



**Smarter Solutions for a
Smarter Government.**

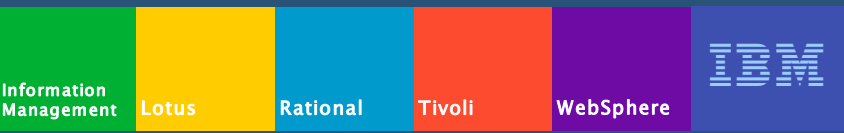
Welcome to the Smarter Government Briefing Series

2nd Session – Tuesday, 7th September 2010
Business Intelligence and Performance Management

Speaker:

*Levine Naidoo, IBM Global Business Services,
Chief Architect, Australian Treasury SBR Project & XBRL SME*

IBM Software Industry Solutions



Agenda

- Introductions
- XBRL
 - The standard
 - Benefits
- The adoption model
- Australian Treasury adoption (SBR)
 - Background & IBM's engagement
 - SBR Context
 - Achieving the outcomes
 - Lessons learned
- Adoption in government
 - Performance optimisation
 - Insight
 - Insight and performance optimisation across the ecosystem

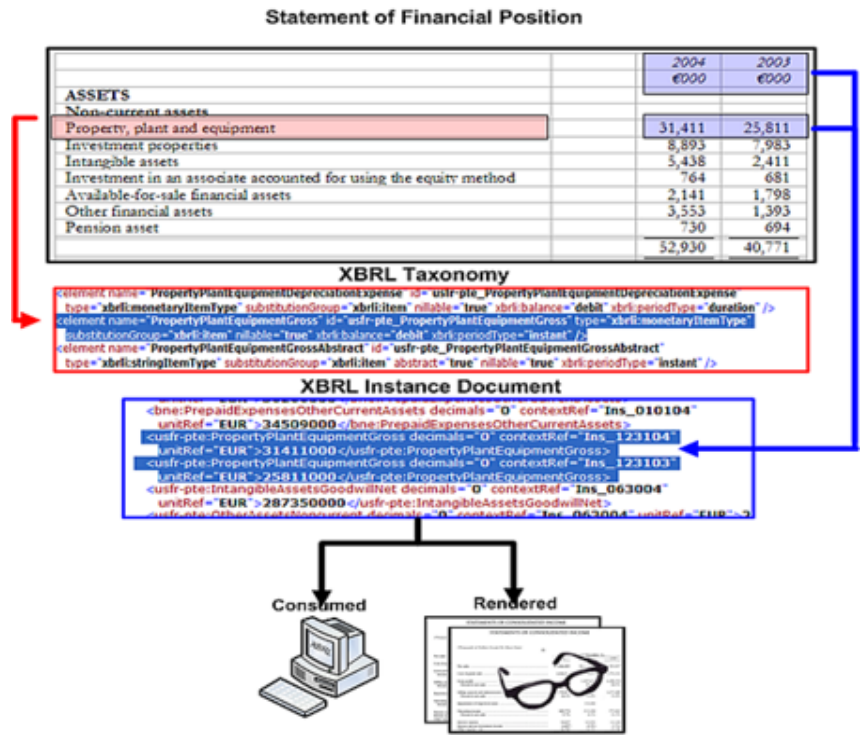
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XBRL Is Designed to Resolve Semantic Uncertainty

