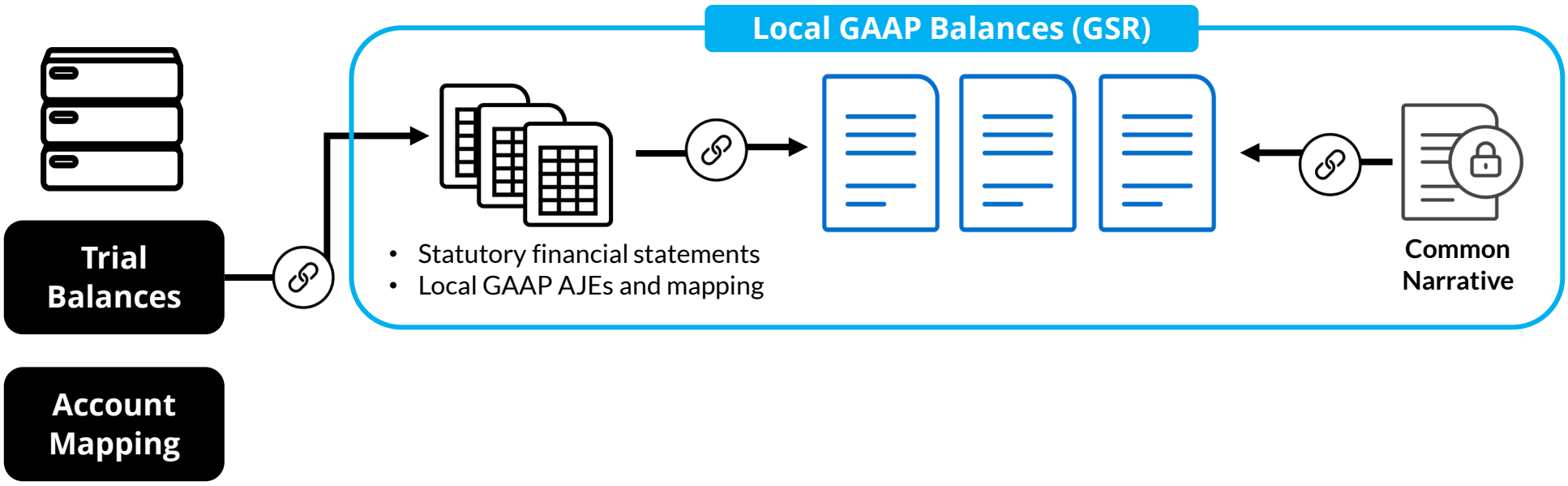


Access to accurate, supported local GAAP balances as the foundation for multi-entity tax reporting

