IBM® Cognos Financial Statement Reporting (FSR)
Automated external reporting

IBM Cognos FSR provides a comprehensive solution to any organization's external reporting requirements by automating the creation of annual reports, quarterly reports, bank call reports, corporate actions, CSR reports and any other statutory or regulatory filings.

IBM Cognos FSR provides a collaborative environment where many contributors can participate in the creation of the external document, within a secure environment, tight audit trail and with a seamless connection to source data.

The problem

A broken process

Today, most organizations continue to manually produce their external financial documents, such as the annual report, quarterly and annual submissions to regulatory bodies (e.g. SEC 10-K and 10-Q), the bank call reports, corporate actions and many other statutory and regulatory filings.

Organizations typically face a number of challenges in the completion of the external financial reports including:

• Time-consuming, manual processes
• Data inaccuracies
• No audit trail documenting who made changes
• No common system to manage the process and to manage the access to information

CFOs face increasing risk…

Increasingly complex regulations. Shrinking filing deadlines. A pervasive use of spreadsheets in the finance department. Expanding quarterly and annual reports. More people than ever involved in the creation of these sensitive reports. All of which makes the job of the CFO, who is accountable for all aspects of the external financial documents, that much harder.

CFOs need to mitigate several sources of financial reporting risk including:

• Risk of errors leading to restatements
• Risk of late filings
• Risk of insider leaks
• Risk of non-compliance with a variety of regulations

"Nucleus found that by adopting IBM Cognos FSR, organizations can achieve benefits that go beyond regulatory compliance. By automating the gathering of financial data and the processing of numerous last-minute accounting changes, the application makes accountants, report builders and their managers more productive."

"L9 - Research Note - Assessing the Benefits of Clarity FSR," Nucleus Research, 2011

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...and increasing costs of compliance

The manual nature of financial reporting means that as external reports and its requirements become more complex, more effort is required to create the reports and to manage the process. As a result, current staff must work longer hours or additional people are required to consolidate multiple spreadsheets, find and correct mistakes, manage compliance checklists, and coordinate the approval process – all of which lead to increased costs.

And CFOs see the costs of compliance manifested in several ways:

- Internal personnel costs, both monetary and health-wise
- Auditor fees
- Graphic design fees

The solution

Link source data to report data

Every number in the final report links directly back to a single data source ensuring that there are no conflicting numbers anywhere in the report. And changes to that source number automatically cascade through the report. This ensures there is only "one version of the truth".

Easy to use

Most people are already familiar with Microsoft® Word and Microsoft Excel®. IBM Cognos FSR provides a user interface that leverages all of the formatting capabilities of Microsoft Word and all of the calculation abilities of Microsoft Excel.

Use prior report as a template for the next report

New reports typically contain the same sections as previous reports, reuse the same data sources (e.g. revenue, net income, etc.) and recreate the look and feel of past reports. IBM Cognos FSR uses this fact to "jump-start" the report creation process. The latest data is automatically loaded into a report template that is pre-formatted, letting the user focus on editing the document rather than collecting, consolidating and formatting the data.

Audit trail

IBM Cognos FSR provides a comprehensive audit trail – tracking each change to the document. With the IBM Cognos FSR audit trail, users can easily compare any two versions of the document to see what was changed, who changed it, and when it was changed.

End User   **IBM® Cognos FSR Central Application**   **Annual Reports, Quarterly Reports, Bank Call Reports, Corporate Actions, Regulatory Reports, XBRL**

XBRL

IBM Cognos FSR can easily tag financial data and commentary once and have it automatically flow to future reports. The Taxonomy Manager, Taxonomy Editor and Taxonomy Designer extend your company-specific taxonomy to meet the latest filing regulations. And the XBRL Viewer lets users view the final XBRL report.

Integration with online resources

IBM Cognos FSR integrates with online research systems such as Thompson Reuters Tax and Accounting Checkpoint® platform. While creating external reports within IBM Cognos FSR, users can, for example, directly access analysis, official text of regulations and standards, searchable SEC filings, and current news regulatory developments.

Workflow

A workflow process within IBM Cognos FSR tracks the status of each section of the document, with due dates and responsibility assignments. With workflow, the administrator can easily see the status of each section of the document, which sections are overdue and who is responsible for each section.

Output

IBM Cognos FSR supports a variety of output options including: Microsoft Word, Microsoft PowerPoint®, Adobe® PDF, Adobe InDesign, and optionally XBRL or "Edgar-ready" documents for filing to the SEC.

"IBM Cognos FSR has been a tremendous help in getting our reports done and filed, and has significantly reduced the time pressure. Showing the financial community that you are solid and on track by producing visibility into your financial affairs quickly and accurately is a very valuable thing. IBM Cognos FSR helps us do just that!"

— Roughan Sheedy, Group Financial Controller, LGC

The benefits

Reduced personnel costs

With the ability to pull data from multiple sources, built-in workflow, multiple output options and a familiar user interface that leverages all the formatting capabilities of Microsoft Word and all the calculation abilities of Microsoft Excel, financial reporting departments are improving personnel efficiency and effectiveness.

- Workload reduction through more efficient processes
- Reduction in overtime hours
- Well-paid employees focused on high-return activities
- Increased review time resulting in more 'actionable' insights into the business

Lower external costs

With built-in internal controls, audit trail and workflow, companies realize significant savings using IBM Cognos FSR by reducing the time spent by external resources in checking and then producing various reports.

- Reduction in auditor fees
- Reduction in printer fees
- Reduction in typesetting fees

Reduced risk

Risks, including those associated with factual errors, late filing, insider leaks and non-compliance incidents, are avoided via IBM Cognos FSR workflow, collaboration, audit trail and central database features.

- Reduced risk of error
- Reduced risk of late filing
- Reduced risk of non-compliance
- Reduced risk of insider leaks

Reduced cycle time

By automating the overall external reporting process to reduced production timelines, time is gained to conduct more comprehensive internal reviews, discussions and analysis, in plenty of time to meet filing deadlines. And a single version of the truth means not having to re-apply formulas and re-key data, resulting in increased confidence in "the numbers."

- Less review time required
- Fewer manual processes

"We weren't aware of anything on the market like IBM Cognos FSR, so the product sold itself. We realized straight off that this was the control mechanism we needed. Overall, the reduced risk of data inaccuracies and the availability of an audit-trailfeature convinced us to purchase, and we're glad we did."

— Jeff Brister, Reporting Development Manager,
   Group Financial Reporting, British Airways

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