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بروجاكس للتدريب والتطوير  
Projacs Training and Development

# Accounting Methods and Procedures - Best Practices in Financial Accounting and Reporting

أساليب المحاسبة وإجراءاتها - أفضل الممارسات في الحاسبة المالية واعداد التقارير

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ProjacsAcademy.com



## Introduction

Chief Executive Officers spend months deciding on a corporate strategy. The plan probably includes a mix of changes in products, customers, and markets, as well as demands for increased efficiencies or information in a number of existing areas. The CEO then hands off the plan to a group of managers who are quite capable of implementing many of the changes, but who scratch their heads over how to squeeze greater efficiencies or information out of existing departments in order to meet their strategic goals. This is where best practices come into play. A best practice is really any improvement over existing systems.

***This course describes the two main types of best practices***, each one requiring considerably different implementation approaches. ***The first type of best practice is an incremental one.*** This usually involves either a small modification to an existing procedure or a replacement of a procedure that is so minor in effect that it has only a minimal impact on the organization, or indeed on the person who performs the procedure. The increased level of efficiency contributed by a single best practice of this type is moderate at best, but this type is also the easiest to install, since there is little resistance from the organization. An example of this type of best practice is using a signature stamp to sign checks; it is simple, cuts a modest amount of time from the check preparation process, and there will be no complaints about its use. However, only when this type of best practice is used in large numbers is there a significant increase in the level of efficiency of accounting operations.

***The second type of best practice involves a considerable degree of reengineering.*** This requires the complete reorganization or replacement of an existing function. The level of change is massive, resulting in employees either being laid off or receiving vastly different job descriptions. The level of efficiency improvement can be several times greater than the old method it is replacing. However, the level of risk matches the reward, for this type of best practice meets with enormous resistance and consequently is at great risk of failure. An example of this type of best practice is eliminating the accounts payable department in favor of having the receiving staff approve all payments at the receiving dock; it involves the elimination of many jobs and is an entirely new approach to paying suppliers. A single best practice implementation of this sort can reap major improvements in the level of accounting efficiency. Thus, given the considerable number and size of the differences between the incremental and reengineering best practices, it is necessary to first determine into which category a best practice falls before designing a plan for implementing it. Given the difficulty of implementation for a reengineering project, it may even be necessary to delay implementation or intersperse a series of such projects with easier incremental projects, in order to allow employees to recover from the reengineering projects.

## Objectives

This course will develop the participants' skills in improving the efficiency of their organizations through the implementation of World Class Best Practices in Accounting methods, procedures and Financial Reporting.

## Who Should Attend?

All executives, managers, accountants, engineers.

## Course Outline

### Day One:

- Types of Best Practice
  - Incremental
  - Re-engineering
- The Most Fertile Ground for Best Practices
- Planning for Best Practices
- Timing of Best Practices
- Implementing Best Practices
- Best Practice Duplication
- Why Best Practices Fail
- The Impact of Best Practices on Employees

### Day Two:

#### Accounts Payable Best Practices

- The accounts payable function is the most labor-intensive of all the accounting functions and is therefore an excellent source of labor savings if the correct best practices can be implemented.
- The basic process in most companies is to receive three types of information from three sources—an invoice from the supplier, a purchase order from the purchasing department, and a proof of receipt from the receiving department.
- The best practices in this section fall into a few main categories, most of them designed to reduce the matching work.
  - One category attempts to consolidate the number of invoices arriving from suppliers
  - Another category tries to reduce or eliminate the number of receiving documents.
  - Finally, another category reduces the number of purchase
  - Orders that must be matched.

***It is not possible to use all of these best practices together, since some are mutually exclusive—one must be careful in choosing the correct best practices.***

#### Billing Best Practices

- This section covers the best practices that can be used to create a more efficient billing operation.
- The best practices fall into three main categories.