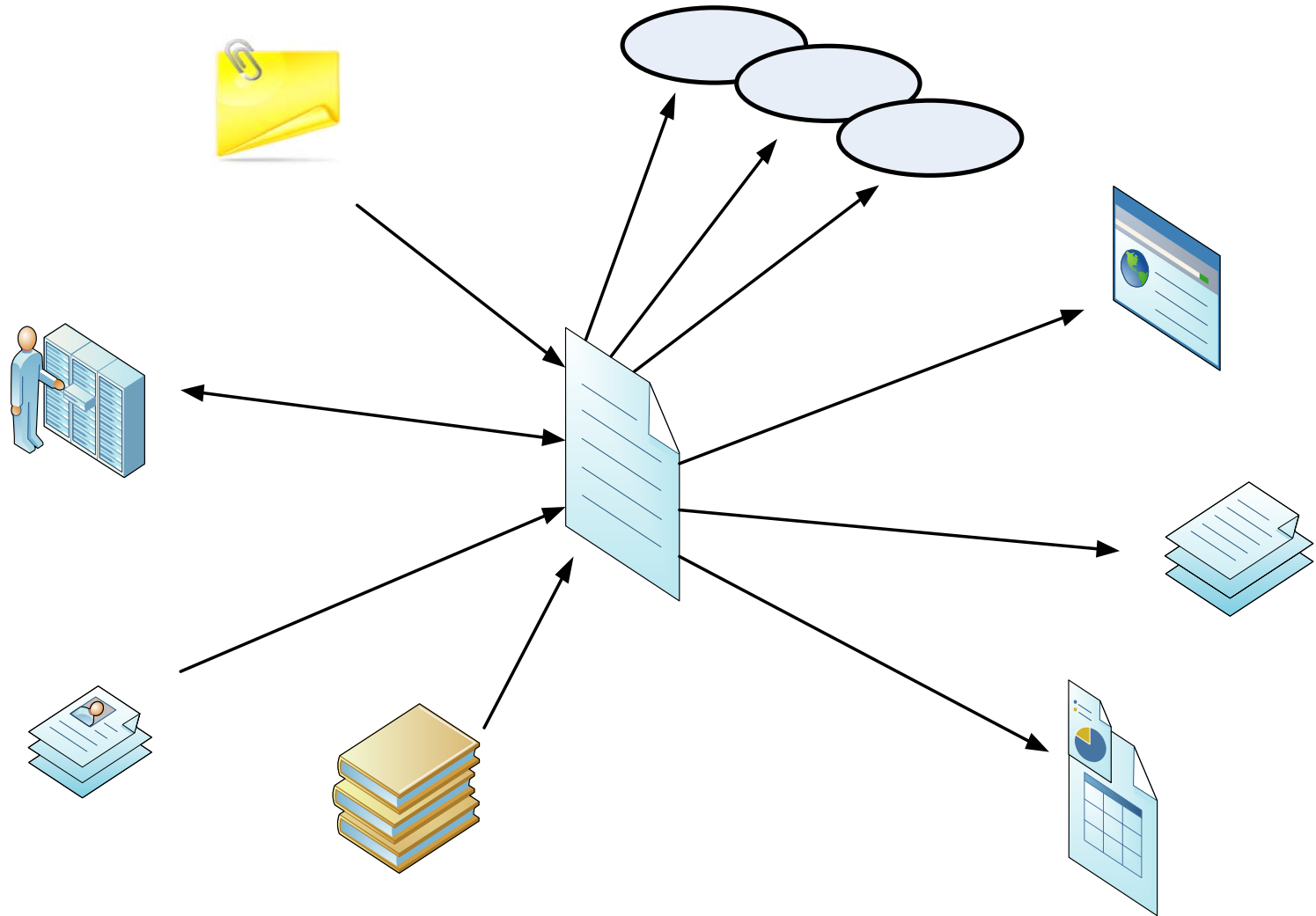
XBRL is a global standard designed to streamline the production and consumption of business reports and financial data (collection, validation, publication, and analysis)

An XBRL **Taxonomy** is a specified model that define common grammar and calculations to encode the business knowledge from one or more entities. For example, IFRS, US GAAP, COREP



An XBRL **Instance** is an XML business report prepared to the XBRL Taxonomy specification. For example, 10Q/K, Tax Return, Risk Summary

Data from multiple sources and metadata from taxonomies facilitate reuse



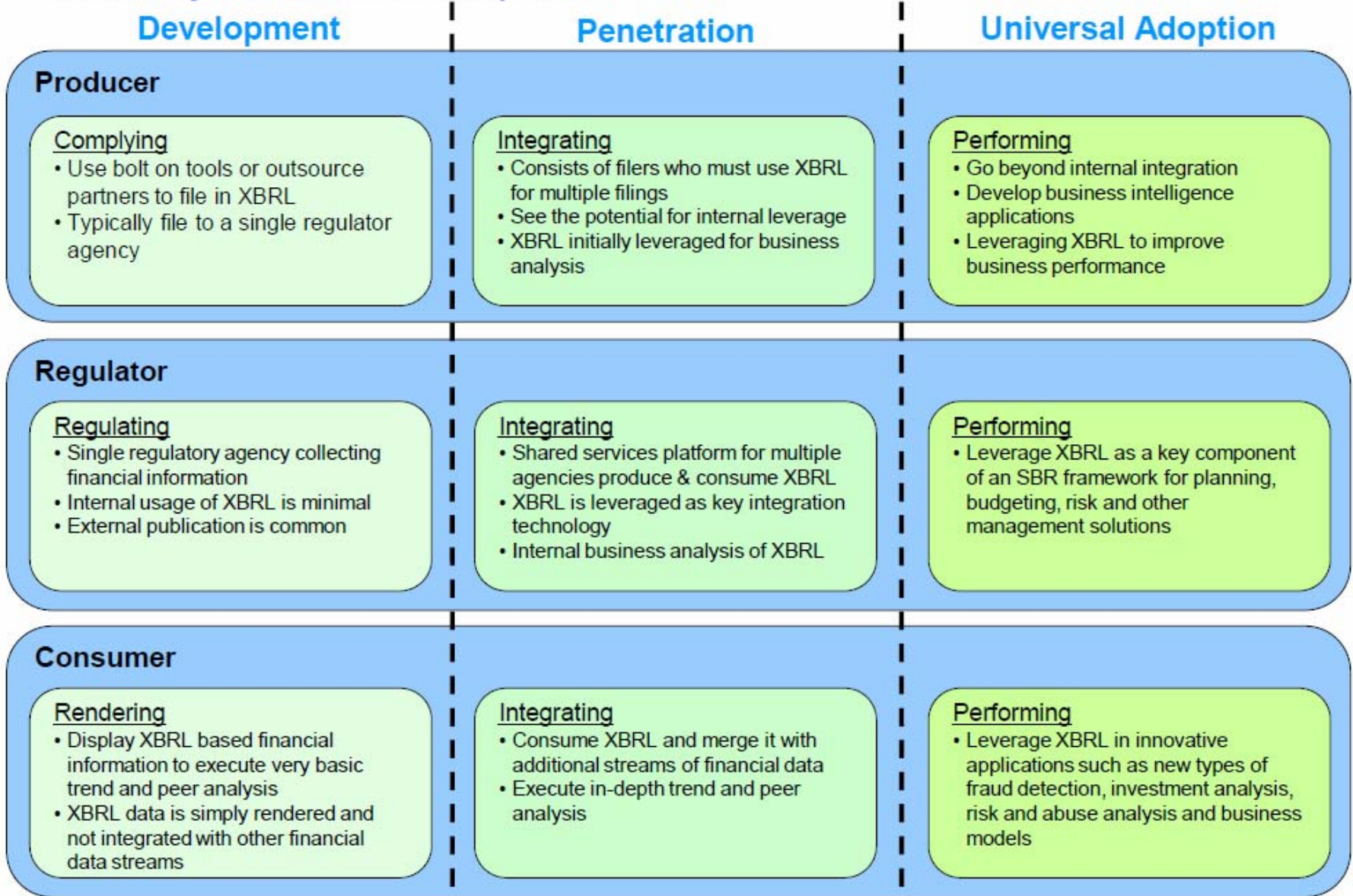
XBRL benefits realised on international projects