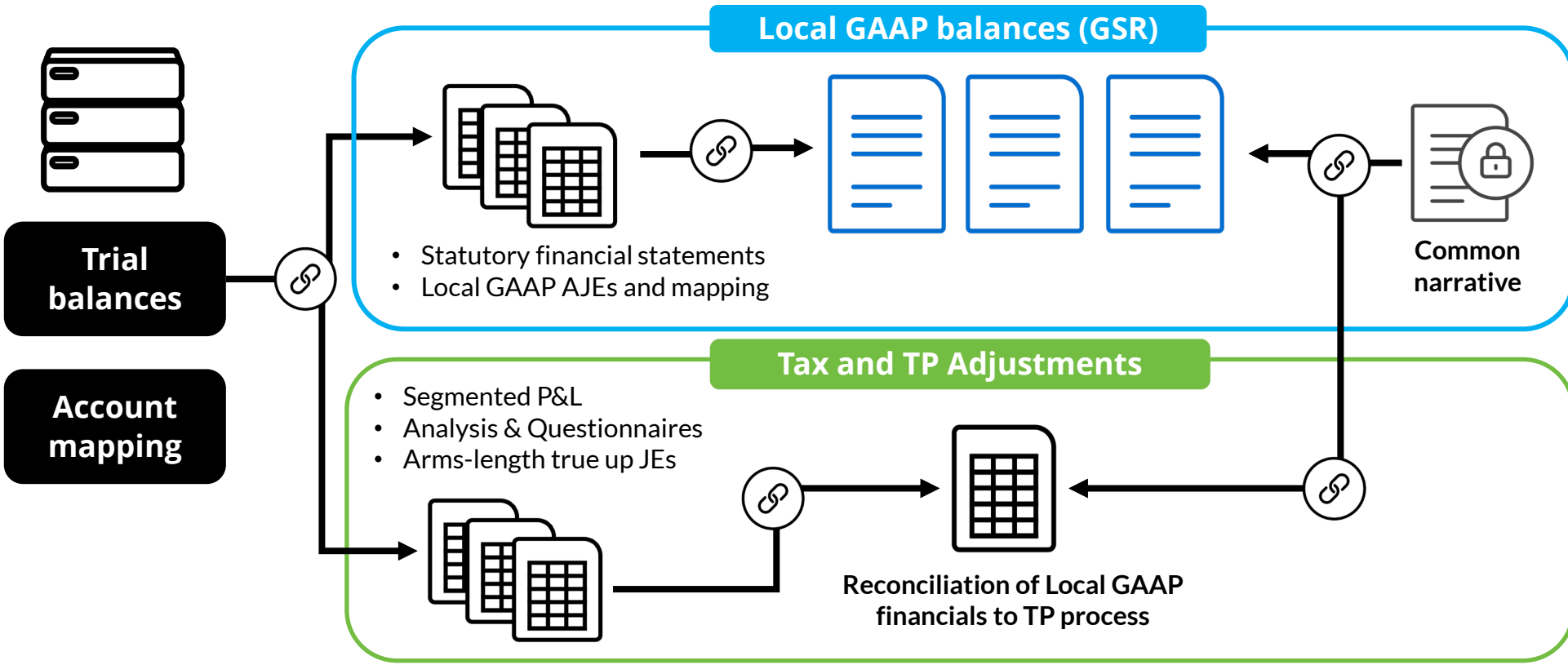
Increase accuracy of Transfer Pricing (TP) adjustments throughout the year

