Today’s CFOs are under pressure to report accurately, quickly and more often to management and stakeholders. At the same time, they are expected to act as a business partner and provide pro-active support for senior management’s decision-making. Their role and the demands placed on them continues to evolve and shift.

Consolidation and consolidated financial reporting can improve a finance department’s efficiency and effectiveness, helping CFOs address the challenge of meeting increasing requirements with often-limited resources.

Internationally listed companies and family businesses with multiple entities face many challenges in their financial accounting and reporting. The current economic climate has also caused many companies to change in size or to enter new markets in order to remain competitive. In all these cases, consolidation and reporting form an integral part of effective management, and are key to providing accurate information to investors and regulators in an evolving environment. EY advises clients and provides assistance on every aspect of the consolidation and reporting process, helping businesses achieve faster, higher-quality reporting, control risks and develop their financial acumen.
Organizations that succeed in today’s constantly changing global marketplace adapt quickly to new conditions and continuously improve their business processes. Efficient consolidation and reporting ranks high on the agendas of these top performers. This is because:

- Management, shareholders and other stakeholders demand fast and reliable information
- Global organizations need information broken down to regional or branch activity levels for management purposes, or to comply with local regulators
- In a competitive world, activity and financial figures should be reported monthly to the management to be consolidated, and compared with budgets and forecasts
- Reporting under IFRS often results in additional journal entries to be booked locally and additional disclosure information to be provided by subsidiaries. There is also a need for enhanced skills at local levels.

Integration of new entities, follow-up of purchase price accounting or disposals of entities can put the process at risk if not managed in a timely way.

**Ten reasons to improve your consolidation and reporting process**

1. Improve the quality of the reporting packages sent by local entities
2. Save time on your intercompany reconciliation process
3. Reduce manual consolidation entries
4. Shorten the control activities of the consolidation process performed by the central team
5. Obtain final reports directly from system outputs
6. Integrate new entities without putting the whole process at risk
7. Reduce dependence on specific individuals while creating a way to share knowledge and document the consolidation process
8. Update IT reporting tools to account for new analyses or GAAP requirements
9. Coordinate or merge your business and financial consolidation processes
10. Optimize resources and reduce costs
Your financial processes are interlinked with all operations, so they play a critical role in your business’ success. An efficient and effective consolidation and reporting process depends on the following six criteria:

1. Your IT reporting system collects data at local levels, performs automatic entries at group level and produces analyses and reports
2. Your in-house team’s consolidation skills
3. Your accounting closing rule
4. Intercompanies’ flows reconciliation procedures inside the group
5. Your capacity to anticipate and manage change, including disposals, integration of new entities, IFRS or other GAAP evolutions, and pro forma financial information requirements
6. Your commitment to continuous improvement, including training local teams to improve quality, documentation, the audit trail and automation of tools

EY’s thorough understanding of consolidation and reporting, combined with insights on good practice and current regulatory and industry issues, will help you streamline your financial processes and achieve significant improvements. We can support you in the following areas:

**Implementation:**
- Create complete reporting processes for businesses and financial consolidation for shareholders
- Design an effective process for outsourcing consolidation for compliance reasons
- Assist in implementing a robust IT reporting system (from choosing a system to designing, implementing and launching it)

**Operations and support:**
- Cover a lack of internal skills and resources
- Train teams in accounting and reporting
- Outsource the financial consolidation process
- Offer support for GAAP and consolidation accounting

**Process improvement:**
- Eliminate delays and increase efficiency
- Standardize internal controls
- Reduce dependency on individual employees, which shortens the time needed for producing financial reports and results in a more robust and well-documented process

**Pre-deal and post-deal support:**
- Integrate newly acquired entities more easily and safely to the reporting and consolidation process
- Provide an integration toolkit (accounting rules, IT and training)
- Support for purchase price allocation follow-up
- Prepare the subconsolidation and pro forma financial information for the scope of the sale of entities
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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About EY’s Financial Accounting Advisory Services
The changing accounting and reporting landscape provides challenges for multinational companies as they seek to respond to global market conditions and report their financial results while facing increased scrutiny from a range of stakeholders.

EY’s accounting, regulatory, compliance and information technology professionals combine technical experience with business and industry insights to help clients navigate complexity. Whether your focus is on managing highly technical accounting requirements or addressing governance and regulatory issues, having the right advisors on your side can make all the difference.

Our team uses proven and integrated methodologies to help you resolve your challenging business problems, deliver accurate financial reports in complex market conditions and make sustainable improvements for the longer term. We understand that you need services that are adapted to your specific industry issues, so we bring our broad sector experience and deep subject matter knowledge to your projects in a proactive and objective way.

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