- **Cleaner data**
 - Requirements regarding data are better documented and companies are able to provide explanatory notes to explain situations that exceed tolerances
- **Greater accuracy**
 - Data corrected at the source before submission, 100% mathematical relationships are met, no need for follow up.
- **Faster data inflow**
 - Streamlined reporting processes meant that accurate and better documented data are received within deadlines
- **Increased productivity**
 - Staff can take on higher loads and are more efficient
- **Faster data access**
 - Agencies receive data sooner and are able to publish almost immediately, public can use data sooner and make more informed decisions sooner
- **Greater efficiency**
 - Producers preparation processes are more efficient because they can address issues before submission rather than after the fact. Regulator queries are also reduced
- **Seamless throughput**
 - Producers use the same requirements and rules as agencies so changes can be made within minutes/hours as opposed to days and weeks depending on the number of changes.

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Maturity model for adoption



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Australian Treasury adoption (SBR)

The Standard Business Reporting (SBR) Project will reduce the regulatory reporting burden faced by business as they comply with government legislation

Drought
Cabinet acts on new relief package, page 4.
Plus: Vendors burnt, Property, page 54

Companies
Coles Myer calls in the enforcers, page 16

IUS economy
Fed eyes crucial data as earnings season revs up, page 12.
Plus: Markets, page 21

Education
Universities fight over research funds. Starts page 31

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Radical plan to cut business costs

Mark Davis
Political correspondent

State and federal governments have started working on an ambitious plan to cut the costs to businesses of providing information to government departments and agencies by using new technology to significantly streamline reporting requirements.

WORKLOADS
The shift to co-ordinating data collection must be the responsibility of government departments, not business. — Editorial, page 62

Federal Treasury has convened a committee of commonwealth and state officials to examine proposals for a new system of "standardised business reporting" that could ultimately create a one-stop shop for businesses to provide routine information to all levels of government.

Merger reforms on agenda, page 3
Corporate tax take, page 6
Joe Hockey goes to work on IR, page 61

The project — which builds on work started by the Australian Taxation Office and the Australian Customs Service — aims to create common systems for business dealings with government, ranging from taxation and company affairs to completing statistical surveys and reporting to state revenue and business registration offices. It is part of the federal government's response to a report by a taskforce led by Productivity Commission chairman Gary Banks. It found that the regulatory burden on business had mounted in recent years and imposed unnecessary costs of tens of billions of dollars a year on the economy. The report said businesses faced significant obligations to keep

Continued page 6

The initiative is underpinned by the use of XBRL (EXtensible Business Reporting Language) which is a dialect of XML. XBRL provides not only a common set of data definitions but also the ability to provide some validation of data

... but ...

it depends upon independent software vendors modifying their products

... and ...

