

OP.106

IAC 01.02. Variance analysis

Process: [Product Costing](#)

Responsibility area: [Internal Control Monitor](#)

Risk

FRA justifies the usage of manual costing vs a reference list validated by plant manager and GCCO, controls inventory revaluation and analyzes variances

Process description

Variances of production costs are analyzed monthly to ensure inventory valuation and cost of sales accuracy

Control description

FRA:

1. WP2 description:
 1. compares list of manual costing vs result of ZWOCO50 transaction
 2. analyzes product costing variances month over month and checks that there were no blocking errors (CK40N reports)
 3. analyses variances (actual vs target) with the variable & fixed cost split (ZWPP_MCKOST or IMEP BW reports)
 - ZWOCO050 file with comments
 - CK40N checklist + CK40N analysis template
2. PF2 description:
 - 1 . Analysis of material cost variances Month N vs Month N-1 above 10K Materiality (ZZM_MAT_VAL_COMP report) r ZWPP_MCKOST or IMEP BW reports) with comments

Scope

WP2 & PF2

Frequency

D10

Control owner

[Finance Responsible Assigned \(FRA\)](#)

References

**Error rendering
macro
'contentbylabel'**

parameters should
not be empty

Content by label

There is no content with the specified labels

Control evidences

[IAC 01.02 Monthly variance analysis, CCR, manual costing.xls](#)

[IAC 01.02 template PF2.xlsx](#)

Guideline

Download the file [IAC 01.02 Monthly variance analysis, CCR, manual costing.xls](#)

There are 9 sheets in the file :

- E.g. 2: France Operation in Financial Accounting:
 - Labels to be used: **country_accounting**, **france**, **financial_accounting**
(for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the “to”, mainly action verb...something) - " I do something..."**

5. Once the description of the operation is completed, ensure it is approved and published by launching the **SBS-Finance approval workflow**

Domain: New Financial Scheme implementation

Responsibility area: Analyse the new Financial Scheme and ensure Financial Scheme implementation and readiness

Table of contents

Scope



ERP



? Unknown Attachment

Frequency

on spot requests

References

SM30 tables:

ZZF_BFC_SCH_DIM

ZZF_BFC_SETACCT

Transaction:

ZZF_BFC_CUSTOMIZING

Forms

Attachments

https://aodocs.altirnao.com/?locale=en_US&aodocs-domain=solvay.com#Menu_listDoc/LibraryId_QLsALxhAuXNKLSz74H/ViewId_QLsANWb3IkRie5nnjN/ViewParams_%257B%2522searchInSubFolders%2522:false%257D

1. Objective and Scope

1.1. Objective of this Operation

The aim of this operation is to describe all the necessary steps to take into consideration when a new financial scheme is needed for reporting purposes. The articulation between actors during the implementation of the new scheme is crucial to have the information consistent.

1.2. Scope

The scope of this operation is PF1, WP1 and PI1 ERP systems.

2. Definitions

See [Finance Glossary](#):

- ...

3. Tasks description

Service Unit Finance Financial Accounting team receives a request with the need of a new financial scheme to be implemented in SAP environments. This team analyses the request and liaise with all concerned actors to have all the detailed information. With this information, a new scheme can be built in the impacted SAP environment and must be aligned with the BFC reporting features. All must be tested, either in SAP environments (quality systems) either in BFC reporting tool.

3.1. *I receive a request for information with the need of a new Financial Scheme*

3.1.1. *I receive a request for information with the need of a new Financial Scheme*

I receive a request for information with the need of a new Financial Scheme. The triggering agent for this should be Group Accounting and Reporting team. Usually the first contact email has all the information needed but, in case of any doubt, questions should be addressed back to GAR team.

? Unknown Attachment

3.1.2. *I analyse the request received for new reporting needs*

I analyse the request received for the new Financial scheme and try to identify if there are already other similar Financial Scheme set in place.

In case similar Financial Schemes already exists and are set up, we can use the same methodology to set it up.

For instance, if there is the need to create new headings for a Long Term heading and there is already a Short Term heading in use, I should identify:

- BFC Dimension by scheme:
 1. I need to identify which will be the families impacted (IC for Interco only, B2 for ACTUAL2, etc.)
 - a. B2 BFC quarterly ACTUAL2
 - B3 BFC quarterly ACTUAL3
 - BF BFC monthly
 - F2 BFC quarterly ACTUAL2 - Factoring Cy

FF BFC monthly - Factoring Cy
L2 BFC quarterly light ACTUAL2
LF BFC monthly light
X0 BFC Yearly ACTUAL0 - CBCR
Y2 BFC quarterly light ACTUAL2
YF BFC monthly light

2. I need to identify the scheme
 - a. SA0 Analysis with only Entreprise level without flows
 - b. SA0F Analysis with only Entreprise level with flows
 - c. SBA With site, year, all, level without flows restr
 - d. SBAF With site, year, all, level with flows restr
 - e. SA1O Analysis with only Entreprise level without flows
 - f. SA1OF Analysis with only Entreprise level with flows
 - g. SA1P With object part, all, without flows
 - h. SA1PF With object part, all, with flows
 - i. SA1Q With part, conso, without flows
 - j. SA1QF With part, conso, with flows
 - k. SA1T With part,, all, without flows
 - l. SA2F With part, all, with flows
 - m. SA3 With part, Third, without flows
 - n. SA4 By part and by share with flows
 - o. SA5 By div without flow
 - p. SA5Q By div for external part without flow
 - q. SA6 By div without flow = SA3
 - r. SA6F By div, all partners, without flow
 - s. SA6O By div for external part without flow = SA4
 - t. SA7 By div for external part with flow = SA4
 - u. SA8 By div for external object partner without flow
 - v. SAA By div, part, dest, sales mvt without flows
 - w. SAAF By div, external part, country dest, without flows
 - x. BOIC Analysis with only Entreprise level without flows
 - y. BOICF With site, all, without flows (CALA)
 - z. AP With site, all, with flows (CALA)
 - aa. AR Analysis with only Entreprise level without flows
 - ab. INV Analysis with only Entreprise level with flows
 - ac. SA1G With object part, all, without flows
 - ad. SA0FT With object part, all, with flows

3. I need to identify the heading;

A for Assets;

L for Liabilities;

R for Profit and Loss (Result)

Check GS03 ZFC-BALANCE

? Unknown Attachment

SM30 ZZF_BFC_HEADING

? Unknown Attachment

? Unknown Attachment

4. Following the heading, the set accounts should match according to the rule ZFC-*, where the new accounts should be included.

? Unknown Attachment

? Unknown Attachment

5. I should confirm the flows to be available in BFC, in order to identify the set of flows in BFC customizing.

3.2. I ask for adjustments in the impacted reporting tools to meet the new Financial Scheme needs

3.2.1. I ask for adjustments in BFC tool to match the new Financial Scheme needs

I ask BFC Admin team to adapt BFC simulation tool with the following information:

- Heading to be included;
- in which packages is the heading to be included (for instance:
 - L1005 Balance sheet (agregate report - retrieve only)
 - L2005 Balance sheet - Assets
 - L7010 Balance sheet - By flows
 - L3060 Special operations
 - L5605 Non current Assets - Intercompany
 - L5615 Non current liabilities - Intercompany;
- Node and Subnode to be included in

(for instance:

Node: ZFC-A270 Other n/current financial assets, Net

Subnode: ZFC-A270-G Other n/current financial assets, Gross

? Unknown Attachment

3.2.2. I ask for adjustments in Quality systems QF1, WQ1 and QI1 PF1/WP1/PI1 target systems

I ask for the adjustments in Quality systems; either QF1, WQ1 and QI1, according to the impacted company codes/systems.

These adjustments are to be asked to Digital Technology department, through the active ticketing tool. (at this time, Service One Digital Workplace > IT - General Accounting & Close (GAC)/Treasury & Invoice to Cash (TITC)/ Other processes.

In the request, I share the modifications needed, namely update of tables or set of accounts.

