Identifying Controls and Risks with Data Automation

From a webinar by Todd Cooper
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About XCM
XCM provides a SaaS-based workflow and resource management platform that improves process efficiency, increases capacity, and drives productivity in accounting / professional services firms and corporate tax/accounting departments. XCM’s solutions centralize tax, accounting, finance and audit processes within a single platform for streamlined workflow automation.

XCM has over 550+ customers, with approximately 40 percent of the Top 200 firms using XCM products and services. The productivity platform handles over 3 million processes annually.

Agenda
1. How to create visibility and manage the end-to-end core processes supporting tax activities including resources

2. How to manage business risk and increase controls through business process workflow automation tools

3. How to manage your data to increase profitability, reduce risk and improve your controls through real-time reporting and insights
The Risk Landscape

Today’s tax departments are confronted with eight simple truths: They must work under high-pressure deadlines, and their projects are often complicated by handoffs. They must adapt to interdependencies, as well as work compression. They have to sort through competing priorities, and often work through a lack of visibility. Manual processes persist for many tax departments, and they must learn to function with varied point solutions.

More than 50 percent of tax material weaknesses reported in the United States are driven by a lack of review, lack of personnel or poor process execution. The leading sources of operational tax risk for the largest companies are: insufficient resources to cover tax function activities, cited by 75 percent of the companies, followed by insufficient internal communication, cited by 64 percent, and then a lack of process or technology for 57 percent.

As an audit client, you should consider: What is your responsibility to prove that risk is being managed? And how is inherent risk, control risk and detection risk managed?

That leads us to our first takeaway: Automation reduces exposure to a variety of risks.

Common Roadblocks

It is estimated that nearly 80 percent of enterprise data is unstructured currently, which means that the large majority of data is not in a readily available database format.

What are the roadblocks to productivity? To name a few, there’s the “busy-ness” roadblock, described by marketing and leadership books author Seth Godin as: “We’re so busy doing our jobs, we can’t get any work done.” There’s the decision-making roadblock and the cost roadblock. And there’s the skills roadblock, when you consider that in five years, more than a third of the skills that are considered important today will no longer be relevant, according to the World Economic Forum.

A second takeaway to consider: When evaluating whether to spend on new technologies, you should consider not only the return on investment but the potential cost of not investing. This is the risk of not investing, or RONI.

The Automation Opportunity

What’s the key to future success? According to a survey by the Institute of Management Accountants, it’s data analytics. Enhancing analytics capabilities is seen by two-thirds of the survey respondents as a key to future success. It’s a key to gaining a competitive advantage, say 65.7 percent of the respondents. It merely helps maintain market position, say 17.2 percent. Another 13.6 percent are more lukewarm, saying they’re evaluating the costs and benefits of enhancing data analytics.

The third takeaway is: Automation enables strategic decision making.

XCM enables the process. It offers visibility, control, flexibility and accountability. Visibility means having a 360-degree view that provides the insights needed to make resource adjustments or changes. Control means identifying departmental bottlenecks and implementing process efficiencies that will let you deliver quality results. Flexibility is enacting continuous process improvements that will help deliver increasing efficiency. And accountability means gaining a real-time “single source” of the status for every assignment, task and deadline.

XCM is indispensable for tax, accounting and finance executives because it helps them along the path to greater productivity. It organizes the chaos and creates a single thread of the truth for ownership. It centralizes information across systems, functions and tasks, and it absorbs existing technology without disrupting your culture.

For more information, visit xcmsolutions.com or call 781.356.5152.