- One group covers the need for more accurate information that is used to create an invoice.
- The next group of best practices covers the efficiency of the invoicing operation itself, eliminating month-end statements and using a smaller number of multipart invoice forms.
- The final group focuses on changing the method of invoice delivery to the customer, such as using electronic data interchange or allowing the delivery person to create the invoice at the point of delivery.
- Taken as a whole, these best practices result in an invoicing operation that is remarkably error-free, issues invoices as soon as products are shipped, and ensures that customers receive invoices almost at once.

### Day Three:

#### Budgeting Best Practices

- The budgeting process is often looked at to be excruciatingly slow and painful, requiring many months of continual effort before a reasonable budget document is completed. Once it is done, they wonder why the company went to all the effort, since no one makes a strong effort to follow it. This section addresses both problems.
- There are a variety of best practices focusing on creating and implementing a budget model, ranging from defining capacity levels and step-costing points to using activity-based budgeting.
- These are designed not only to make the budgeting process simpler, but also to result in a better budget that closely reflects management's expectations regarding operations in the upcoming budget period.
- There are several best practices that can improve a company's usage of the budget, so that it is closely integrated into daily operations:
  - Overview of implementation issues for all of the best practices;
  - A discussion of individual best practices, each one being presented in a separately.
  - A review of how these best practices will change a company's budgeting operations.

#### Cash Management Best Practices

- This section covers the best practices that can be used to create a more efficient cash management function.
- This area falls into the finance function at many larger companies.
- The best practices are primarily concerned with creating an orderly flow of cash into and out of a company's coffers.
- The vast majority of these best practices are complementary, working most effectively if they are all used at once:
  - A discussion of the implementation problems associated with each best practice
  - The advantages and disadvantages of using each one.

- A discussion about how to use most of these best practices as a group to achieve a cash management system with a high degree of efficiency.

#### **Credit and Collections Best Practices**

- Valid problem caused by the company that is making the customer wait on payment of the invoice.
- Cases where the collections problem is be caused by the customer.
- Best practices that allow a credit and collections staff to reduce the error rate of invoices being sent to customers, while also providing new tools to force customers to pay by the due dates listed on company invoices.
- Best practices that can enhance the operational efficiency of the collections staff.
- Makes the collections task easier, while reducing the amount of overdue accounts receivable at the same time.

#### **Day Four:**

#### **Costing Best Practices**

- Best practices impacting the cost of products and the valuation of inventory.
- Three main areas: information accuracy, cost reports, and costing systems.
- Information accuracy, covers several best practices that review the accuracy of key information driving the costing of inventory: bills of material, labor routings, and units of measure.
- Cost reports, is covered by the largest number of best practices. These are concerned with modifying or even eliminating the current cost-reporting systems in favor of a tighter focus on direct costs, materials, costs trends, and obsolete inventory.
- Costing systems, addresses the two costing systems that should at least supplement, if not replace, traditional costing systems: activity-based costing and target costing.

#### **Financial Statements Best Practices**

- Best practices that can be used to issue financial statements more rapidly.
- Long interval is regularly required to complete financial statements, it has two significant impacts:
  - not allowing any time for the accounting staff to complete other activities,
  - and an irate management team that never receives its information on time.
- These problems that can be completely eliminated by
  - streamlining the entire process of financial statement production.
  - This is done in a variety of ways:
    - Completing some tasks before the end of the month,
    - Avoiding the bank reconciliation, and automating the month-end cutoff process.
    - Automating the period end cutoff.

## Day Five:

### General Ledger Best Practices

- Streamline the general ledger
- Restructuring the general ledger to allow for the use of activity-based costing,
- Using a data warehouse.
- Significant start-up costs and much more work for the accounting staff is unavoidable, but the level of information that this practice provides to the rest of the organization is greatly enhanced.
- Best practices include restricting the use of journal entries, automating interfaces with subsidiary ledgers, and simplifying the chart of accounts.

