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# **REPORTING 4.0**

From visible process to visible results

Gazprom Neft PJSC
PwC
SAP

# From the advanced to the digital: IFRS and MD&A reporting function evolution



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## **IFRS reporting**

**Reports for Gazprom PJSC** 

Reports for the second shareholder

Analytical procedures

MD&A

Information for external users



Managing data quality

Analytics

**Digital reporting** 

**Closing forecast** 

Digital knowledge base

# More than reporting: goals, prerequisites and development areas



External and internal users understand the Company's reports; they are error-free; the speed of reporting generation process meets expectations set by the internal efficiency analysis processes and MBO



Reducing transaction tasks performed at the Corporate Center level, to release resources for value-adding tasks



Building an integrated business analysis system and creating reports that meet the requirements of both internal and external users



Digitization of the IFRS and MD&A reporting assurance process



# Data quality management

# Data management process: development strategy



- ✓ Creating a versatile business glossary of terminology as well as analytics used to collect **IFRS** reporting data
- ✓ Assigning data management responsibilities to members of staff



✓ Testing automated collection of reporting data indicators and control procedures using IT solutions (e.g., wuch IT solutions as SAP IS. DIS Informatica, etc.) for one type of reporting



- Rolling out implemented solutions to include other processes (e.g., collecting data for the managing organization, etc.)
- Establishing and developing a Center of Excellence for data management
- Enhancing the tool to reach maximum flexibility while further expanding the perimeter

# **Business effects**



# **Operational efficiency**

Optimizing the costs related to data management function by reducing FTE for routine tasks (data reconciliation, data cleaning, etc.)

## Quality



Ensuring full data reconciliation at all stages of closina: 100% documenting of all errors when collecting data and transforming

## Time



Reducing the overall time to generate reports, due to timely error identification and correction



**Tolerating change in business processes** and creating a fully flexible tool to assure data quality

Service and flexibility



### Step 2

- Describing the model for creating IFRS reporting indicators
- Creating control procedures used to collect data for further automation
- ✓ Creating KPI for data management process



# Step 4

- Rolling out the automation and data management solution to other main types of reporting
- Implementing data marts to simplify the data control process

**Current situation:** 

- **Completed steps**
- Planned steps

# **Closing forecast**

# Goals, objectives and development areas



## The main project results

Creating and implementing a function of closing forecast for Gazprom Neft Group IFRS-based consolidated financial reporting (P&L statement)



The key task

calendar day



# **Further development**

Short-term forecast: Group's P&L on the 25th

Mid-term forecast: Group's P&L for the next year

# Areas to improve needed to complete the task



### Data

Ensuring a high level of availability and analytical value of financial, business, management and operational data



## IT infrastructure

Implementing tools for orchestrating, flexible data flow processing and machine learning

## Methodology

Creating a methodology to forecast reporting lines; identifying business drivers



# **Business effects**



Timely availability of data for management, shareholders and investors; managing expectations for the Company's financial results before the period end

# **Analytical procedures**

**Data availability** 

Capability to perform analytical and control procedures at the interim stages of closing



## **Data quality control**

Monitoring the documenting of substantial and new operations

# Further development of digital reporting powered by SAP solutions



Complex and fragmented IT landscape in a company with a non-uniform set of data.



Data fed from sources in an aggregated form.



Complicated intercompany settlements – complicated transactions to document data for reporting.



Manual data transformation with no guaranteed data uniformity or quality.



A large number of non-uniform and duplicate reports.

# SAP S/4HANA Finance

(SAP Central Finance)



With any accounting system, there should be data available and as detailed as possible;

With any accounting system, all data should be brought together using unified references and methodology;



With any accounting system, data should be available in real time.



# Questions and answers



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# 24 November 2020

Webinar by Gazprom Neft, SAP и PwC

Reporting 4.0: From visible process to visible results



