



Optimising the Consolidation Process:

A 14-Point Checklist

Why Should You Optimise Your Consolidation Process?



These are all reasons to optimise your consolidation process. Consolidating accounts is at the heart of your group's financial communication and the leading tool to manage its financial performance.

The consolidation process creates value for the group, so it's crucial that it be optimised.

What Are the Areas for Improvement?

The consolidation process breaks down into three major steps:

- Data collection
- Data processing
- Production of financial data

What can you do at each of these steps to optimise your consolidation process?

To find out, please take a few minutes to fill out our self-assessment questionnaire.

It is not intended to replace a full audit of your processes. It's simply intended to help you build a list of areas to work on to improve your overall process.

The grids on the following pages list the criteria we have identified as being crucial to the optimisation of the consolidation process.

Your 14-Point Checklist

Step 1: Data Collection from Group Entities

Where does your company stand in terms of...? (check the boxes that match your situation)	Not yet Implemented	Partially Implemented	Implemented		
	1	2	3	4	5
1. Implementation of a plan and schedule of deadlines to be met (cut-off date, reconciliation of intragroup transactions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Creation of a consolidation manual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Selection of the group's accounting standards (IFRS, local GAAP, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Definition and use of a unique chart of accounts for the group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Use of a consolidation bundle with strict validation control, interfaceable with the consolidation software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Implementation of quality indicators (average time-frames, compliance with deadlines, quality of information received)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 2: Data Processing

Where does your company stand in terms of...? (check the boxes that match your situation)	Not yet Implemented	Partially Implemented	Implemented		
	1	2	3	4	5
7. Reconciliation of intragroup transactions (intercos) at regular intervals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Subsidiary autonomy and accountability for the intragroup transaction reconciliation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Selection of the consolidation and reporting software package best-suited to your situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Implementation of quality indicators (e.g., number of corrections made on subsidiary files, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 3: Production of Financial Data & Consolidated Reporting

Where does your company stand in terms of...? (check the boxes that match your situation)	Not yet Implemented	Partially Implemented	Implemented		
	1	2	3	4	5
11. It meets the group's internal and external communication needs in a range of formats and for multiple users/departments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. It supports the analytical requirements of internal and external decision-makers at both the financial and management levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It's flexible, relevant, quick and upgradable to meet intermittent information needs in a range of formats	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. It's largely automated and uses dynamic links	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total the number of boxes checked by column in the three tables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multiply by the coefficient indicated	x1	x2	x3	x4	x5
Enter the total for each column	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total the five boxes and record your score here:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What's Your Final Score? What Are Your Priorities to Improve Your Consolidation Process?

How should you interpret your score? We provide a few suggestions for further exploration below:



< 25:

Your group is probably doing its first consolidation and it has been entrusted to an outside firm. The automation of certain processes and the implementation of procedures will soon seem indispensable for increasing the effectiveness and quality of consolidated account production. If you are planning to consolidate your accounts in-house, the acquisition of a specialised software tool will be a considerable asset for the legal consolidation phase and the production of detailed and reliable reports to help you make decisions for the audit phase, which will save you a significant amount of time.



25-40:

You've already begun to implement some procedures, but there is still a great deal to do. We hope that this questionnaire has helped you define some areas for improvement.



40-55:

At this level, you've already implemented many procedures that will help you increase your effectiveness. Here are a few areas to explore to help you go further: are your consolidation and reporting processes lined up to enable you to obtain a single version of the truth? Does your statutory consolidation software enable you to publish complete audit reports?



55-70:

What other levers do you have to improve your productivity? Can you give subsidiaries more autonomy? Can you automate interco reconciliation?

Were you able to identify the potential areas for improvement in your organisation? What obstacles remain?

About Prophix

Your business is evolving. And the way you plan your business activities and report on them should evolve too. To empower mid-market companies to achieve their goals, Prophix provides an integrated, cloud-based platform to the Office of Finance; one that delivers planning, budgeting, reporting, forecasting and consolidation solutions. With Prophix, finance leaders improve profitability and minimize risk and puts the focus back on what matters most – uncovering business opportunities. Prophix supports your future with AI innovations that adapts to meet your strategic realities, today and tomorrow. Over 2,500 active customers around the globe rely on Prophix to transform the way they work.

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