Example:

update of SM30 table ZZF_BFC_HEADING/ZZF_BFC_SETACCT

update of set of accounts ZFC-BALANCE

? Unknown Attachment

3.3. I guarantee the adjustments meet the new Financial Scheme needs

3.3.1. I receive confirmation that BFC tool has been adjusted to meet the new Financial Scheme needs

I receive confirmation that BFC tool has been adjusted (after the testing in simulation web environment of BFC)

? Unknown Attachment

3.3.2. I perform testing in SAP environments to guarantee adjustments meet the need of the new Financial Scheme

I perform testing in SAP environments to guarantee adjustments meet the expected results.

The tests should be done in all systems and tacking all the three regions, EMEA, APAC and NAM/LAM.

Book the testing documents in SAP and run all the interfaces transactions, in order to certify the interface is collecting the right data, with the necessary dimensions and right sign.

Example from QF1, APAC company.

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? Unknown Attachment

? Unknown Attachment

? Unknown Attachment

3.3.3. I request the update of the Interface tables in SAP production environments.

I request Digital Technology team to transport the modifications made in quality environments to production environments, if all testing is successful.

This request is to be made through the available ticketing tool (at this time, Service One Digital Workplace > IT - General Accounting & Close (GAC)/Treasury & Invoice to Cash (TITC)/ Other processes.

3.4. I communicate the new Financial Scheme is implemented

3.4.1. I communicate the new Financial Scheme is implemented and ready to be used.

I share that all testing has been done according to the request and that adjustments were made available in production systems. This communication must address:

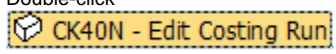
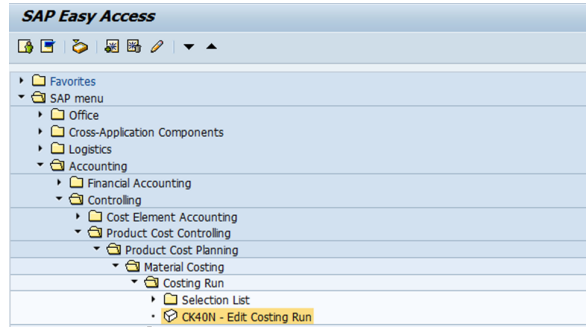
- GAR team;
- BFC Admin team;
- team responsible for SAP vs BFC file RPA.

End of document.

STEP 1

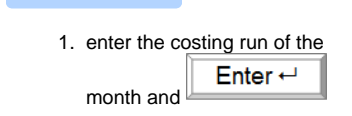
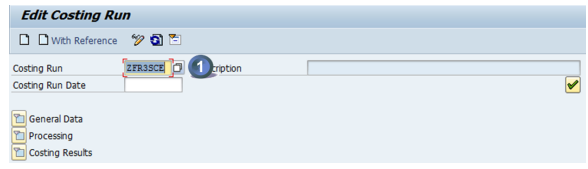
Start the transaction using the menu path or transaction code **CK40N**

Double-click

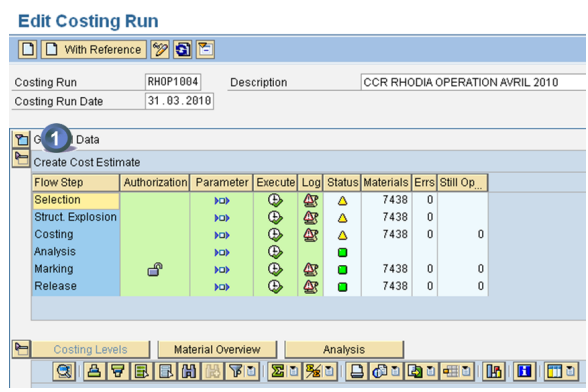
STEP 2

1. enter the costing run of the month and

STEP 3

1. **Expand**



STEP 4

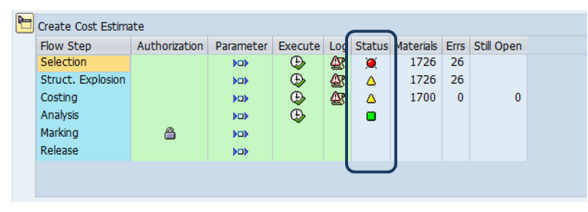
i All error messages must be cleared




When there is a warning message, it often happens that there is a mistake in the costing. So even if it is not compulsory, it is recommended to check the warning messages and try to correct it.

Note: Sometimes, despite not having any error, some materials remain in column "Still Open". This is related with a technical issue linked to the mixed-costing materials. In order to correct the display table it's necessary to execute transaction CKSU.

STEP 1


WP1 + PF1

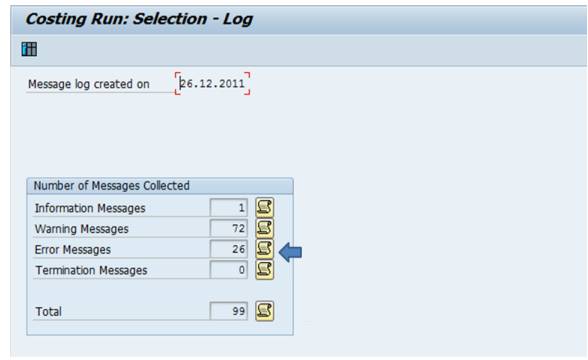


When there are error  or warning  messages, you must click on  to analyse and clear them

STEP 2

WP1 + PF1

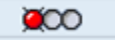

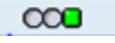
Click on  to have the list of messages



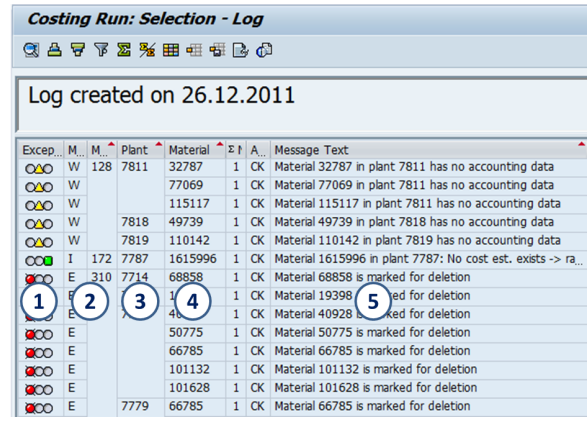
STEP 3

WP1 + PF1

1 - Type of message

-  **E** Error messages, must be cleared
-  **W** Warning messages, must be analysed and cleared as much as possible
-  **I** Information messages

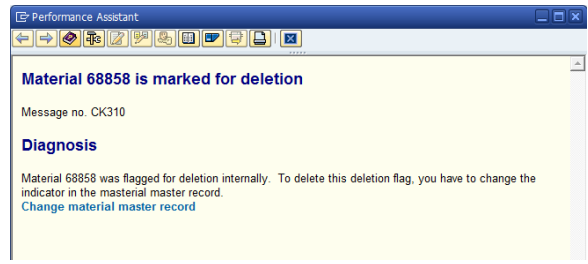
- 2 - Message code
- 3 - Plant code
- 4 - Material code
- 5 - Message description

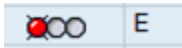


STEP 4

WP1 + PF1

You can double-click on a message to have a more detailed description of the issue





CK060 - Object was not costed

CK249 - Cost component split for material not saved

CK310 - Material is marked for deletion

CK380 - No valid source of supply could be found

CK468 - No price could be determined for subcontracting

CK023 - No control record for Activity type CHEF/X332900700/ZZANO2 in version 000 / 2017 activity planning/qty planning

CK354 - Material XXXX in plant YYY has material status Z4 : Material deleted

CK430 - Missing formula in work center xxxxx

CK862 - Material XXX in plant XXX does not contain any segment for in-house production



CK053 - Deletion indicator set in material - plant

CK054 - Deletion indicator set in material - valuation area

CK080 - Material plant : BOM not active

CK082 - Material plant: no suitable BOM found

CK128 - Material in plant has no accounting data.