the new channel is not mandatory

Australian Treasury adoption (SBR) - Background

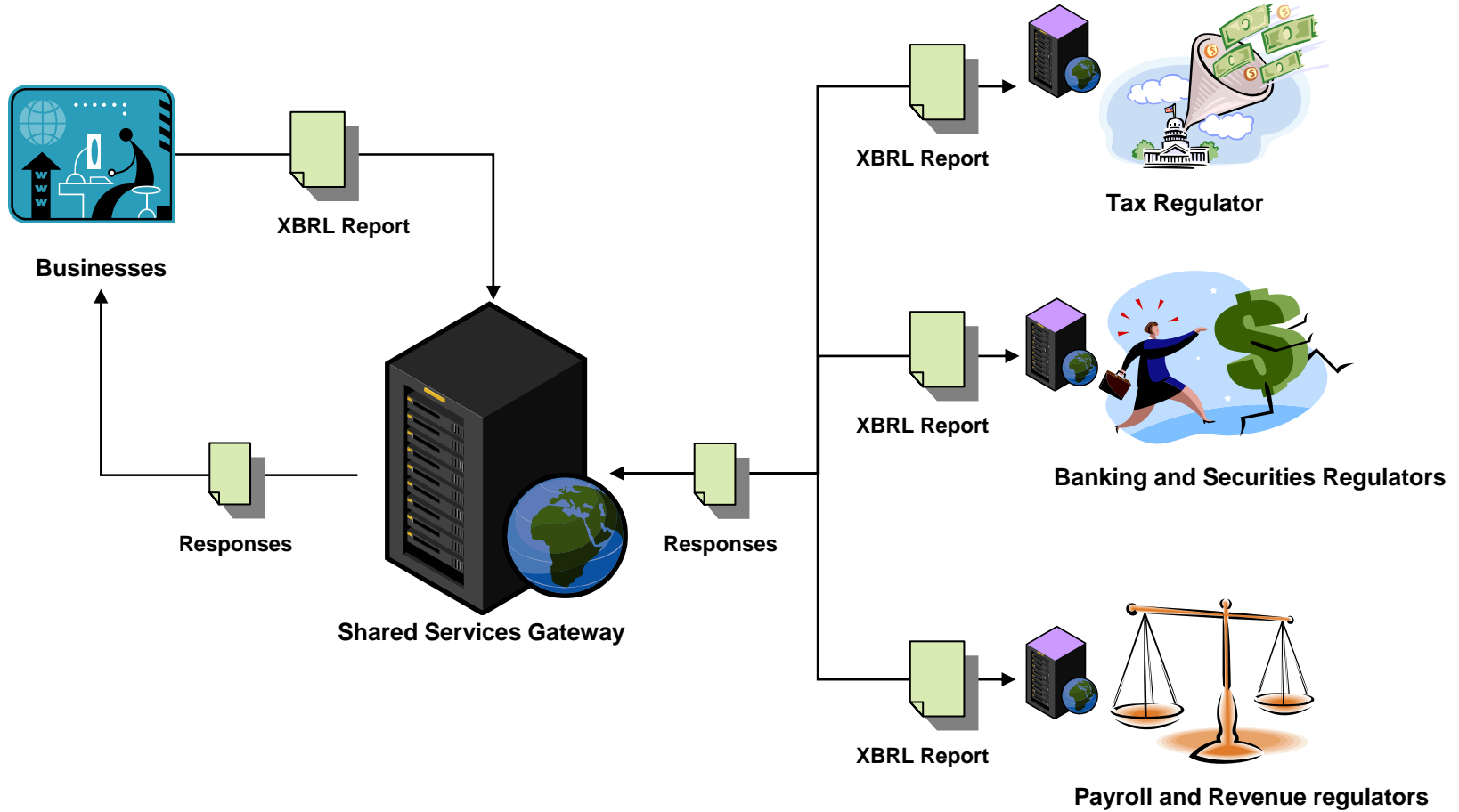
Engagement Summary

- The SBR Programme aims to improve the way businesses prepare and provide statutory financial information (such as tax returns, annual reports, quarterly business indicator surveys) to the Government
- SBR will provide a core services gateway that will primarily focus on a part of the processing lifecycle of XBRL taxonomy based financial reports.

Key Project Outcomes

- Eliminate redundant and duplicate business reporting requirements across government
- Implement a means for business to electronically file reports directly to a central point
- Provide options for increased automation of business reporting, including greater pre-population of forms
- High uptake rate by the accounting/record-keeping software package developer community of the SBR business model
- Maximisation of the use of SBR functionalities by business users and their intermediaries
- Expected to save the Australian economy \$800 million per annum

Australian Treasury adoption (SBR) - Context



Australian Treasury adoption (SBR)

Achieving the Outcomes

- To achieve the outcomes a few critical programme decisions needed to be taken
 - An immovable deadline required IBM to incorporate out-of-box designs
 - Stakeholder engagement with the public, software vendors and agencies needed to be ramped up
 - Results of stakeholder assessments needed to be factored into the design
 - Project dependencies needed to be decoupled and hence influenced the design – a benefit of the SOA approach
 - Privacy impact assessments needed to be incorporated into the final design, the design needed to be easily changed
 - The outcomes needed to be embedded as guiding principles