### Internal Auditing Best Practices

- A traditional internal auditing department is frequently considered to be similar to the external auditors who annually review the corporate financial records, except that they also deal with operational and control issues and are more frequently found in the field.
- The internal auditor's role can be viewed quite differently, switching from a systems reviewer to an active partner who can bring tremendous value to a company's business units.
- Many of the best practices focus on the revised role of auditors acting as business partners.
- Another strong focus is on the enhancement of work efficiencies within the internal audit department, which tends to suffer from continual deadline crises, unfinished paperwork, and difficulty determining which audits need to be addressed first.
- Overview of implementation issues for all of the internal auditing best practices.

### Inventory Best Practices

- Best practices focus on improving the accuracy of the existing inventory, improving inventory transactions, and reducing a company's investment in inventory.
- These improvements most directly assist other departments, such as the production, warehouse, and purchasing employees.
- The accounting staff is deeply interested as well.
- The accuracy of the financial statements is largely driven by the accuracy of the inventory—if it is off by even a few percent, the variance flows through the cost of goods sold, resulting in a considerable amount of inaccuracy in reported profits.
- If the inventory investment can be reduced, the risk of incorrectly counting or valuing the inventory is also reduced.
- Best practices require that the controller must obtain the approval and active participation of the warehouse, purchasing, and engineering managers.
- Implementation issues for inventory best practices.

- Impact of best practices on the inventory function.

### **Payroll Best Practices**

- Payroll function involves a large clerical workload occurring shortly before and at the end of each pay period.
- Predictable surge and drop in the payroll staff's
- Best Practice helps avoiding the problems associated with periodic strains on the staffing of the accounting department by examining each step of the payroll process and streamlining it to reduce the overall workload.
- Payroll function is very error-prone.
- Concern on the part of employees that their paychecks are not being correctly calculated.
- Payroll errors not only require valuable time to fix, but also bring about a decline in employee confidence in the accounting department.
- Best practices will reduce or eliminate many payroll errors. Implementation problems associated with each best practice.

### **Policies in Support of Best Practices**

- Best practices are most likely to succeed if the entire organization is fine-tuned to accept and support them.
- This calls for sufficient budgeted funds for each best practice, a supportive management team, and an employee reward system specifically constructed to focus attention on best practices success.
- In addition, a more subtle approach is to adopt a set of policies that assist in best practice implementations, either through specific policy wording or indirectly as the result of a general guiding principle.
- Only a subset of all best practices can be supported in this manner, since many occupy such specialized niches at a detailed procedural level that there is no way to create a supporting policy.
- It is worthwhile to obtain management or even Board-level support for a set of policies in support of best practices.



## Training Method

- Pre-assessment
- Live group instruction
- Use of real-world examples, case studies and exercises
- Interactive participation and discussion
- Power point presentation, LCD and flip chart
- Group activities and tests
- Each participant receives a binder containing a copy of the presentation slides and handouts
- Post-assessment

## Program Support

This program is supported by interactive discussions, role-play, case studies and highlight the techniques available to the participants.

## Schedule

**The course agenda will be as follows:**

- |                     |                  |
|---------------------|------------------|
| • Technical Session | 08.30-10.00 am   |
| • Coffee Break      | 10.00-10.15 am   |
| • Technical Session | 10.15-12.15 noon |
| • Coffee Break      | 12.15-12.45 pm   |
| • Technical Session | 12.45-02.30 pm   |
| • Course Ends       | 02.30 pm         |

## Course Fees\*

- **2,950USD**

*\*VAT is Excluded If Applicable*

## مقدمة

الرؤساء التنفيذيون يقضون أشهر في اتخاذ قرار بشأن استراتيجية الشركة. من المحتمل أن تتضمن الخطة مزيجاً من التغييرات في المنتجات والعملاء والأسواق، بالإضافة إلى مطالب بزيادة الفعالية أو المعلومات في عدد من المناطق الحالية. ثم يسلم الرئيس التنفيذي الخطة إلى مجموعة من المديرين القادرين على تنفيذ العديد من التغييرات، ولكنهم يتحIRON حول كيفية استخلاص الكفاءات أو المعلومات من الإدارات الموجودة من أجل تحقيق أهدافهم الاستراتيجية. هذا هو المكان الذي تلعب فيه أفضل الممارسات. أفضل الممارسات هي في الواقع أي تحسن على الأنظمة الحالية.