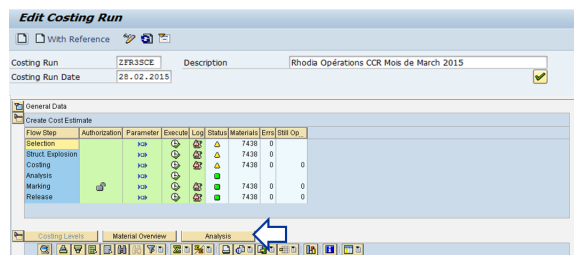
CK382 - Material does not exist in withdrawal plant

CK858 - No suitable or valid production version

STEP 5

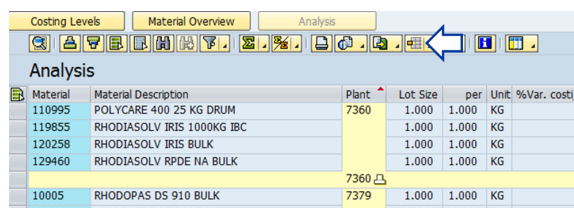
When errors are corrected and warning messages checked, costing analysis can begin. Click on

Analysis



STEP 6

Select the variant. In this example, we are using the variant /IAC0102



STEP 7

Filter the plant you are responsible for

| Material | Material Description | Plant | Lot Size | per | Unit | %Va |
|----------|----------------------------------------|-------|----------|-------|------|-----|
| 22638 | SILCOLAPSE 411 DRUM PLAST 200KG 225L | 7822 | 1.000 | 1.000 | KG | |
| 22639 | ANTIFOAM A FUT PLAST CLUB 200KG DM | | 1.000 | 1.000 | KG | |
| 31948 | TY B 50H1 BLACK LBO 0129 25KG PB/A | | 1.000 | 1.000 | KG | |
| 33082 | TY C 216 V40 BLACK Z OCT 1TO (811)/E | | 1.000 | 1.000 | KG | |
| 34808 | TY A 217 BLACK 1N 25KG PB (605)/E | | 1.000 | 1.000 | KG | |
| 34832 | TY A 218 S30 BLACK 21N 25KG PB (605)/E | | 1.000 | 1.000 | KG | |

STEP 8

Save in excel : local file => spreadsheet

STEP 9

Enter the directory & the file name and generate the file

STEP 10

i All variances above a defined threshold must be commented. The threshold is defined by the FRA :

- Unit cost variance %
- Inventory revaluation value.

If the threshold is above +/- 10% at unit cost level or +/- 50 k€ at item inventory revaluation level should be authorized by RCOM.

Open the file

If:

- the unit variation is > 10% (or local threshold)
- or Anticipated reval is > 50 KEUR (or local threshold),

a deeper analysis is requested

| Material | Material description | Plant | Lot Size | per | BU | %Var costing/M | Anticip reval | TotalStock | Val MatM | Costing Re | Var costing/M |
|----------|-----------------------------------------|-------|----------|-------|----|----------------|---------------|------------|----------|------------|---------------|
| 60444 | TY A 206F NOIR 21N 25KG SP (605)/E | 7822 | 1.000 | 1.000 | KG | 18,23 | | 0 | 1.990,48 | 2.353,40 | 362,92 |
| 60447 | TY A 206F NOIR 21N XXXX | 7822 | 1.000 | 1.000 | KG | -0,99 | | 0 | 1.941,18 | 1.922,04 | -19,14 |
| 60541 | MM 9438 C RIVET SAC 25 KG | 7822 | 1.000 | 1.000 | KG | -2,81 | -36,34 | 167 | 7.685,66 | 7.468,01 | -217,65 |
| 60701 | TY A 206F NATUREL 25KG SP (605)/E | 7822 | 1.000 | 1.000 | KG | -0,97 | -138,26 | 6.500 | 2.029,13 | 2.009,43 | -19,7 |
| 60838 | MM 8650 C CANULE SAC 25 KG | 7822 | 1.000 | 1.000 | KG | -3,54 | -76,13 | 428,2 | 5.019,53 | 4.841,73 | -177,8 |
| 61076 | TY SX 11 BL NATUREL 25KG SP (605)/E | 7822 | 1.000 | 1.000 | KG | | | 0 | 2.360,00 | 2.360,00 | |
| 61079 | TY SX 16 BL NATUREL OCT 1TO CPB (811)/E | 7822 | 1.000 | 1.000 | KG | | | 9.181,40 | 2.608,26 | 2.608,26 | |
| 61118 | CARPOLACTAME 60% VSAC | 7822 | 1.000 | 1.000 | KG | | | 14.693,29 | 795,75 | 795,75 | |
| 64151 | MM 8320 C CALECHE SAC 25 KG | 7822 | 1.000 | 1.000 | KG | -33,86 | | 0 | 5.157,50 | 3.422,12 | -1.735,38 |
| 64158 | MM 8389 C PRISON SAC 25 KG | 7822 | 1.000 | 1.000 | KG | 10,78 | 31,68 | 61 | 4.826,89 | 5.346,46 | 519,57 |
| 64236 | BASE DE NIGROSIRES/SOLVANT NOIR 7 FUT | 7822 | 1.000 | 1.000 | KG | 21,09 | 704,28 | 488,737 | 6.642,91 | 8.083,94 | 1.441,03 |
| 64248 | COYDE ZINC QUALITE NEIGE 3605 25KG SAC | 7822 | 1.000 | 1.000 | KG | 112,4 | 159,31 | 65,624 | 2.159,92 | 4.587,65 | 2.427,73 |

In this example, the costing of the following materials 60444, 64151, 64158, 64235, 64248 have to be checked and validated

as the variance is above 10% or/and the revaluation above 50 k€

STEP 1

Ex : 64235 BASE DE NIGROSINE /SOLVANT NOIR 7 FUT

The MAP increased from 6 643 € to 8 083 €

- We have to validate the MAP (Moving Average Price) by checking purchase orders of the month.
- It can also help to check the purchase variance of this material (KE30) to define where does the increase come from.

| | |
|----------------|--------------|
| MAP end M-1 | MAP end M |
| 6 643 € | 8 083 € |



STEP 2

Display purchase orders with the transaction **ME2M**

Enter

1. the material code & the plant
2. the period

Purchasing Documents for Material

STEP 3

There is one purchase order to check.

=> Double-click on it

| PO | Type | Vendor | Name | Pgp | Order Date |
|------------|-------|--------|--------------------------------------|-------|------------|
| 4501142662 | NB | 53552 | IMCD FRANCE SAS | FKR | 17.03.2010 |
| 0001 | 85 | | BASE DE NIGROSINE/SOLVANT NOIR 7 FUT | 0451 | |
| | 7822 | FR59 | | | |
| | | | 80 KG | 16,55 | EUR |
| | | | 0 KG | 0,00 | EUR |
| | | | 0 KG | 0,00 | EUR |
| 00020 | 64235 | | BASE DE NIGROSINE/SOLVANT NOIR 7 FUT | 0451 | |
| | 7822 | FR59 | | | |
| | | | 20 KG | 16,55 | EUR |
| | | | 0 KG | 0,00 | EUR |
| | | | 0 KG | 0,00 | EUR |

In march, the purchase price is 16,55 € / KG

It corresponds to the price invoiced

= 1 324 € / 80 kg

= 16,55 € / kg

At the end of M-1, the MAP was 6,64 € / kg. As the purchase price of M is 16,55 € / kg, it is normal that the MAP increases in M.

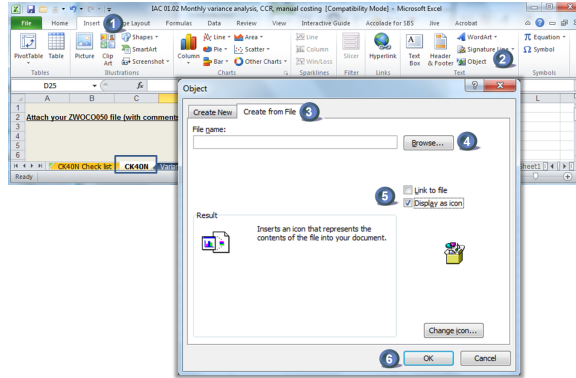
i If there is a mistake in the calculation of the new MAP due to an error in the purchase order, invoice price etc:

- Ask to correct the purchase order,
- If the MAP is still not correct => use the field Commercial 1 in view accounting 2 to correct it manually,
- Prepare a documentation for control IAC 01.02

STEP 11

When the analysis is completed, insert the file with your comments in the file IAC 01.02 of the month (sheet "CK40N").