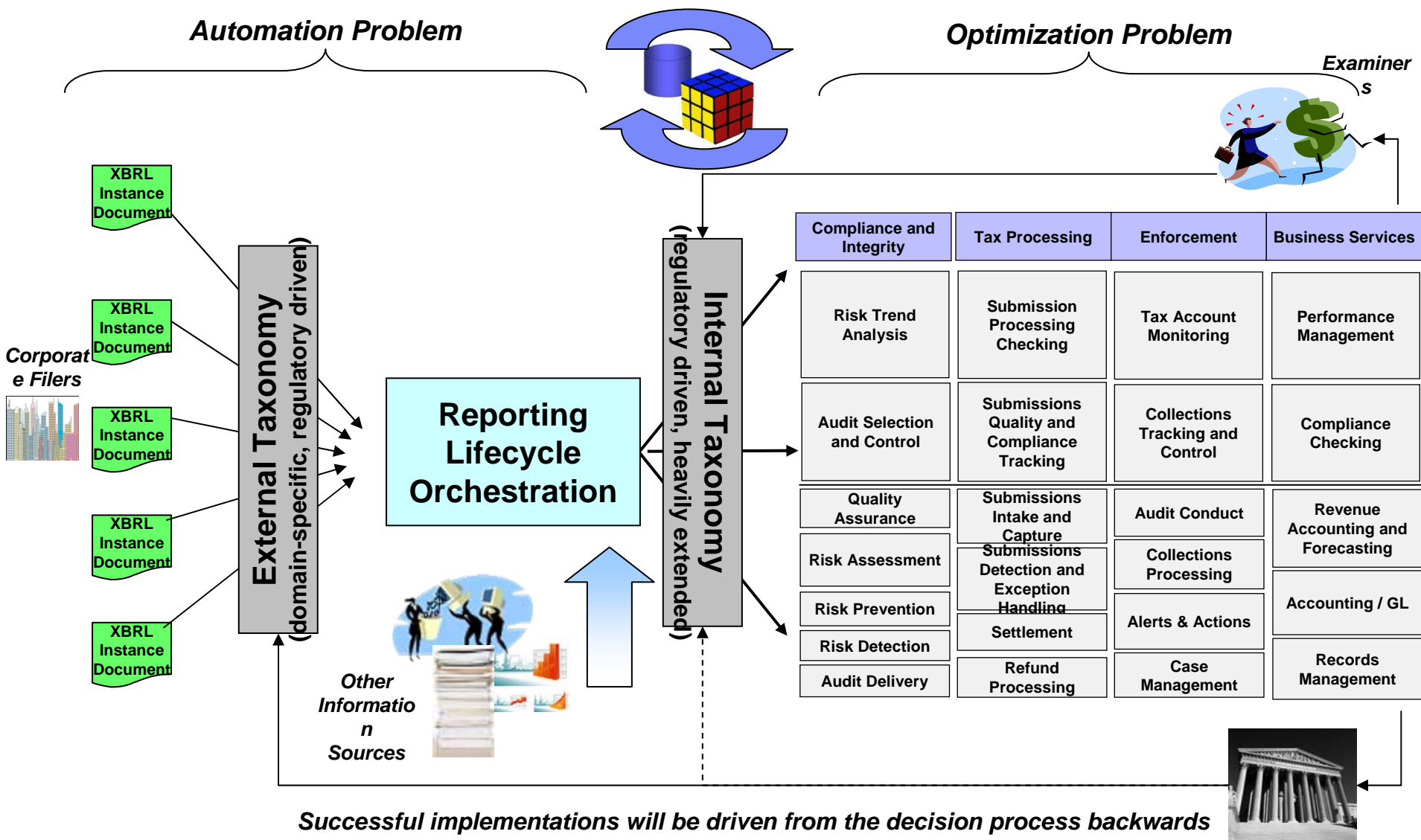
Lessons learned

- Stakeholder engagement and maturity
- Change Management
- Security and Privacy
- SOA approaches
- Pushing the frontier for data collection shared services
- XBRL is a tool not a religion
- Taxonomy Design