تصف هذه الدورة النوعين الرئيسيين من أفضل الممارسات، حيث تتطلب كل منهما أساليب تنفيذ مختلفة بشكل كبير. النوع الأول من أفضل الممارسات هو النظام التدريجي. وعادة ما ينطوي هذا إما على عمل تعديل بسيط على إجراء قائم أو استبدال الإجراء الذي يكون صغيراً في الواقع بحيث لا يكون له سوى تأثير ضئيل على المنظمة، أو في الواقع على الشخص الذي يقوم بهذا الإجراء. إن المستوى المتزايد من الفاعلية التي تساهم بها أفضل ممارسة من هذا النوع هو معتدل في أحسن الأحوال، ولكن هذا النوع هو أيضاً الأسهل في التثبيت، نظراً لعدم وجود مقاومة تذكر من جانب المنظمة. مثال على هذا النوع من أفضل الممارسات هو استخدام ختم لتوقيع الشيكات؛ إنها بسيطة، وتقطع كمية متواضعة من الوقت من عملية إعداد الشيك، ولن تكون هناك شكاوى حول استخدامها. ومع ذلك، فقط عندما يتم استخدام هذا النوع من أفضل الممارسات بأعداد كبيرة، توجد زيادة كبيرة في مستوى كفاءة العمليات المحاسبية.

النوع الثاني من أفضل الممارسات ينطوي على درجة كبيرة من إعادة الهيكلة. هذا يتطلب إعادة تنظيم كاملة أو استبدال وظيفة موجودة. ومستوى التغيير هائل، مما يؤدي إلى استبعاد الموظفين أو تلقي توصيفات وظيفية مختلفة إلى حد كبير. يمكن أن يكون مستوى تحسين الفعالية أكبر بعدة مرات من الطريقة القديمة التي يتم استبدالها. ومع ذلك، فإن مستوى المخاطرة يتطابق مع المكافأة، لأن هذا النوع من الممارسات الفضلى يلاقي مقاومة هائلة وبالتالي يكون عرضة لخطر الفشل. ومن الأمثلة على هذا النوع من أفضل الممارسات القضاء على إدارة الحسابات المستحقة الدفع لموافقة موظفي الاستقبال على جميع المدفوعات في رصيف الاستلام؛ وهو ينطوي على القضاء على العديد من الوظائف وهو نهج جديد تماماً لدفع الموردين. يمكن لتنفيذ واحد من أفضل الممارسات من هذا النوع أن يجني تحسينات رئيسية في مستوى فعالية المحاسبة. وبالتالي، ونظراً للعدد الكبير وحجم الاختلافات بين أفضل الممارسات التدريجية وإعادة التصميم، فمن الضروري تحديد الفئة التي تقع فيها أفضل الممارسات قبل وضع خطة لتنفيذها. ونظراً للصعوبة في تنفيذ مشروع إعادة الهيكلة، فقد يكون من الضروري تأجيل التنفيذ أو نشوء سلسلة من هذه المشروعات بمشاركة إضافية أسهل، من أجل السماح للموظفين بالتعافي من مشاريع إعادة الهيكلة.

## الإهداف

ستطور هذه الدورة مهارات المشاركين في تحسين كفاءة مؤسساتهم من خلال تنفيذ أفضل الممارسات العالمية المستوى في أساليب المحاسبة والإجراءات والتقارير المالية.

## الحضور

جميع المديرين التنفيذيين والمديرين والمحاسبين والمهندسين.