Optimize the preparation, maintenance, and auditability of TP local files

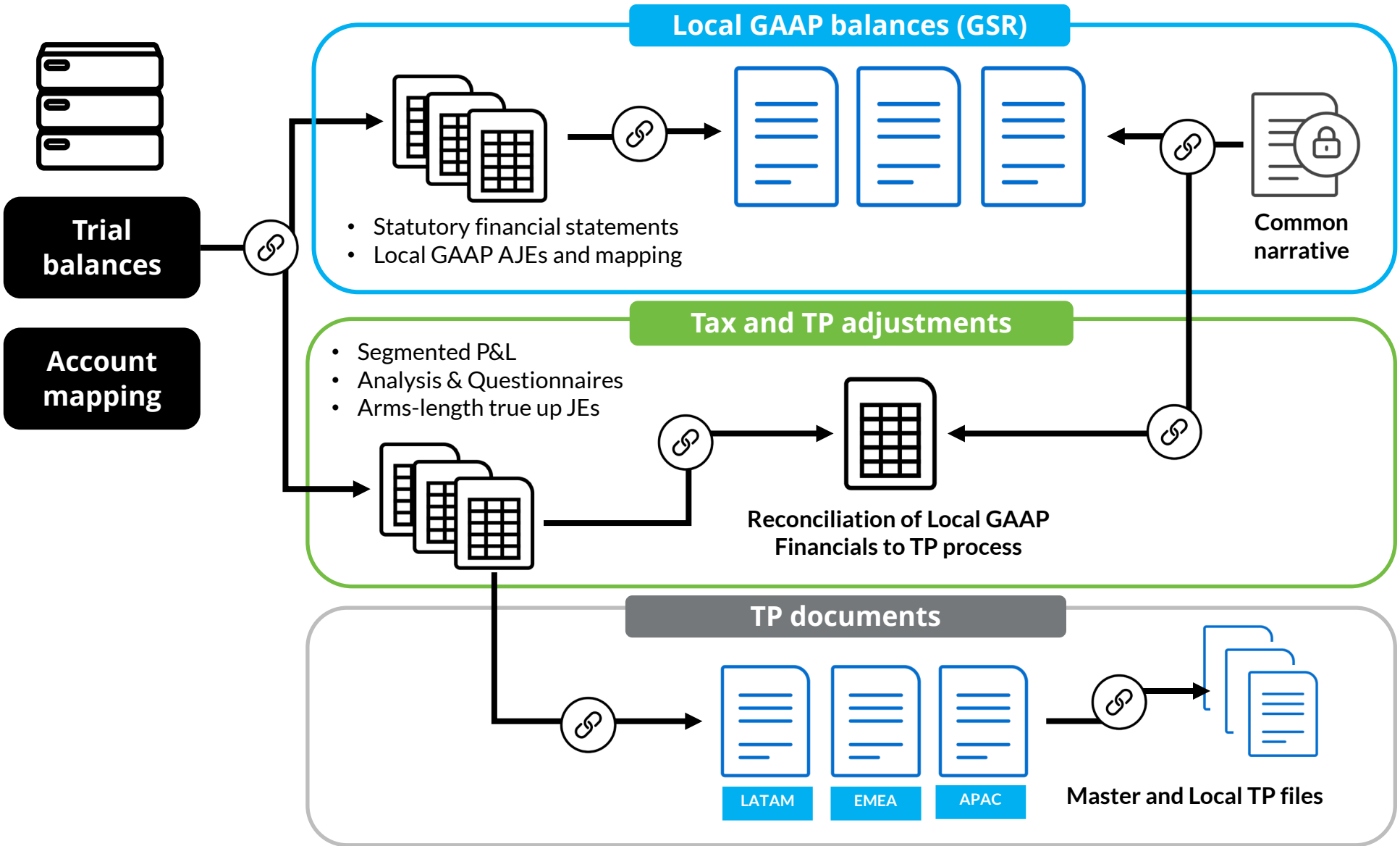
Linking it together – Multi-entity reporting and Transfer pricing