1. Select "insert"
2. Click on "Object"
3. Select "Create from File"
4. Click on "Browse" and select the file
5. Check "Display as icon"
6. Click on OK



Once the CK40N analysis was completed, fill the checklist to confirm that all tasks have been properly performed

1. enter your site, name, date & period
2. enter the status of the task
3. when a task has not been performed, it is compulsory to comment
4. integrated FIFO is only applicable in limited cases

| Site | | | | | |
|-----------------------------------------------------------------|-----------------------------------------------------------------|--------|-----|-----------------------------------------|--------------------------------|
| FRA's name | | | | | |
| Date | | | | | |
| Period | | | | | |
| Standard Cost Calculation Check-List / FRA IAC 01.02 | | | | | |
| N° | Control description | Done ? | | Comments (compulsory for No and N/A) | Control Evidence (optional) |
| | | Yes | N/A | | |
| 1 | Messages analysis | | | | |
| 1a | Error messages in CK40N are checked and corrected (red squares) | No | | | |
| 1b | Warning messages are analyzed (yellow triangles) | Yes | | | |
| 2 | Excel analysis : all variances above threshold are analyzed | Yes | | | |
| 3 | If applicable, valid legal entity integrated FIFO is used | N/A | | | |
| 4 | Control evidences are posted in the IAC eroom | | | | |
| 4a | Excel file with variance analysis & comments | Yes | | | |
| 4b | Check-list | Yes | | | |

The variance is the difference between the expected standard cost and the actual cost incurred. Variance analysis involves breaking down the total variance to explain how much of it is caused by usage of resources being different from the standard and how much of it is caused by the price of resources being different from the standard.

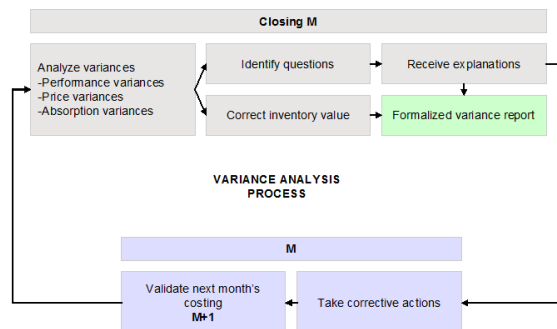
Each site controller has the responsibility to analyze each month the variance and to explain this variance in order to :

- Understand the reasons
- Initiate corrective actions
- If needed adjust the inventory value and change the semi-standard way of calculation, depending on the origin of the variance.

This process of analysis, whatever the result be a change of costing or not, must be formalized, and archived as a justification of records based on following sheets :

Variance Template Perf. analysis Revaluation CC variance IAC 01.09

Open the sheet "Variance Template"



STEP 1

Step 1: Open the file.

Choose the authorization scope and the period / fiscal year

SCOPE : SCO

BW File on

[BW - IMEP - WP2 Variance Analysis](#)

STEP 2

Control that the report BW = KE30:
 Total column P = D05
 Total column Q = E05
 Total column R = F05

STEP 3

List the products that generate the main variances

| | | Total |
|--------------|--------------------------------|----------------------|
| 128581 | FENTAMINE MADHT BULK(CN) | 101,523 CNY |
| 128201 | FENTACARE DHT21 I 75 BULK | 109,349 CNY |
| 128428 | FENTACARE EAPB BULK(CN) | 145,125 CNY |
| 128568 | FENTAMINE DMAPA CRUDE BULK(CN) | 170,968 CNY |
| 128192 | FENTACARE DHT21 E 75 BULK | 201,829 CNY |
| 124051 | FENTAMINE DMA1270 BULK | 204,609 CNY |
| 128620 | JAGUAR C 14 S BULK(CN) | 224,074 CNY |
| 128541 | FENTAMINE DMA1270D BULK(CN) | 246,764 CNY |
| 128567 | FENTAMINE DMAPA BULK(CN) | 354,980 CNY |
| 128278 | INT NITRIL HT BULK(CN) | 618,017 CNY |
| TOTAL | | 2,377,238 CNY |

STEP 4

Explain the main variances

a. structure: Production version change / Raw material / Recycling / Others

How to read this variance ?

- Material 53789 TY A 218 V30 BLACK 34NG XXXX was produced with a different production version than the one used for the costing
- In the production version (B332) used for the costing, it is forecasted to produce one batch in 18,239 hours. But this material was produced in 17,90 h on an other production line.

It creates the following variance on process order :

| Order | Mat | Material description | Origin | Actual Qty | Tgt Qty | SCF | Item UM | FC Var | DEP Var | Pnd/Ver | Pr/Pr |
|---------|-------|------------------------------|-----------------|------------|---------|-----|---------|----------|---------|---------|-------|
| 2084538 | 53789 | TY A 210 V30 BLACK 34NO XXXX | 7822-1133 AMO | 17,900 | 0,000 | H | | 0,00 | 376,83 | B332 | A413 |
| | 53789 | TY A 210 V30 BLACK 34NO XXXX | 7822-1133 CNP | 17,900 | 0,000 | H | | 3 620,24 | 0,00 | B332 | A413 |
| | 53789 | TY A 210 V30 BLACK 34NO XXXX | 7822-1133 MANHO | 17,900 | 0,000 | H | | 2 665,67 | 0,00 | B332 | A413 |
| | 53789 | TY A 210 V30 BLACK 34NO XXXX | 7822-1141 AMO | 0,000 | 10,239 | H | | 0,00 | 385,40 | B332 | A413 |
| | 53789 | TY A 210 V30 BLACK 34NO XXXX | 7822-1141 CNP | 0,000 | 10,239 | H | | 3 719,52 | 0,00 | B332 | A413 |
| | 53789 | TY A 210 V30 BLACK 34NO XXXX | 7822-1141 MANHO | 0,000 | 10,239 | H | | 2 605,63 | 0,00 | B332 | A413 |
| 2084873 | | | | 53,700 | 54,717 | H | | 239,24 | 8,57 | | |

| | Actual hours | Standard hourly rate 7822-1133 | Actual costs | Std hours | Standard hourly rate 7822-1141 | Standard costs | Variances |
|-----------------------------|--------------|--------------------------------|-----------------|-----------|--------------------------------|-----------------|----------------|
| MANHO | 17,90 | 148,92 | 2 665,67 | 10,24 | 153,83 | 2 865,63 | -139,96 |
| CNP | 17,90 | 202,25 | 3 620,24 | 10,24 | 203,93 | 3 719,52 | -99,28 |
| E05 FC ProcessO Var | | | 6 285,91 | | | 6 525,15 | -239,24 |
| AMO | 17,90 | 21,05 | 376,83 | 10,24 | 21,13 | 385,40 | -8,57 |
| F05 DEP ProcessO Var | | | 376,83 | | | 385,40 | -8,57 |

b. yield: RM consumption is higher or lower than std quantity

How to read this variance ?

