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professionals when it comes to confidence in the accuracy of financial data, but nearly seven in 10 respondents believe that their organization has made significant

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A global [survey](#) of C-suite executives and finance professionals commissioned by [BlackLine, Inc.](#) (Nasdaq: BL), a leading provider of financial controls and

automation software, has revealed that over half (55%) of respondents are not

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nearly seven in 10 respondents believe that their organization has made significant business decisions based on inaccurate data. Many identified this as a hidden problem, with over a quarter (26%) stating concern over errors that they know must exist, but of which they have no visibility.

The BlackLine survey results show an overwhelming acknowledgment that inaccurate financial data has negative implications both externally and internally, yet also shows that many organizations continue to be challenged by human error and an ever-increasing volume of data sources, as well as outdated technology.

“It is concerning that so many organizations are not confident in their ability to identify errors and ensure accurate reporting,” Mario Spanicciati, chief strategy officer at BlackLine, said. “The high-profile misreporting scandals we see in the news could be just the tip of a larger financial inaccuracy iceberg. It seems clear that not only are reporting errors prevalent, but that many of these inaccuracies remain hidden below the surface. There is no longer any excuse for not having full visibility into accurate numbers from which to report and drive business forward.”

Survey highlights included:

Misplaced C-suite trust in the numbers

- Although over half (54%) of total respondents still claim to completely trust the accuracy of their own financial data in general, there is a significant discrepancy between the views of the C-suite and that of finance professionals.
- While 71% of C-suite respondents claimed to completely trust the accuracy of their financial data, only 38% of finance professionals said the same.

Many organizations are betting their business on inaccurate financial data

- Almost seven in 10 (69%) respondents think that either they themselves or their

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- Only 17% of respondents agreed that they could trust that their finance team/CFO had identified all errors to ensure they are reporting accurately.
- Respondents cited human error (41%), multiple data sources (40%) and a lack of automated controls (28%), as well as clunky technology (28%), as contributing factors to their lack of trust.

Counting the cost of hidden inaccuracies

- Nearly all (96%) C-level respondents agreed that if inaccuracies in financial data were not identified prior to reporting, the impact would be negative.
- These negative impacts included significant reputational damage (42%), an impact on their ability to secure additional investment (41%), and increasing debt levels (40%), with almost a third (32%) fearing fines and jail time.
- Many large organizations are constantly having to fix financial errors in their accounts – in almost a quarter (22%) of cases, C-suite respondents said it takes up to 10 days per month for their organization to identify errors and make adjustments, potentially wasting as many as 114 days each year.

Accepted margins of error worryingly wide, despite recognition of pressure to close accuracy gap

- 39% of respondents acknowledged that the acceptable margin of error with accounts is decreasing in today's technology-driven world.
- Despite this, 65% indicated that their organization still wouldn't consider \$2 billion of accounting errors reported in their financial statements as material.

The research suggests that CEOs are making business decisions on numbers in which *they* are confident, but the people preparing the statements and reports are *not*. The result is a heightened and unnecessary level of risk for many large organizations.

The implications of this are potentially severe. They include not only the financially

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are available and proven, there's really no excuse.”

BlackLine will be conducting a webinar on Wednesday, March 13th, with *CFO Magazine* (to be replayed via Proformative on Thursday, March 28th) highlighting the findings of the survey and discussing the potential implications. To sign up or learn more, please follow these links:

- *CFO Magazine* – <http://aef.argyleforum.com/how-cfos-overcome-the-biggest-obstacles>
- Proformative – <https://www.proformative.com/events/biggest-obstacles-trustworthy-financial-data-how-cfos-overcome-them>

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