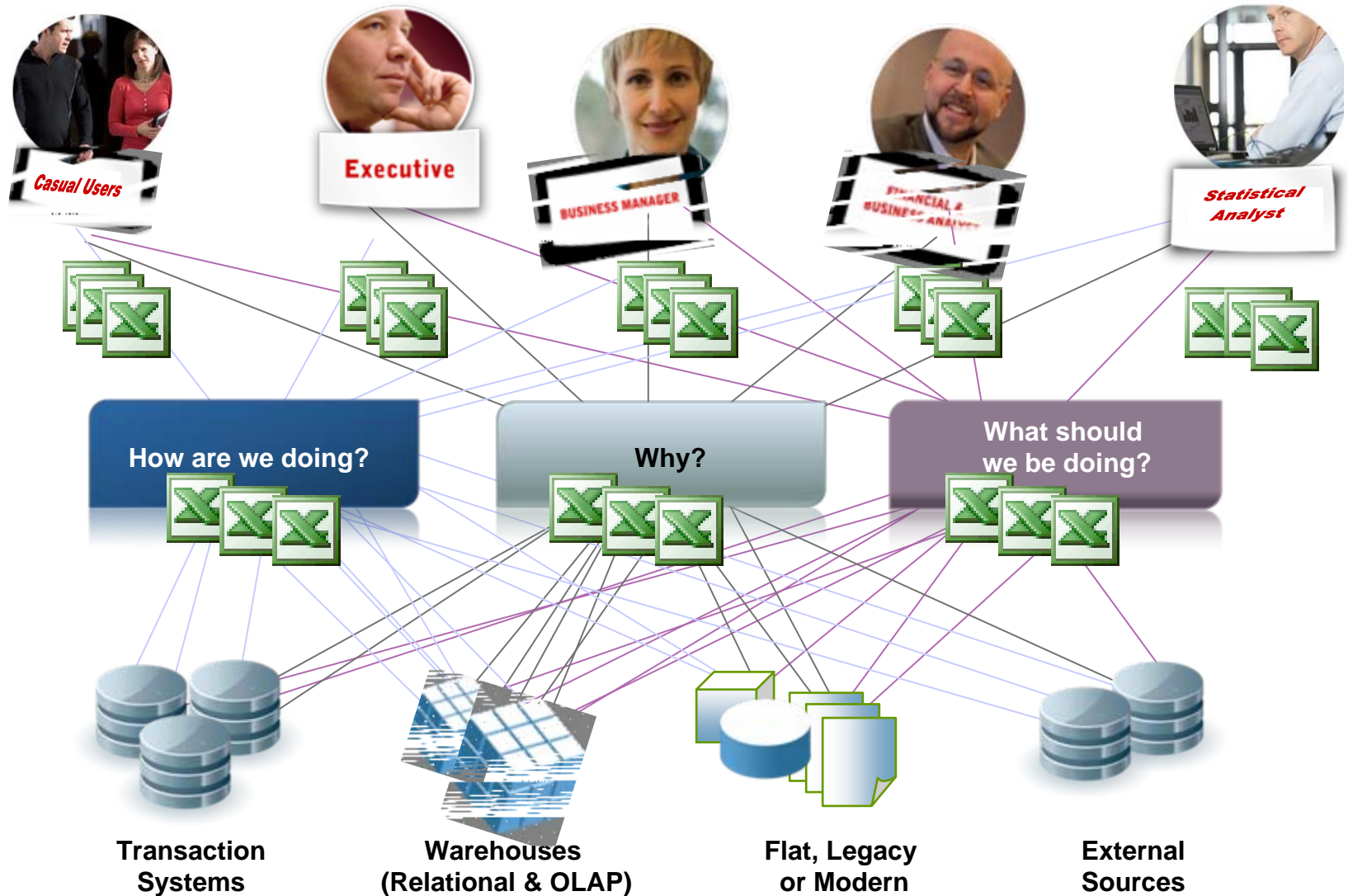
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XBRL for Agency performance Optimisation