- The actual time (96 h) to produce material 64712 PA 66 MOLTEN POLYMER is higher than the standard time (84,261h)
- It creates the following variance on process order :

| Order | Mat | Material description | Origin | Origin Description | Actual Qty | Tgt Qty | Item | FC Var | DEP Var | Pre/Ver | Pr/Pr |
|---------|-------|----------------------|-----------------|-------------------------|------------|---------|------|----------|---------|---------|-------|
| 2080288 | 64712 | PA 66 MOLTEN POLYMER | 7822-1304 AMO | ATY 20067822-1304/AMO | 96,000 | 84,261 | H | 0,00 | 264,50 | PC41 | PC41 |
| | 64712 | PA 66 MOLTEN POLYMER | 7822-1304 CNP | ATY 20067822-1304/CNP | 96,000 | 84,261 | H | 1 866,23 | 0,00 | PC41 | PC41 |
| | 64712 | PA 66 MOLTEN POLYMER | 7822-1304 MANHO | ATY 20067822-1304/MANHO | 96,000 | 84,261 | H | 497,75 | 0,00 | PC41 | PC41 |
| 2080873 | | | | | 288,000 | 252,783 | H | 2 164,07 | 264,50 | | |

| | Actual hours | Standard hourly rate 7822-1304 | Actual costs | Std hours | Standard hourly rate 7822-1304 | Standard costs | Variances |
|-----------------------------|--------------|--------------------------------|------------------|-----------|--------------------------------|------------------|-----------------|
| MANHO | 96,00 | 42,45 | 4 075,83 | 84,26 | 42,45 | 3 576,73 | 499,30 |
| CNP | 96,00 | 141,95 | 13 626,91 | 84,26 | 141,95 | 11 960,60 | 1 666,33 |
| E05 FC ProcessO Var | | | 17 702,74 | | | 15 537,32 | 2 164,62 |
| AMO | 96,00 | 22,55 | 2 164,84 | 84,26 | 22,55 | 1 900,12 | 264,72 |
| F05 DEP ProcessO Var | | | 2 164,84 | | | 1 900,12 | 264,72 |

c. purchased vs produced: material is purchased instead of produced or vice & versa

How to read this variance ?

- Material 63324 is supposed to be produced but it was purchased
- As it is purchased, the production cost = 100 % CP while in the costing the production cost is splitted into CP / CNP / AMO

| Order | Mat | Material description | Origin | Origin Description | Actual Qty | Tgt Qty | Item | FC Var | DEP Var |
|---------|-------|------------------------------------------|-----------------|--------------------------------|------------|---------|------|----------|---------|
| 2084538 | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) N | 8 000 | 8 000 | KG | 2 863,94 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 1050003 | CARTON TOP 1121*1121*190 | 0 | 8,960 | PC | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 1050009 | CARTON BOTTOM FOR CRATE 1 | 0 | 8,960 | PC | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 1050012 | BELT REP FOR CARTON 1085X | 0 | 8,960 | PC | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 1050019 | CARTON SIDE EXT 1101X1101X | 0 | 8,960 | PC | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 1050023 | PE SACK 2000X3300 200µ | 0 | 8,960 | PC | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 1060594 | WOOD PALLET CP8 1140X1140 | 0 | 8,960 | PC | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 62575 | SB 27 AE 1 F (ex 27/A-00 MS) | 0 | 8 000 | KG | 8 836,34 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | | | | | | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 7822-1008 UELEC | ATY 2006/7822-1008/UELEC | 0 | 0,256 | MWH | 0,00 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 7822-1180 AMO | ATY 2006/7822-1180/AMO | 0,000 | 5,336 | H | 0,00 | 59,65 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 7822-1180 CNP | ATY 2006/7822-1180/CNP | 0,000 | 5,336 | H | 155,15 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | 7822-1180 MANHO | ATY 2006/7822-1180/MANHO | 0,000 | 5,336 | H | 0,34 | 0,00 |
| | 63324 | SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E | SETLEMENT | SETLEMENT | | | | 0,00 | 0,00 |
| 2084538 | | | | | 0,000 | 16,008 | H | 6 127,89 | 59,65 |

d. subcontractor: Material is produced by a subcontractor instead of an internal production

How to read this variance ?

- Same principle as the previous variance
- When a material is produced by a subcontractor instead of an internal production

e. others: to be commented

STEP 5

Fill in those information in « variance template » tab

| | YTD | Comments | Action |
|-------------------------------------|-----|----------|--------|
| D00 VC Variable Cost | | | |
| Others (D01+D55+D60+D70+D80) | | | |
| Std VC + Others | | | |
| 1.Perf variance (D05) | | | |
| a. structure | | | |
| b. yield | | | |
| c. purchased vs produced | | | |
| d. subcontractor | | | |
| e. others | | | |
| 2.Variance / CC (D45) | | | |
| a. utilities | | | |
| b. subcontractor | | | |
| c. others | | | |
| 3.Revaluation (D50+D52) | | | |
| 4.Purchase variance (D47) | | | |
| VC on MP Sales | | | |

STEP 6

When there are recurring performance variances, they can be listed in the sheet "Perf. analysis"

Performance variance analysis

| |
|---------------------------------------------------------------------------|
| a1. Structure: Recurring cases of production line change |
| Please describe for your site |
| a2. Structure: Recurring cases of switch between Raw material / Recycling |
| Please describe for your site |
| b. Yield: Productivity variance |
| Standard analysis based on ZVPP40A |
| c. Purchased vs produced: Material purchased instead of produced |
| Please describe for your site |
| d. Subcontractor variance |
| Please describe for your site |
| e. Others |
| Please describe for your site |

STEP 1

Use the transaction **KE30** and choose the report **ZZZ-SOLV01**

Run Profitability Report: Initial Screen

| Report | Description |
|-------------------|------------------------------|
| Report | |
| ZZZ-IFRS00 | IFRS Periods |
| ZZZ-IFRS01 | Per operation type |
| ZZZ-IFRS02 | Variance Others |
| ZZZ-IFRS03 | Quarter/Year |
| ZZZ-IFRS04 | Month/Year |
| ZZZ-IFRS05 | Do not use anymore |
| ZZZ-IFRS07 | P&L Production variance New |
| ZZZ-SOLAUD | L2015 - Audit |
| ZZZ-SOLV00 | IFRS Periods/Year |
| ZZZ-SOLV01 | Per operation type |
| ZZZ-SOLV04 | Month/Year |
| ZZZ-SOLVFC | L2015 - Income Statement |
| ZZZ-SOLVFCMI | L2015 - Income Statement / M |

Enter

1. the reporting currency = 10
2. the period
3. the company code
4. the plant code
5. the IECRA (when applicable)
6. select : "Classic drilldown report"

Selection: Per operation type

Attributes

Report selections

Reporting Currency: 10

Fiscal year: 2015

From period: 10

To period: 10

Company Code: 6526

Plant: 8160

Customer: []

Product: []

Division: []

Distr. Channel: []

Trading Partner: []

Enterprise: []

Product line 00: []

iecra: []

From Profit Center: []

To Profit Center: []

Output type

Graphical report output

Classic drilldown report

Object list (more than one lead column)

STEP 2

To have the detail of the value field D45 VC CC Variance => click on the amount, right click and select "Line items" or click F9

| Pal. Lines | SO | FI | om | Order | tl | Coac. Centre | Customer |
|----------------------|---------------|---------------|--------------|------------|------|--------------|---------------|
| Total standard VC | 84,558,871.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 84,562,853.93 |
| D51 VC Duty VAE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| D55 VC Processo Var | 0.00 | 0.00 | 2,483,315.84 | 0.00 | 0.00 | 0.00 | 2,483,315.84 |
| D45 VC CC Variance | 0.00 | 1,639.66 | 0.00 | 0.00 | 0.00 | 927,363.18 | 929,001.84 |
| D47 CP Exp T030 | 0.00 | 1,077,399.41 | 0.00 | 0.00 | 0.00 | 0.00 | 1,077,399.41 |
| D50 VC PC Reval. Var | 0.00 | 13,940,406.08 | 0.00 | 0.00 | 0.00 | 0.00 | 13,940,406.08 |
| D52 CP Rev.OCR T030 | 0.00 | 10,658,044.14 | 0.00 | 0.00 | 0.00 | 0.00 | 10,658,044.14 |
| D58 VC Free 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| D60 VC Free 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| D70 Neutral. VC/marg | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| D80 VC margin | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VC Variance | 0.00 | 2,273,323.87 | 2,483,315.84 | 0.00 | 0.00 | 927,363.18 | 1,137,355.15 |
| VC on MP Sales | 84,558,871.08 | 2,273,323.87 | 2,483,315.84 | 927,363.18 | 0.00 | 4,012.85 | 85,700,239.08 |

