

Business Resilience Toolkit

The importance of documentation

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Transcript:

So why DO finance people love documentation & good record keeping?

My name is Jacqui Shaw - I'm a Finance Consultant with CBB & I'd like to solve this conundrum with you today!

Source documents contain the stories of your organisation's business transactions. These documents capture the key information about each transaction, such as the names of the parties involved, amounts paid or received, the date, and the substance of what that transaction was. They are a good internal control, and are the memory and evidence that a transaction occurred during the process of your organisation's operations.

Keeping on top of your documentation will give you real time information (so no nasty surprises), will balance the work throughout the month (rather than you having to play catch up), will give you easy access to information for when you need to handle queries & will mitigate the risks around late &/or duplicated invoicing & payments.

Following careful record keeping procedures can help prevent & minimise the risk of fraud or theft within your organisation.

Documentation facilitates the accurate recording of transactions, which in turn leads to accurate & reliable reporting for your organisation.

Documentation helps with financial reporting analysis, which in turn will give you a better understanding of the numbers being reported, which will in turn help you manage your organisation efficiently.

There is certain value in having accurate & reliable data for forecasting, monitoring trends and giving early warning signs of both positive or negative changes that could impact your organisation's financial outcomes.

Documentation satisfies the need to be able to substantiate the financial numbers recorded and reported, for when your organisation is audited. That, along with good record keeping, in effect limits much of the pain associated with audits.

And last, but not least - we like looking out for your organisation's best interests - your organisation has a legal requirement to retain its source documents, so it's not just good business behaviour to do this - it's required of you by law.

Related video to watch next: Reporting and monitoring.