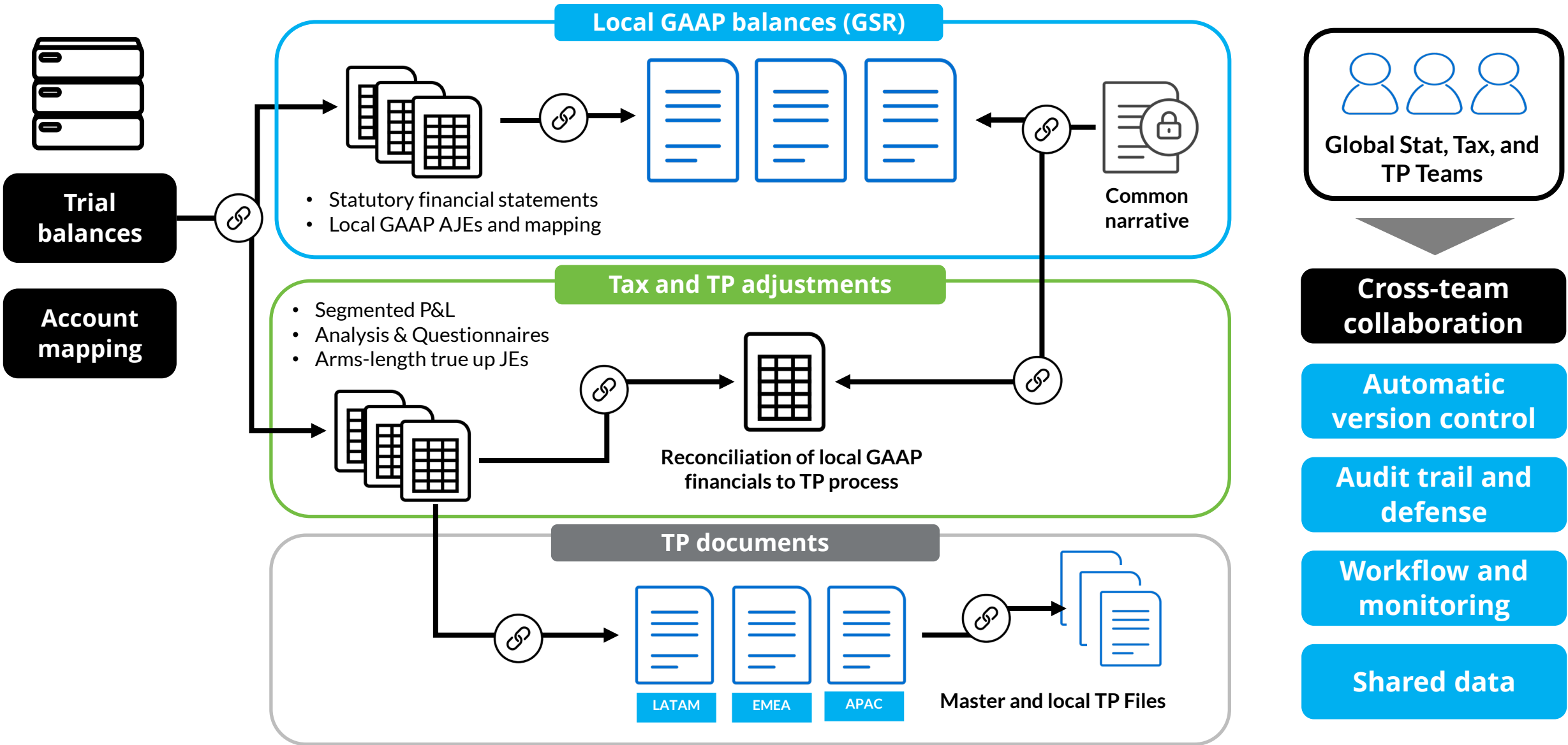
Linking it together – Multi-entity reporting and Transfer pricing