STEP 3

Use the lay out /D45 CC VAR to have the variance by cost center

Display Actual Line Items: List

Company Code: 6526
 Fiscal Year: 2013
 CO Area: 2026
 Currency type: 10
 Period: 0
 Plan/Act. Indicator: D
 Record Type: 002.2013
 Period/year: 002.2013
 Number of line items: 257
 Mode of access: Read acc. to current structure
 Op. concern currency: USD

Layout: /D45 CC VAR (D45 CC variance analysis)

| Currency | Sender cost center | D45 VC CC Variance |
|----------|--------------------|--------------------|
| CNY | 6526-9201 | 2,39- |
| CNY | 8160-1050 | 578 119,71 |
| CNY | 8160-1051 | 282 321,47 |
| CNY | 8160-1052 | 9 204,15- |
| CNY | 8160-1053 | 127 524,10 |
| CNY | 8160-1054 | 7 515,07- |
| CNY | 8160-1055 | 441 620,78- |
| CNY | 8160-1056 | 10 999,99 |
| CNY | 8160-7000 | 28 483,77 |
| CNY | 8160-7008 | 466 330,78 |
| CNY | 8160-7040 | 74 889,90 |
| CNY | | 1 110 327,33 |

STEP 4

To have the detail of the cost centers, you can use the transaction **S_ALR_87013611**

Enter :

1. the controlling area
2. the period
3. the list of cost centers you want to analyse

Cost Centers: Actual/Plan/Variance: Selection

Selection values

Controlling Area: 2026 (1)
 Fiscal Year: 2015
 From Period: 10 (2)
 To Period: 10
 Plan Version: 0

Selection groups

Cost Center Group: []
 Or value(s): 8160-1050 to [] (3)
 Cost Element Group: []
 Or value(s): [] to []

STEP 5

Double click on the amount you want to analyse

Cost Centers: Actual/Plan/Variance Date: 25.11.2015 Page: 2 / 2

Cost Center/Group: 8160-7000 Purchase Costs Var
 Person responsible: 50014824
 Reporting period: 10 to 10 2015

| Cost Elements | Act. Costs | Plan Costs | Var. (Abs.) | Var. (%) |
|---------------------------|------------|------------|-------------|----------|
| 99150890 VC FREIGHT ON RM | 28 483,77 | | 28 483,77 | |
| * Debit | 28 483,77 | | 28 483,77 | |
| 99429900 PA-AS CP | 28 483,77- | | 28 483,77- | |
| * Credit | 28 483,77- | | 28 483,77- | |
| ** Over/Underabsorption | | | | |

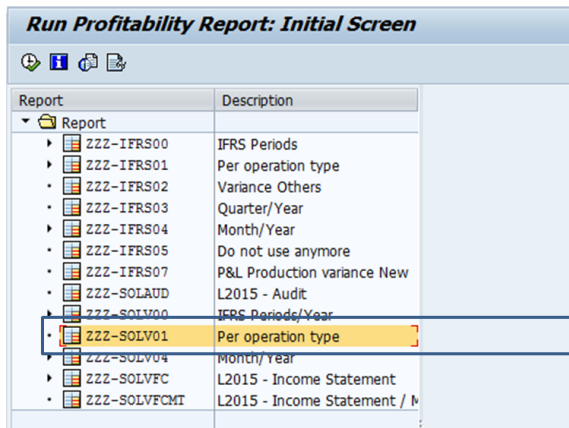
STEP 6

Fill you the variance template with your analysis

| | YTD | Comments | Action |
|------------------------------|-----|----------|--------|
| D00 VC Variable Cost | | | |
| Others (D01+D55+D60+D70+D80) | | | |
| Std VC + Others | | | |
| 1.Perf variance (D05) | | | |
| a. structure | | | |
| b. yield | | | |
| c. purchased vs produced | | | |
| d. subcontractor | | | |
| e. others | | | |
| 2.Variance / CC (D45) | | | |
| a. utilities | | | |
| b. subcontractor | | | |
| c. others | | | |
| 3.Revaluation (D50+D52) | | | |
| 4.Purchase variance (D47) | | | |
| VC on MP Sales | | | |

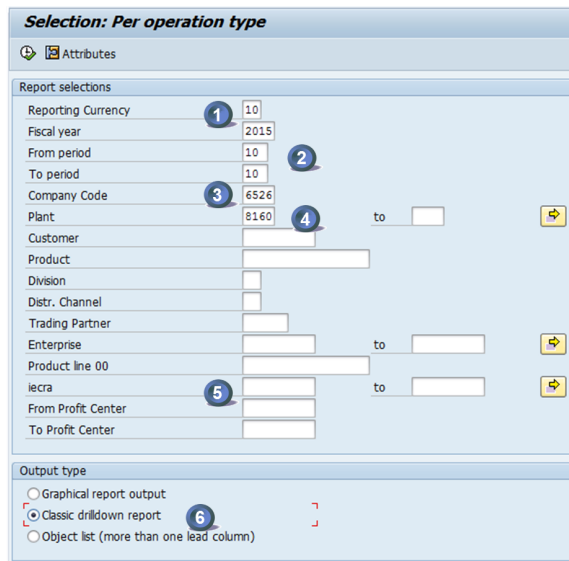
STEP 1

Use the transaction **KE30** and choose the report **ZZZ-SOLV01**



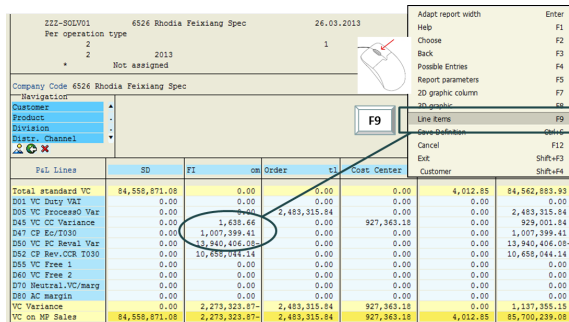
Enter

1. the reporting currency = 10
2. the period
3. the company code
4. the plant code
5. the IECRA (when applicable)
6. select : "Classic drilldown report"



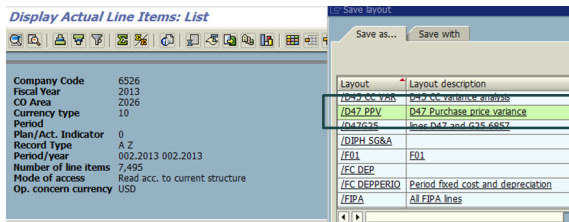
STEP 2

To have the detail of the value field **D47 Ec/T030** => click on the amount, right click and select "Line items" or click F9



STEP 3

Use the lay out **/D47 PPV** to have the variance by material code



| Product | D47 CP Ec/T030 |
|---------|----------------|
| 128730 | 118,48 |
| 128738 | 8 958,14- |
| 128746 | 139 256,44 |
| 128747 | 160 507,75 |
| 128750 | 8 030,52 |
| 128751 | 52 574,80 |
| 128760 | 49 182,45 |
| 128763 | 84 364,24 |
| 128764 | 43 254,41- |
| 128769 | 655,67 |
| 128772 | 0,18 |
| 128773 | 20 245,17 |

STEP 4

Explain the main variances

Display the standard costing of the material with CK13N.

Enter :

1. The material & plant code
2. The costing variant
3. The validity date

Enter ↵

The standard cost of the material code 128715 is

18 099,12 CNY / 1 000 kg

Display Material Cost Estimate with Quantity Structure

Material: 128715 (1)
 Plant: 8160

Costing Data

Costing Variant: zfo (2)
 Costing Version: 1
 Valid On: 01.10.2015 (3)

Cost Estimates

Material: 128715 DECYL ACID BU
 Plant: 8160

Costing Data | Dates | Qty Struct. | Valuation | History | Costs

Costs Based On: Costing Lot Size 1 000 KG

Itemization for material 128715 in plant 8160

| Item | Resource | Resource (Text) | Quantity | Un | Σ | Total Value | COCr |
|-----------------|----------|-----------------|---------------|-------|----|-------------------------|------|
| 1 | 8160 | 128715 | DECYL ACID BU | 1 000 | KG | 18 099,12 | CNY |
| Material | | | | | | 18 099,12 CNY | |
| | | | | | | ** 18 099,12 CNY | |

STEP 5

Display the actual purchase price of the same material with the transaction MB51.

