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## EXTRACT YOUR FIGURES IN REAL-TIME

In this age of information, companies feel obligated to dedicate immeasurable resources to keeping accurate records. But, does this actually enable you to extract the information you need when you need it? Are your figures buried under lengthy formulaic processes and complicated calculations, requiring the skill and expertise of your most valuable finance staff? Do you have your finger on the pulse or are you over-reliant on receiving your interim accounts as and when they're ready? With the implementation of some simple reporting, accurate financial data can be generated, empowering you and your team to deliver the figures you need in real-time.

### Reporting Functions

The implementation of a robust and sophisticated finance system is often motivated by an expectation of simplified accounting processes and easier generation of accounts documents. Despite being perfectly reasonable expectations, out-of-the-box these are rarely a reality for oil and gas companies without the implementation of at least some custom reporting.

Many reports fulfill fairly standard functions, perhaps detailing income and cash-flow statements or day-today reports checking actuals against budgets. However, custom reports can also be designed specifically for the intricacies of your company; what you need to report, who to, and how. Custom reports might include a consolidated balance sheet for a group company structure, a billing statement for joint venture partners, or a statement of equity changes – common for publicly listed oil and gas companies.

### Preparation & Maintaining Data Integrity

Only with a thorough understanding of what information you need to get out of your system, can you effectively plan

what information goes in further up the pipeline. The quality of information generated by reports is entirely dependent on the quality of information being input – quite simply, good data in = good data out. Maintaining high standards and following best practice throughout the entire finance function is absolutely fundamental for laying the foundation and enabling accurate reporting.

It's common for finance staff to consolidate figures from a number of sources, importing raw data into spreadsheets, manipulating the data, making manual adjustments and skillfully crafting the required output. Spreadsheets are a useful tool for certain ad-hoc functions, but manual processes are inefficient, tying up valuable resources and increasing the chances of human error. If manual processes are repeated each time figures are required, the calculations should be formalised and a custom report implemented; automating the process and simplifying the generation of figures. However, sometimes manual adjustments are necessary, and maintaining the integrity of the data within your finance system is critical to maintaining the accuracy of reported data. Any adjustments made within the accounts should be input back into the core finance system, with a detailed transaction description for the audit trail, maintaining a single source of truth and ensuring data integrity throughout.

### Empower Your Staff

Good reporting tools are agile and intuitive. Finance staff can and should be trained in the use of these tools, giving them the confidence and internal capability to deliver the information your company really needs. Staff should be able to create new reports or improve existing reports as the company's circumstances change. Well-designed reports will be as future-proof as possible, with sufficient ranges built in to accommodate new requirements as your company develops. Data checks should be built into reports to verify their accuracy, however finance staff need to know how the information is being generated and how to look behind the scenes, ensuring their continued accuracy as reports develop.

It's also important that training is maintained as a company takes on new staff, they too need to be empowered with ability to create and adjust reports. It's common for the reporting function to be the responsibility of a single member of the team, resulting in a skills or knowledge gap if that member of staff leaves or changes their role. Predecessors might have their own process for generating figures, resulting in a lack of consistency and potential frustration further down the line. Reporting functions should be detailed in a manual, and that manual should be a living document that is continually updated.

## Reporting For Oil & Gas

Due to the operational nature of oil and gas companies, the requirement for custom reporting is far greater. A good finance system for oil and gas should be a central repository for more than just financial transactions. Reports can be generated for costs, resources and commodities, which can then be allocated and charged back, whether they be direct costs from suppliers, staff's time or barrels of oil. Exception reporting can be implemented to flag potential issues, allowing you to quickly identify and analyse variances between budgets and actuals or unexpected variances in running costs.

Attracting investors and responding to their requests for up-to-date information is often the catalyst for the implementation of better reporting. But, what do investors really want? Amongst the top criteria, investors are looking for opportunities with a strong management team that can demonstrate their investments are in safe hands. Investors want information presented properly and quickly. They don't want to have to wait weeks or even days for financial statements to be generated. Investors accept that there's an element of risk in all investments, but not having a

tight grip on their money is a risk they're not prepared to take. Reporting empowers management with the ability to generate accurate reports more frequently, even self-serve data and respond to stakeholders in real-time – a clear demonstration of good management.

## Cost/Benefit Analysis

Manipulating data and manually generating figures can account for a massive proportion of the finance team's time, which could be better utilised analysing the data rather than generating it. Once a thorough understanding of the required outputs is gathered, the design and implementation of reports is measured in hours, perhaps days, if they're slightly more complicated.

Well implemented financial reporting has the power to free-up your finance team, allowing them to focus their time on important analytical tasks as opposed to toiling over necessary evils. A better understanding of what you really want out of your system will enable you to better plan what goes in. Investors will be satisfied that their investments are in safe hands. Management will be able to self-serve figures in real-time. And, your company's finance function will be an efficient well-oiled machine.



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