Data-driven Reporting and Accounting

Margus Tammeraja

Chairman of the Board, Association of Estonian Accountants

September 30th, 2020

Accountancy in Estonia

- Number of active companies: **133,784***
  - Reporting VAT: 99,386**

- Accountants&bookkeepers: ca   **13,300**
  - in accounting bureaus: **5,500**
  - In Shared Services Centers: 2,500
  - In accounting departments: 5,300

Cost of Accounting

Estimated total cost of accounting (services+wages+IT)

210…270 MEUR

(0.7…0.9 percent of GDP)

Expected cost savings by automation 30-60 MEUR

Expected increase in exporting services 20-25MEUR

Future of Reporting

Real-Time Economy

The Real-Time Economy is an environment where financial and administrative **transactions** connecting citizens, business and public sector entities are:

- In structured **standardized** digital form
- Increasingly generated **automatically**, and
- **Completed** increasingly **in real time** without store-and-forward processes.

Bo Harald, "Roadmap for Real Time Economy…"

Data-driven reporting

- **Postings data instead of aggregations**
- Universal taxonomies for everyone to use
- The Estonian project Reporting 3.0

https://www.emta.ee/et/ariklient/tulu-kulu-kaive-kasum/mta-statistikaameti-ja-eesti-panga-uhisprojekt-aruandlus-30

Creating the Standard

XBRL Global Ledger taxonomy framework (XBRL GL)

is a holistic and generic XML and XBRL-based representation of the **detailed data** that can be found in accounting and operational systems, and is meant to be the bridge from transactional standards to reporting standards, integrating the Business Reporting Supply Chain.

https://nordicsmartgovernment.org/sites/default/files/media/taltio_-_test_of_datawarehouse.pdf

Records in Unified Format

Three different categories for entries related to any one document:

- **Header**: entries are actual total amounts of cash received or paid (invoiced);

- **Header VAT**: entries are VAT totals for the document;

- **Row**: entries are net amounts of purchases/sales.

Data Quality

- Use standardized classifications and lists
- Automated updates for classifications and lists
- Universal controls for standard data fields
- Data abundancy – forwarding all the details
- Re-use of data already created and received
- The Once-only Principle of data entry
- **Sharing** the data meaningfully

Thank you!

MARGUS TAMMERAJA

MARGUS@TAMMERAJA.EE

+372 505 9374