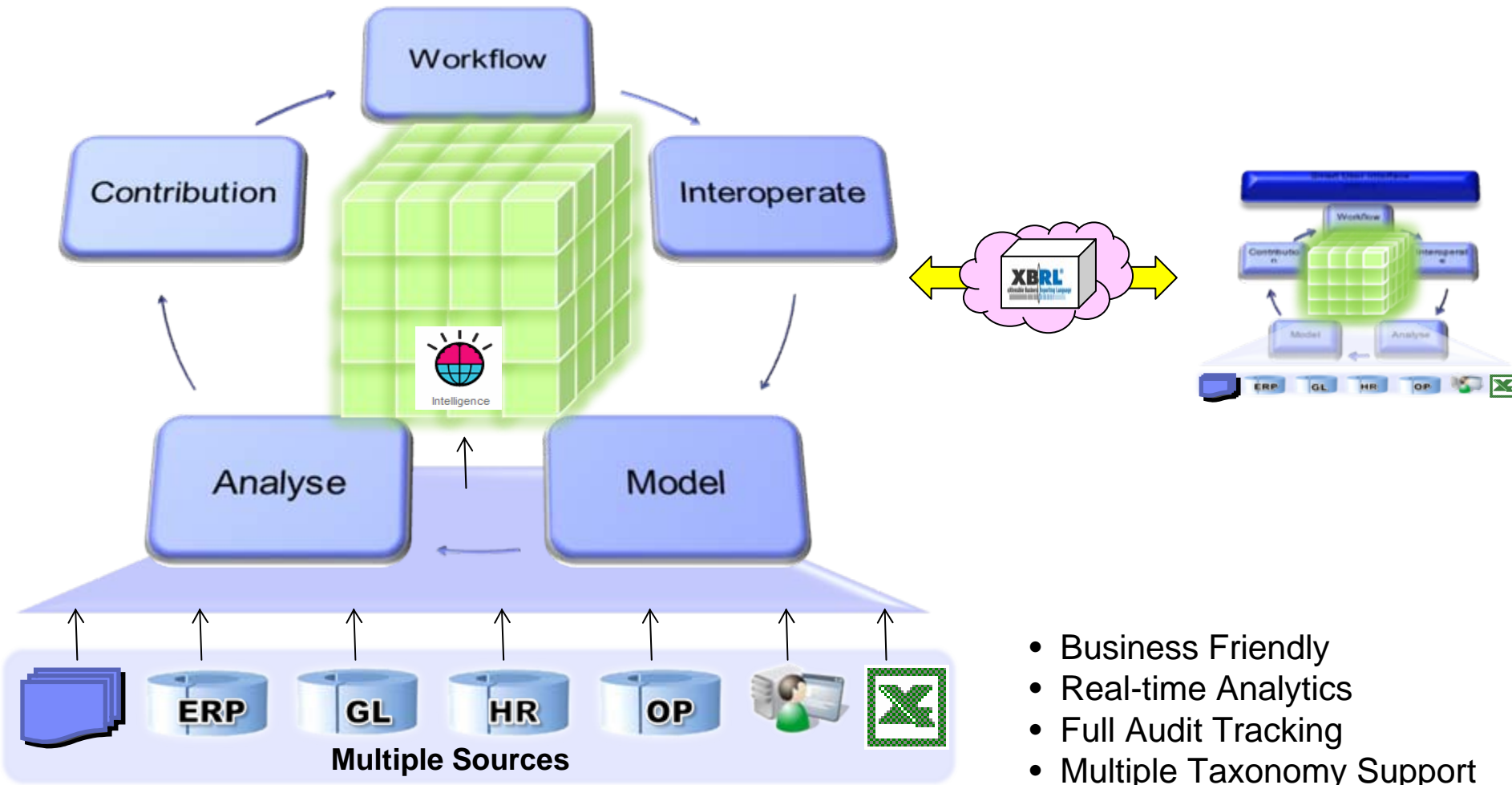


Needs: How insight is usually obtained – in a hurry



Key challenge is data standards/definitions and information integration

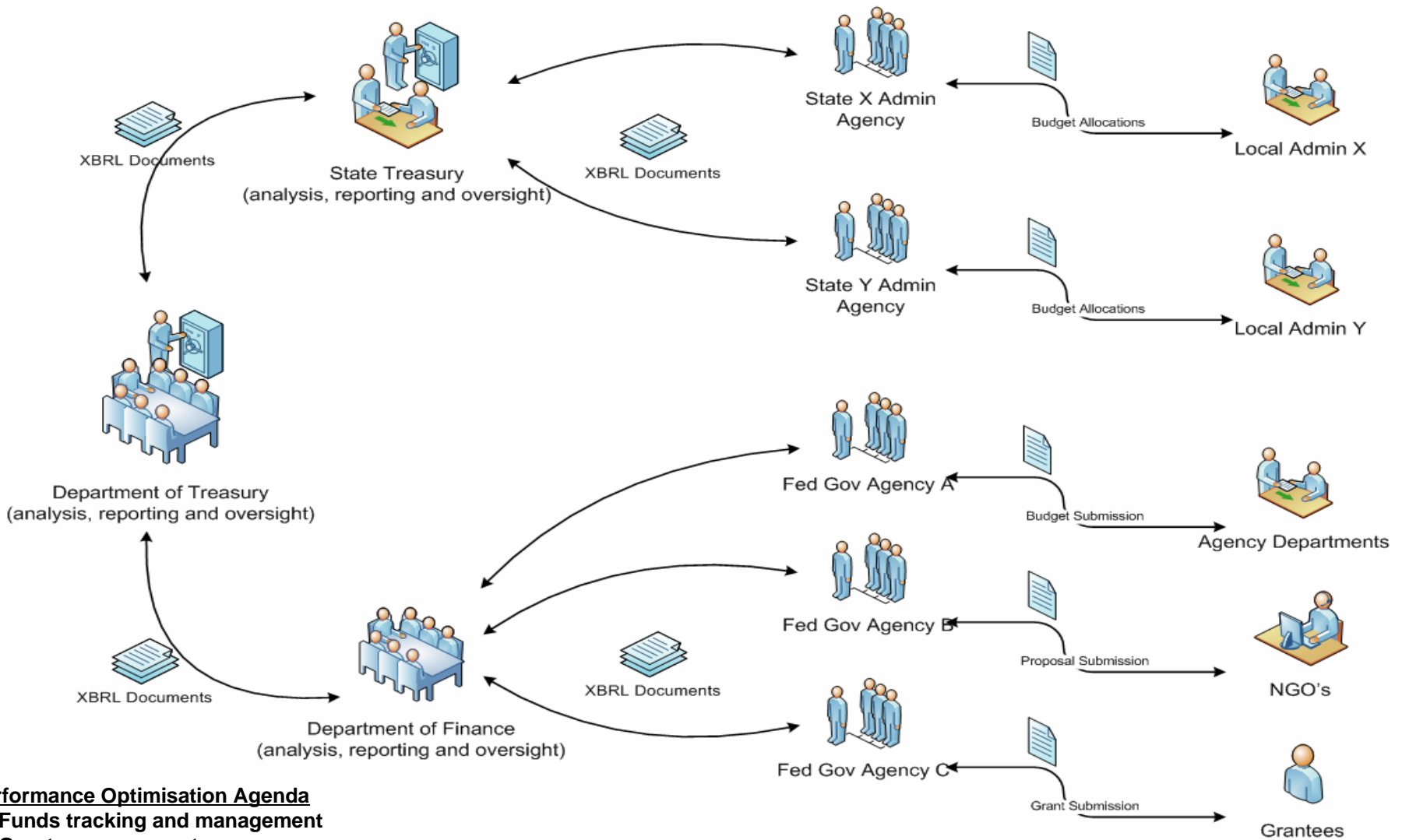
Enhancing Intelligence with Information Application Assets