Enter:

1. the material code
2. the plant code
3. the movement type = 101 to 102
4. posting date = 1 month

Material Document List

Item Data

Material: 128715 (1) to
 Plant: 8160 (2) to
 Storage Location: to
 Batch: to
 Vendor: to
 Customer: to
 Movement Type: 101 (3) to 102
 Special Stock: to
 Purchase Order: to
 Sales Order: to
 Sales order item: to
 Goods recipient: to

Header Data

Posting Date: 01.10.2015 (4) to 31.10.2015
 User name: to
 Trans./Event Type: to
 Material Document: to
 Reference: to

The list of purchase orders to be analysed is displayed

STEP 6

Display a purchase order to calculate the purchase price variance

- a - Quantity purchased
- b - Purchase price
- c - Delivery costs
- d - TOTAL costs = b + c
- e - Actual unit price = d / a
- f - Standard cost (from CK13N)
- h - Purchase price var = (f - e) / a

| | | |
|---------------------------|------------|--------------|
| Purchase orders | 4502561849 | |
| Purch qty | 39.420,00 | KG a |
| Purchase price | 625.318,47 | CNY b |
| Delivery costs | 5.806,56 | CNY c |
| TOTAL costs | 631.125,03 | CNY |
| Actual unit price | 16.010,27 | CNY / Ton |
| Standard cost | 18.099,12 | CNY / Ton |
| Purchase price var | 82.342,28 | CNY |

Each month, the inventory is revaluated with the new standard cost.

Revaluation = [Standard cost (M) – Standard cost (M-1) x Quantity 01/01/M (00h00)
 The variance is due to a more or less efficient use of the time available to carry out the actual production. It compares the actual time taken to carry out an activity with the standard time allowed and values the difference at the standard.

The analysis is performed with the report ZWPP40A
 Each month, the inventory is revaluated with the new standard cost. Revaluation = [Standard cost (M) – Standard cost (M-1) x Quantity 01/01/M (00h00)

There is a revaluation of fixed costs when:

- there is a modification of the production process
- in January with the new standard hourly rate

STEP 1

Once a year, when the control **IAC 01.09** is completed and uploaded in WP2.

- Copy the result of the sheet "2d-Activity TOTAL" and paste the result in the tab "IAC 01.09"

STEP 2

Update the sheet "CC variance" and enter:

- the list of production cost centers
- the column "normal capacity (year)"
- the column "Budget (month)" - usually it is equal to the column "Normal capacity (month)"
- the column "standard capacity (h) (year)"

| | | Normal capacity CNY | | 7971-1000 | 7971-1001 |
|---------------|--|---------------------|------------|------------|-----------|
| BUDGET IN CNY | | AMO | 6.924.868 | 6.537.163 | 387.705 |
| | | MACHI | 14.326.193 | 14.057.635 | 740.498 |
| | | MANHO | 12.53.781 | 11.099.775 | 1.254.006 |
| HOURS | | AMO | | 32.145 | 4.584 |
| | | MACHI | | 32.145 | 4.584 |
| | | MANHO | | 32.145 | 4.584 |

| Code | Description | E01 FC Period | Normal capacity (year) | Normal capacity (month) | Budget (month) | Actual hours | Standard capacity (h) (year) | Standard capacity (h) (month) |
|--------------------|-------------|---------------|------------------------|-------------------------|----------------|--------------|------------------------------|-------------------------------|
| 7971-1000 | Compounding | | 14.057.635 | 1.171.470 | 1.024.230 | | 32.145 | 2.679 |
| 7971-1001 | Packaging | | 740.498 | 61.708 | 61.708 | | 4.584 | 382 |
| TOTAL MACHI | | 0 | 14.798.133 | 1.233.178 | 1.233.178 | | 0 | 3.061 |
| 7971-1000 | Compounding | | 11.099.775 | 924.981 | 924.981 | | 32.145 | 2.679 |
| 7971-1001 | Packaging | | 1.254.006 | 104.500 | 104.500 | | 4.584 | 382 |
| TOTAL MANHO | | 0 | 12.353.781 | 1.029.482 | 1.029.482 | | 0 | 3.061 |
| TOTAL CNP | | 0 | 27.151.914 | 2.262.659 | 2.262.659 | | | |

| Code | Description | D99 DE period | Normal capacity (year) | Normal capacity (month) | Budget (month) | Actual hours | Standard capacity (h) (year) | Standard capacity (h) (month) |
|------------------|-------------|---------------|------------------------|-------------------------|----------------|--------------|------------------------------|-------------------------------|
| 7971-1000 | Compounding | | 6.537.163 | 544.784 | 544.784 | 0 | 32.145 | 2.679 |
| 7971-1001 | Packaging | | 387.705 | 32.309 | 32.309 | 0 | 4.584 | 382 |
| TOTAL AMO | | 0 | 6.924.868 | 577.072 | 577.072 | 0 | | |
| TOTAL AMO | | 0 | 6.924.868 | 577.072 | 577.072 | | | |

STEP 3

Each month, you have to update the actual costs & hours.

The price variance & the absorption variance will be automatically calculated

| Cost centers | E01 FC Period | Normal capacity (year) | Normal capacity (month) | Budget (month) | Actual hours | Standard capacity (h) (month) | Standard capacity (h) (year) | Price variance | Absorption variance | E01 + E00 Total CC variance | E00 FC absorption |
|----------------------|---------------|------------------------|-------------------------|----------------|--------------|-------------------------------|------------------------------|----------------|---------------------|-----------------------------|-------------------|
| 7971-1000 Prod.CC.1 | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 7971-1000 Prod.CC.2 | | | | | | | | | | | |
| 7971-1000 Prod.CC.3 | | | | | | | | | | | |
| 7971-1000 Prod.CC.4 | | | | | | | | | | | |
| 7971-1000 Prod.CC.5 | | | | | | | | | | | |
| 7971-1000 Prod.CC.6 | | | | | | | | | | | |
| 7971-1000 Prod.CC.7 | | | | | | | | | | | |
| 7971-1000 Prod.CC.8 | | | | | | | | | | | |
| 7971-1000 Prod.CC.9 | | | | | | | | | | | |
| 7971-1000 Prod.CC.10 | | | | | | | | | | | |
| TOTAL MACHI | | | | | | | | | | | |

| | | | | | | | | | | | |
|-------|-----------|---|--------|--------------|-----------|---|---|---|-------------------------------------------|---|-------|
| CO-PA | IAC 01.09 | = | Budget | Actual hours | IAC 01.09 | = | = | = | - [(5) - (7)] x [(3) / (7)] + [(4) - (3)] | = | CO-PA |
|-------|-----------|---|--------|--------------|-----------|---|---|---|-------------------------------------------|---|-------|

STEP 4

For the monthly update use the transaction S_ALR_87013611

Enter

1. the controlling area
2. the period
3. the group of production cost centers

Cost Centers: Actual/Plan/Variance: Selection

Data Source...