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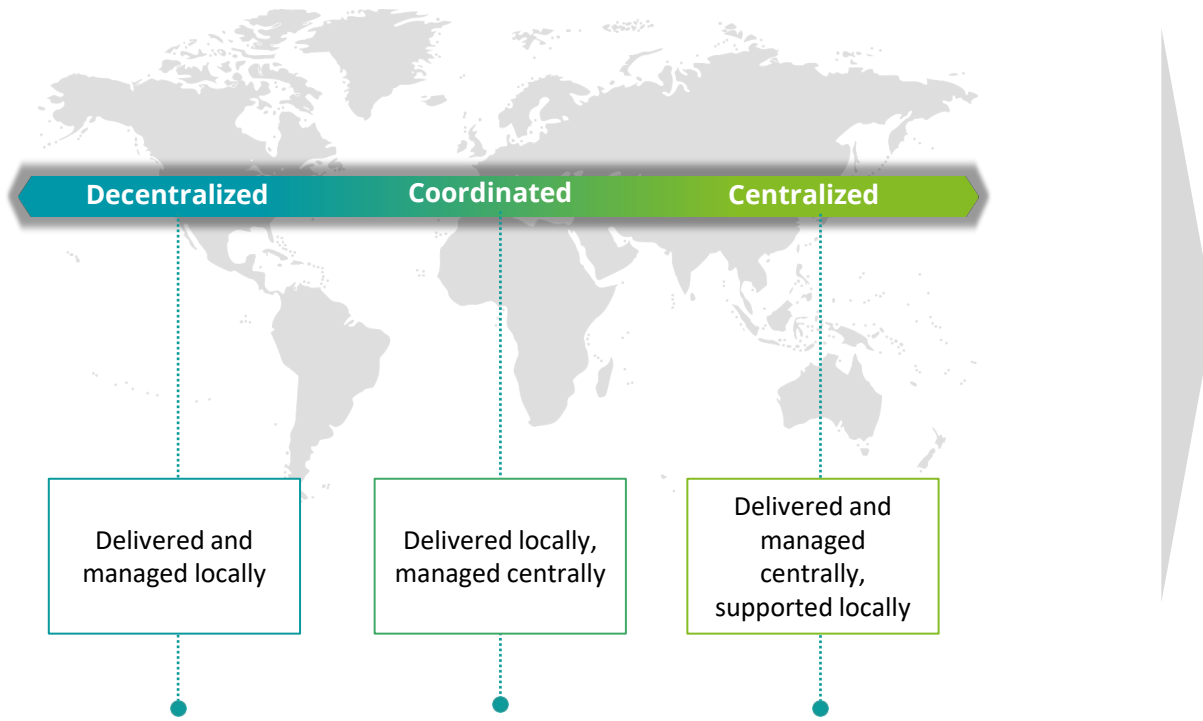
Linking it together – Multi-entity reporting and Transfer pricing



