

Leading Change in Financial Reporting Throughout the Accounting Function

Description

Challenge

Following instructions from its Japanese parent company, this global food manufacturer was required to change its financial reporting procedures.

While the members of the UK accounting team were well versed in UK GAAP, they were not as knowledgeable about current EU endorsed IFRS practices.

In order to make the transition as smooth and efficient as possible, the client identified that the team would need training to improve their IFRS knowledge. This would empower them to make informed accounting policy decisions and fulfill their financial reporting obligations, as well as enable them to provide feedback to the Japanese parent company on their progress and the impact of implementation to the business.

It was also identified that those not directly involved with financial reporting on a day-to-day basis would need to understand the implications of the change so they could provide support where required.

Action

To create a truly tailored solution that would best serve the client, we needed to understand:

- Accounting areas relevant to the team
- Policies decided by the parent company
- Any potential areas of concern

Following in-depth discussions with appropriate members of the finance team, we developed a one-day workshop, which took a highly interactive approach. This consisted of:

- Examining live financial statements by other specifically selected companies
- Case study examples illustrating specific points
- Group discussions to identify:
 - IFRS compliant accounting policies that were most suited to the client's situation
 - The wider information and system implications of the accounting changes
 - The session also considered an introduction to IFRS and other available alternatives.

Results

Those involved with financial reporting had a very practical experience and took away a list of topic areas where accounting policy changes were required and/or where decisions needed to be made, together with an understanding of the implications of the alternatives.

This allowed them to implement the accounting changes and to enter into informed discussions with the parent company in respect of accounting policy decisions. They also took away a set of areas where further information needed to be gathered.

With the wider accounting staff, the course achieved a “buy-in” to the change process, as well as an understanding that they too have an important role in its success, particularly in terms of systems and information flows.

An immediate result was that the finance director was aware of the alternatives to full IFRS adoption and was able to relay the benefits of this to the parent company in Japan.

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