Selection values

Controlling Area: 2026 (1)

Fiscal Year: 2015

From Period: 1 (2)

To Period: 1

Plan Version: 0

Selection groups

Cost Center Group: 7971-1 (3)

Or value(s):

Cost Element Group:

Or value(s):

STEP 5

1. Production cost centers
2. Actual fixed costs
3. Plan costs from IAC 01.09 (local currency)
4. Actual hour
5. Normal capacity from IAC 01.09 (h)

Variation: Cost Center

7971-1 Sakey Shanghai - Direct Production

7971-1000 Compounding (1)

7971-1001 Packing

Cost Center/Group: 7971-1000 Compounding (2)

Person responsible: 50001634

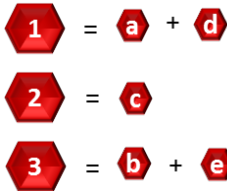
Reporting period: 1 to 1 2015 (3)

| Cost Elements | Act. Costs | Plan Costs |
|----------------------------|---------------|---------------|
| 99429910 PA-AS CNP | 193 294,41- | |
| 99429920 PA-AS AMO | 73 400,29- | |
| 99430020 Direct Labour | 801 937,23- | 924 980,41- |
| 99430120 Dir Fix Ovd/H (CN | 1 015 636,63- | 1 171 468,27- |
| 99438000 Depreciation | 472 296,16- | 544 763,99- |
| * Credit | 2 556 566,72- | 2 641 212,67- |
| ** Over/Underabsorption | | 1,74 |

| Activity Types | Act. Acty | Plan Acty |
|----------------------------|------------|------------|
| AMO Direct Depreciation | 2 322,42 H | 2 678,75 H |
| MACHI DIR FIX O/H (CNP) /h | 2 322,42 H | 2 678,75 H |
| MANHO Direct Labour | 2 322,42 H | 2 678,75 H |

STEP 6

Report the actual costs of each cost center per activity



| Cost Center/Group | 7971-1000 |
|------------------------------|-----------------|
| Person responsible: | 50001634 |
| Reporting period: | 1 |
| Cost Elements | |
| | Act. Costs |
| 99429910 PA-AS CNP | a 193 294,41- |
| 99429920 PA-AS AMO | b 73 400,29- |
| 99430020 Direct Labour | c 801 937,23- |
| 99430120 Dir Fxd Ohd/H (CNP) | d 1 015 636,63- |
| 99438000 Depreciation | e 472 298,16- |
| * Credit | 2 556 566,72- |
| ** Over/Underabsorption | |

| Code | Description | E01 FC Period |
|--------------------|-------------|------------------|
| 7971-1000 | Compounding | 1 1208,931 |
| 7971-1001 | Packaging | |
| TOTAL MACHI | | 1208,931 |
| 7971-1000 | Compounding | 2 801,937 |
| 7971-1001 | Packaging | |
| TOTAL MANHO | | 801,937 |
| TOTAL CNP | | 2.010,868 |

| Code | Description | D90 DE period |
|------------------|-------------|----------------|
| 7971-1000 | Compounding | 3 545,688 |
| 7971-1001 | Packaging | |
| TOTAL AMO | | 545,688 |
| TOTAL AMO | | 545,688 |

Report the actual hours of each cost center per activity

| Cost Center/Group | 7971-1000 |
|----------------------------|--------------|
| Person responsible: | 50001634 |
| Reporting period: | 1 |
| Activity Types | |
| | Act. Acty |
| AMO Direct Depreciation | a 2 322,42 H |
| MACHI DIR FIX O/H (CNP) /h | b 2 322,42 H |
| MANHO Direct Labour | c 2 322,42 H |

| Code | Description | Actual hours |
|--------------------|-------------|--------------|
| 7971-1000 | Compounding | b 2,322 |
| 7971-1001 | Packaging | |
| TOTAL MACHI | | 2,322 |
| 7971-1000 | Compounding | c 2,322 |
| 7971-1001 | Packaging | |
| TOTAL MANHO | | 2,322 |
| TOTAL CNP | | |

| Code | Description | Actual hours |
|------------------|-------------|--------------|
| 7971-1000 | Compounding | a 2,322 |
| 7971-1001 | Packaging | 0 |
| TOTAL AMO | | 2,322 |
| TOTAL AMO | | |

STEP 7

Once the file is completed, the price & absorption variance can be reported in the variance analysis template

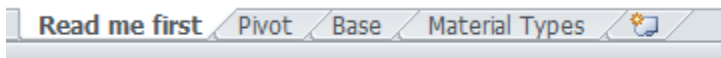
| Code | Description | a. price variance | b. absorption variance | E01 + E90 Total CC variance |
|--------------------|-------------|-------------------|------------------------|-----------------------------|
| 7971-1000 | Compounding | 37,461 | 155,834 | 193,295 |
| 7971-1001 | Packaging | -146,796 | 2,948 | -143,850 |
| TOTAL MACHI | | -109,337 | 158,782 | 49,445 |
| 7971-1000 | Compounding | -12,644 | 124,644 | 112,000 |
| 7971-1001 | Packaging | 4,992 | 4,992 | 9,984 |
| TOTAL MANHO | | -12,652 | 129,637 | 116,985 |
| TOTAL CNP | | -237,373 | 288,419 | 49,448 |

| Code | Description | a. price variance | b. absorption variance | D90 + F90 Total CC variance |
|------------------|-------------|-------------------|------------------------|-----------------------------|
| 7971-1000 | Compounding | 935 | 72,467 | 1,007,467 |
| 7971-1001 | Packaging | 3,337 | 1,544 | 4,881 |
| TOTAL AMO | | 4,272 | 74,010 | 4,346 |
| TOTAL AMO | | 4,272 | 74,010 | 4,346 |

| January | |
|--------------------------------|------------------|
| E00 FC Fixed Costs | 2.025.287 |
| 4.CC variance (E01-E90) | 49.446 |
| a. price variance | -237.373 |
| b. absorption variance | 286.819 |
| FC on production | 2.074.733 |
| F00 DEP Depreciation | 581.344 |
| 4.CC variance (D90-F90) | 78.282 |
| a. price variance | 4.272 |
| b. absorption variance | 74.010 |
| DEP on production | 659.627 |

Download the file [IAC 01.02 template PF2.xlsx](#)

There are 4 sheets in the file :



Overview of the 1st sheet: Read me first

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| A | B | C | D | E | F | G | H | I | J |
|---|---|---|---|---|---|---|---|---|---|

IAC.01.02 - Monthly variance analysis

This template concerns the IAC 03.07. The objective is to justify production costs variances and

1- Pivot

- Update the pivot table after updating the tab named "base"

2- Base

- Copy paste in this tab the data you have extracted from SAP (transaction ZM_MAT_VAL_COMP)

3- Material Types

- In this tab, you will find a recall of material types being extracted



Overview of the 2nd sheet: Base

| | A | B | C | D | E | F |
|----|-------|----------|-------------|----------------------|----------------|-------------|
| | Plant | Material | Discription | Base Unit of Measure | Material Group | Description |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |

Overview of the 3rd sheet: Pivot

| | A | B | C | D | E | F | G | H | I | J | K |
|----|-------------|-----------------------------|-----------------------------------|---------------------------|---------------------------------|-----------------------|---------------------|-------------------|---------------------------------------------------------------|-------------------|----------|
| | Row Labels | Sum of Stock - (2016 / N-1) | Sum of Value Stock - (2016 / N-1) | Sum of Stock - (2016 / N) | Sum of Value Stock - (2016 / N) | Sum of Unit price N-1 | Sum of Unit price N | Sum of Variance % | (Unit price N - Unit price N-1)*Stock N Sum of Materiality | To be validated | |
| 4 | (blank) | | | | | - | - | 0% | - | > 10k materiality | Comments |
| 5 | (blank) | | | | | - | - | 0% | - | ok | |
| 6 | Grand Total | | | | | - | - | 0% | - | ok | |
| 7 | | | | | | | | | | ok | |
| 8 | | | | | | | | | | ok | |
| 9 | | | | | | | | | | ok | |
| 10 | | | | | | | | | | ok | |
| 11 | | | | | | | | | | ok | |
| 12 | | | | | | | | | | ok | |
| 13 | | | | | | | | | | ok | |
| 14 | | | | | | | | | | ok | |
| 15 | | | | | | | | | | ok | |
| 16 | | | | | | | | | | ok | |
| 17 | | | | | | | | | | ok | |
| 18 | | | | | | | | | | ok | |
| 19 | | | | | | | | | | ok | |
| 20 | | | | | | | | | | ok | |
| 21 | | | | | | | | | | ok | |
| 22 | | | | | | | | | | ok | |
| 23 | | | | | | | | | | ok | |
| 24 | | | | | | | | | | ok | |
| 25 | | | | | | | | | | ok | |
| 26 | | | | | | | | | | ok | |
| 27 | | | | | | | | | | ok | |

Error: You are trying to view a page which does not yet have a published version available and you do not have permission to view draft versions.