2 Define operating models: Potential paths forward

Align your organization’s finance and technology strategies with your statutory reporting approach.

Where are you on the operating model continuum...



.... and where do you want to be in the future?

Pathways to consider

Keep in-house

- **Operating model redesign:**
 - Centralize preparation of reports in shared service centers
 - Standardize activities

and/or

- **Technology enablement**
 - Leverage reporting platforms such as the **Workiva platform** to find efficiencies and increase transparency

Outsource

- Leverage local skilled resources

Define operating Models: Key considerations

- Is the statutory reporting model aligned with the overall IT and Finance strategies?
- What is the case for change?
- What are the key pain points that the organization is trying to resolve?
- What is the current level of effort to prepare financial statements?
- Are all local requirements mandatory?
- If the statutory reporting process change, what other departments would be impacted (e.g. Tax)? How should they be involved in the design of the updated process?

3 Develop and implement a statutory reporting CoE



Experienced team

Strong knowledge on USGAAP/IFRS and country-level reporting



Consistency in reporting

Standardized accounting manuals and standard procedures, group reporting, Board pack, etc.



Cost reduction

Lesser compliance cost, opportunity for automation, etc.



Streamlining various processes

Accounting, audit and closing processes streamlined, robust internal control



Collaboration

Alignment between IT, finance, and business



High quality

Robust financial statement review and lesser surprises at the finalization stage



Potential for value add to various countries

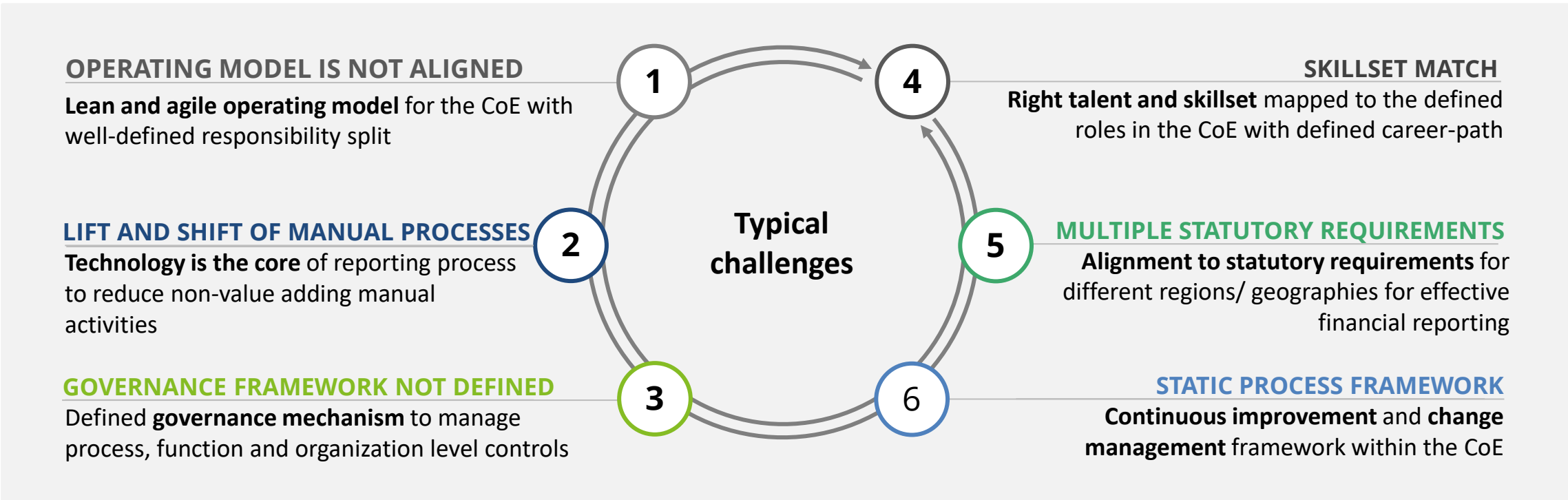
Enabler for consolidation and group reporting



Efficiency

Faster reconciliation through automation, lesser lead time to address reporting issues, etc.

3 Key considerations for CoE setup



Next steps for your statutory reporting transformation journey



Enable transparency,
consistency, and agility



Enable localized
solutions on top of
global standardization



Enable better
management of
regulatory, legal, and
reputation risks



Enable efficient integration
of statutory reporting with
management and tax
reporting

Q&A



Overview of the Deloitte and Workiva alliance

Alliance snapshot

**September
2019**



Formal alliance established

6+ years

Deloitte and Workiva marketplace relationship



Winner of **Workiva global partner of the year** in 2020



Deloitte.

Global Partner of the Year

Offerings


(process improvement, implementation, governance/control, training, optimization)

Statutory Reporting	Regulatory Reporting/ Enterprise Risk / ESG	Financial / SEC Reporting	Managerial Reporting	Industry - specific reporting	Workiva WData integration to ERP / point solutions*
<ul style="list-style-type: none"> Global statutory Insurance statutory (Colored books) , connection to WINGS 	<ul style="list-style-type: none"> Environmental (ESG) SOX Audit Management Internal audit IT Compliance Other regulatory reporting 	<ul style="list-style-type: none"> SEC Statement of cash flow Income statement balance sheet Tax/Transfer pricing 	<ul style="list-style-type: none"> Board reporting CFO deck Flash/KPI reporting Business unit reporting 	<ul style="list-style-type: none"> Life sciences/ pharmaceuticals for FDA submissions Financial Services/ Insurance (BCBS, C-CAR, LDTI, etc.) Other industry specific reporting 	<ul style="list-style-type: none"> SAP Group Reporting (ECC, CFIN, or S/4) Oracle Workday Anaplan BlackLine Alteryx

Join our other Deloitte sessions at this year's Workiva Amplify conference

Global Statutory Reporting / Tax

*More than meets the eye:
Transforming the global
statutory reporting
process while
incorporating multi-entity
considerations around tax
and transfer pricing*

 Current session

WData to ERP

*Building Workiva into a
cross-functional
reporting platform
through ERP integration
to WData*

ESG

*ESG trends shaping
tomorrow's reporting and
controls needs*

Financial Services

*Innovating with Workiva
in banking and capital
markets*

Workiva optimization

*Transforming together:
Optimizing with Deloitte and Workiva*

BlackLine/Deloitte

*How accounting and finance can drive
transformation in a time of disruption*



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