Reduce the Time, Risk, and Cost of Regulatory Disclosures

Quick Facts

Summary

The SAP® Disclosure Management application enables a collaborative, flexible disclosure process across distributed teams and multiple data sources to facilitate an auditable, compliant workflow. This can reduce the time, risk, and cost associated with the production and approval of both financial and nonfinancial regulatory statements, disclosures, and corresponding eXtensible Business Reporting Language (XBRL) submissions.

Business Challenges

- Time-consuming collection of disparate data across organizational hierarchies and system landscapes
- Costly manual maintenance of document versions and offline management of approvals
- Risk of errors in regulatory disclosures caused by decentralized consolidation, statement publication, and XBRL filings

Key Features

- **Speed and flexibility** – Automate processes to accelerate the "last mile of finance" through integration of source data, providing one source of the truth for regulatory disclosure
- **Collaboration** – Enable communication, workflow, and approvals across organizational hierarchies, geographies, and business units with a visual, intuitive solution
- **Compliance and control** – Publish auditable, reliable financial and regulatory statements in multiple formats, including XBRL

Business Benefits

- **Increased efficiency** by rapidly collecting and managing enterprise-wide data and automating and reusing financial statement components to support regulatory disclosures
- **Reduced cost** with a visual interface, owned by the finance organization, to streamline collection, validation, and approvals and reduce manual effort
- **Decreased risk** by publishing reliable, complete, consistent, and auditable financial and regulatory statements and XBRL filings in-house

For More Information

Call your SAP representative, or visit us online at www.sap.com/disclosure-management.

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The Best-Run Businesses Run SAP™

The SAP® Disclosure Management application enables a collaborative, flexible, and compliant process to reduce the time, risk, and cost of regulatory filings and disclosures. As one of the SAP solutions for enterprise performance management (EPM), it allows you to manage the production, filing, and publication of financial statements and reports, as well as eXtensible Business Reporting Language (XBRL) submissions.

The need for accurate, timely financial statements has never been greater. Reports and disclosures include electronic filings to regulatory agencies as well as the publishing of annual and quarterly financial and nonfinancial reports. With increasing regulatory mandates across the globe, it is critical that these statements be reliable so you can maintain the confidence of external stakeholders, including regulatory agencies and shareholders.

Many companies face challenges in consolidating and generating these statements. Gathering data takes time, since data may reside in disparate systems and spreadsheets across the organization. Combining financial figures and narrative content typically involves manual effort. Ensuring consistency is also problematic. Editing and approval processes often involve e-mails and numerous document versions that must be consolidated manually, causing longer report production cycles and a lack of audit trails. Plus, electronic filing in the XBRL format may be handled in a separate process from the publication of financial statements, increasing the risk of errors and inconsistencies.

The SAP Disclosure Management application addresses these challenges by supporting end-to-end processes, from source transaction to digital disclosure. The application helps you to develop a collaborative, flexible disclosure process across teams in distributed organizational hierarchies and geographies and across multiple systems and data sources. It facilitates an auditable, compliant workflow that reduces the time, risk, and cost associated with the production and approval of financial and nonfinancial regulatory statements, disclosures, corresponding XBRL submissions, and other publication-ready output formats. Optimized for SAP software environments, the application integrates with the SAP ERP Financials solution and with other SAP solutions for EPM, while also supporting non-SAP software environments.

PROVIDE SPEED AND FLEXIBILITY

SAP Disclosure Management helps automate disclosure processes to accelerate the "last mile of finance" – that is, the final steps involved in publishing your financial close results, so you can more quickly generate financial and nonfinancial statements while reducing the cost of compliance.

The application allows you to integrate information for a single view, or single source of the truth, across the entire organization. It lets you consolidate data from multiple SAP and non-SAP software sources into a centralized data repository, which you can refresh on demand with one click so that up-to-date information is always available. Data may include information from consolidation systems, core financials, and business intelligence systems – even spreadsheets and manual entries.

Your financial professionals use predefined templates or create their own disclosure statement structures, such as balance sheets, income statements, and other regulatory reports. Statements consist of reusable components, or chapters, which can contain data from more than one source system and may in turn be reused in multiple regulatory statements, eliminating duplication and reducing errors. The application supports the checking in and out of documents to manage the versions and changes made by each editor, to ensure only one active version of each financial statement chapter, eliminating the need to manually consolidate changes from multiple editors.