Efficiency and insight within a broader scope

	Financial Operations	Accounting Close & Consolidation	External Financial Reporting	Business Performance Management	Planning, Budgeting, Forecasting	Risk and Compliance Management	Treasury and Investments	Tax Management	Specialty Services	Financial Administration	
Direct	Financial Procedures & Business Rules 	Close Coordination and Scheduling	Investor Relations Management	Management Reporting Framework	Budget Procedures and Guidelines Strategic Planning and Target Setting	Internal Controls Framework	Liquidity Planning	Tax Strategies and Planning	External Financial Audit Requirements	Financial Policies & Procedures	
				Management Reporting Procedures and Rules	Operational	Enterprise Risk Framework	Treasury Procedures and Rules		Internal Audit Objectives & Planning	Financial Systems Arch Planning	
		Financial Reconciliation	Reporting Compliance Monitoring	KPI Definition	Budget/Forecast Model Design	Risk and Compliance Monitoring	Investment Portfolio Planning		M&A Strategy	Staff Planning	Data Governance Strategy & Rules
Control	Operational Reconciliation	Journal Entry Review and Approval	Detective Self-Audit	KPI Monitoring	Budget Policy Monitoring	Controls Monitoring	FX Exposure Management	Tax Compliance Monitoring	Financial Business Strategy & Corp Structure	Policy Monitoring	
	Finance Policy Monitoring	Financial Statements Approval	Business Performance Review/Impact Assessment	Incentive Comp Integration	Plan Approval	Fraud Management	Portfolio Performance Monitoring	M&A Board Approval	Audit Recommendations Monitoring	Staff Performance & Reviews	
									M&A Synergy Monitoring	Master Data Management	
Execute	Payroll Accounting	Pre-Close Execution	Financial Statements Preparation	Management Reporting	Budget Preparation	Risk Scoring and Evaluation	Cash Forecasting	Tax Return Preparation	Internal Audits Execution	Master Data Maintenance	
	Travel & Expense Processing	Tax Accounting	Board Reporting Preparation	Business Analysis and Modelling			Risk Reporting	Cash Mgmt Operations	Tax Enquiries Handling	Audit Findings Reported	Staff Development and Retention
	Dispute/Deduction Accounting	Periodic Close Performance	Regulatory Reporting Production	Cost Accounting Management		Forecast Preparation	Compliance and Controls Reporting	FX Transactions Execution	Transaction-based Tax Advice	M&A Candidate Identification	Financial Systems Maintenance
	Fixed Assets Accounting	Consolidations	Investor Relations of Support	Scorecard/Dashboard Creation				Equity/Debt Management	Capital Acquisition and Securitisation	M&A Deals Execution	Special Projects & Internal Consulting
	Project Accounting	Intra Company/Transfer Pricing	Regulatory Enquiries Handling	Business Case Preparation			Trading and Settlement				
	Accounts Rec. Processing										
	Accounts Payable Processing										
	Procurement										

The Interdependent Government Ecosystem



- Performance Optimisation Agenda**
- Funds tracking and management
 - Grants management
 - Health Reform

IBM CFO Study 2010 examined how the CFO can make the enterprise smarter in an era of increased uncertainty.



We are crossing a new threshold in our ability to manage pervasive information, analyze it to gain insight, predict risks and opportunities, and drive faster, smarter decisions and actions.

World Class Finance Organizations or “Value Integrators” excel in both efficiency and business insight, contributing to financial outperformance



Smarter Solutions for a Smarter Government.

Q and A

IBM Software Industry Solutions