PROMOTE COLLABORATION

SAP Disclosure Management enables communication, workflow, and approvals across the organization, managed entirely by the financial organization. A centralized workflow controls the disclosure process between the responsible parties who need to execute each step, across hierarchical levels and business units and between teams and individuals. You can designate financial users as editors, who compile the key figure and narrative content of a statement chapter, or as reviewers, who either approve or reject the content. These roles are identified at a statement component level, as well as for each overall financial statement.

Each completed step – whether an edit, approval, or rejection – is documented to provide an audit trail, resulting in an updated status and an optional notification to the next responsible person or team, for faster communication between team members. The Web-based interface supports ease of use with an up-to-date, visual overview of the status of each step in the disclosure process.

Your financial professionals can work in a familiar environment, such as Microsoft Word and Microsoft Excel, leveraging native functionalities for validations, calculations, and formatting. You can update financial data through a one-click refresh. Any changes between document versions, whether key figures or edits to the narrative content, are readily identifiable through color highlighting, comments, and change tracking.

ENABLE COMPLIANCE AND CONTROL

With SAP Disclosure Management, your financial professionals can publish auditable, reliable financial and regulatory statements as well as create XBRL filings, using one source of the truth to enable a holistic regulatory disclosure process. By publishing statements in-house, your organization gains full control of its data. Finance users manage role-based access to financial statements and their components for direct control – without requiring the intervention of IT. Plus, traceability of all edits, approvals, and rejections enables an audit trail for regulatory compliance.

The application supports multiple financial and regulatory statements, such as quarterly and annual reports and forms such as the 10-K and 20-F. All accounting standards are accommodated – for example, the International Financial Reporting Standards (IFRS); generally accepted accounting principles (GAAP) for the United States, United Kingdom, and India; and the Chinese Accounting Standards (CAS). Disclosure statements are not limited to financials; the application supports all types of regulatory statements, including tax and sustainability regulatory disclosures.

You can generate financial statements in publication-ready formats using templates that define the formatting and help ensure consistency in branding of reports. Output formats include Microsoft Word, Microsoft Excel, Microsoft PowerPoint, Adobe PDF, and HTML (including EDGAR HTML).
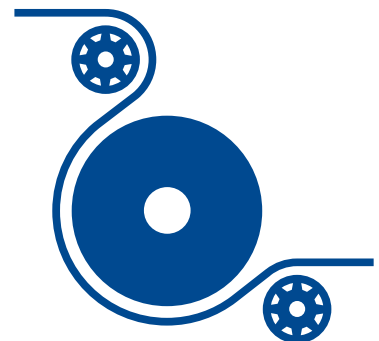
You can also publish financial statements as XBRL or inline (iXBRL) instance documents. The XBRL engine is integrated into the application, leveraging the same source data. Financial users can manage the mapping and tagging of data elements without technical training, using drag-and-drop functionality.

The application supports all taxonomy requirements of regulatory agencies and standards, including the U.S. Securities and Exchange Commission, the London Stock Exchange, Her Majesty's Revenue and Customs (HMRC) in the United Kingdom, the E-Bilanz required by the Federal Ministry of Finance in Germany, and CAS, among others. Users can also extend existing taxonomies to provide additional details to investors.

With one source of the truth, you can publish your financial and regulatory disclosures as well as create XBRL filings, enabling a holistic regulatory disclosure process.

KEY BENEFITS

SAP Disclosure Management enables you to go the last mile of finance by managing the production, filing, and publication of financial and regulatory statements and reports. The application helps ensure a timely, accurate, and risk-free close process.

According to Gartner, "Tools that can help coordinate the financial statement, regulatory reporting and investor report production activities in one central product that can provide a collaborative environment for all contributing parties can reduce process costs by up to 30%."[1] With SAP Disclosure Management, you can:

- **Reduce time** – Accelerate the collection and management of information across the entire enterprise, through automation and reuse of financial statement components to support regulatory disclosures
- **Lower cost** – Streamline the collection of financial statement information, validation, and approvals of financial statements and their components with an intuitive, visual interface that reduces manual effort and is owned by the finance organization, not IT
- **Minimize risk** – Enable the in-house production and publication of reliable, complete, consistent, and auditable financial and regulatory statements and forms, in a wide range of formats, including XBRL filings

FIND OUT MORE

For more information about accelerating your financial close, please visit www.sap.com/disclosure-management.

FOOTNOTE

1. Gartner, *Financial Statement Production Solutions Increase Market Penetration* by John E. Van Decker, November 2010.

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