

Beyond Compliance

Building
Trustworthy
Financial
Systems
for the Next
Decade



Cardano
Foundation

Reporting at a crossroads

Finance leaders operate in a landscape defined by expanding disclosure rules, rising stakeholder scrutiny, and a global shift toward data-driven accountability. The role of finance is evolving from reporting numbers to shaping transparent narratives that withstand market, regulatory, and public examination.

For example, investor confidence in sustainability reporting remains strained, with 85% of investors saying greenwashing is a greater problem compared with five years ago.¹ The core premise is becoming increasingly clear: compliance is no longer enough. Transparency is the differentiator.

Challenges redefining the reporting landscape

Rapidly expanding standards

Regulations like CSRD, IFRS S1 and S2, and emerging SEC rules create complex, cross-jurisdictional requirements. Many organizations struggle to track changes while maintaining accuracy and coherence across reporting cycles.

Fragmented systems

Data is often spread across ERP modules, HR systems, procurement tools, ESG platforms, and manual spreadsheets. These silos limit visibility and slow down review processes.

Narrative pressure

Finance teams must align the story behind the numbers with verifiable data trails. Stakeholders expect clarity on operational decisions, sustainability impacts, and governance outcomes rather than isolated metrics.

Growing expectation gaps

Auditors, regulators, donors, and investors are asking for more granular evidence. They want proof that the data is complete, traceable, and resistant to manipulation.



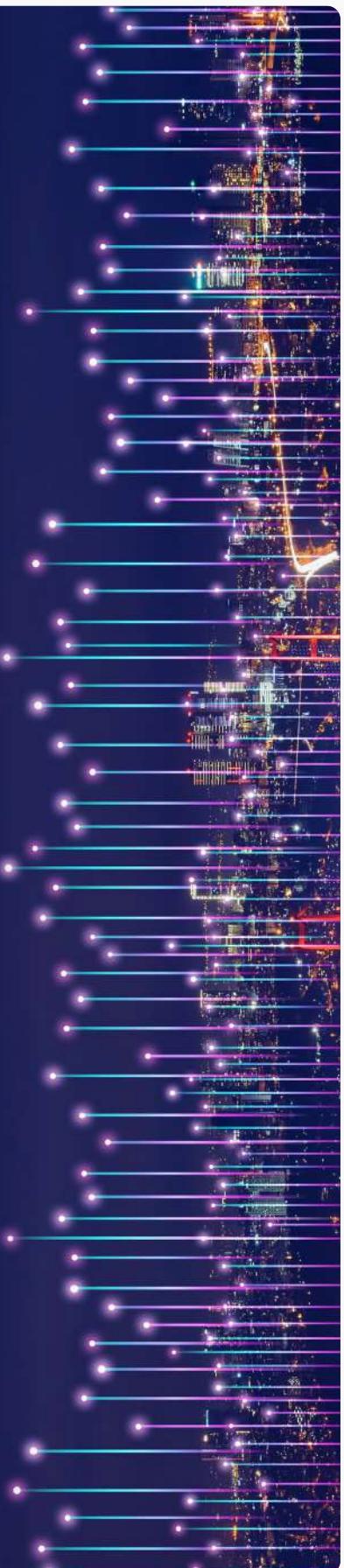
86% of investors said their recent voting record has generally been to vote in favor of ESG shareholder resolutions.²



76% of CFOs expected digital transformation and technologies to play a greater role in 2024.³



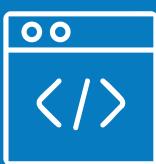
Nearly 40% of CEOs think their company will no longer be economically viable in ten years if it continues on its current path.⁴



Why legacy ERPs are no longer enough

ERP systems are foundational, but most were designed for transactional processing, not the multilayered reporting obligations organizations face today. As disclosure requirements increase in volume and granularity, traditional systems struggle to keep pace. Finance leaders often find themselves adding manual processes, supplemental tools, or temporary workarounds that introduce risk rather than solving it.

Structural barriers in traditional systems



Inflexible data models

Legacy ERPs rely on rigid schemas that make it difficult to capture evolving sustainability and compliance metrics without custom development.



Manual compliance workflows

Many reporting controls require manual enrichment, reconciliation, or validation, increasing the risk of error and slowing down audit cycles.



Disconnected system landscape

HR, procurement, financial, and ESG systems rarely share a common data lineage. Without interoperability, verifying the origin of disclosures becomes time-consuming.

The broader impact

Organizations increasingly recognize that existing systems weren't built to deliver the transparency that regulators and markets expect. As reporting demands expand, finance leaders face added pressure amid broader economic uncertainty, with nearly 75% of CEOs expecting global economic growth to decline in the year ahead.⁵

Modern reporting ecosystems demand adaptability, interoperability, and verifiable data trails. Legacy systems weren't built for this level of transparency.



The rise of disclosure mandates

Global regulatory frameworks are converging around a common principle: organizations must demonstrate the integrity of their financial and sustainability disclosures. Compliance obligations now span environmental impacts, social commitments, governance practices, risk exposure, and long-term resilience.

This shift represents more than new rules. It reflects a worldwide demand for organizations to quantify and disclose the impacts they once described qualitatively. Globally, expectations are converging around a single principle: disclosures must be substantiated. The OECD Guidelines identify disclosure as a core area of responsible business conduct, reinforcing the need for credible information across financial and non-financial reporting.⁶

Key disclosure mandates reshaping reporting



CSRD (EU) introduces detailed requirements for sustainability reporting across industries.



IFRS S1/S2 establishes a global baseline for financial and climate-related disclosures.



SEC climate proposals increase expectations for emissions transparency and risk assessment.



GRI and SASB continue to inform sector-specific disclosures with widely recognized frameworks.

Why it matters

Disclosure mandates increase the volume of required data, the pace of updates, and the level of verifiability expected in every metric. Organizations must unify sustainability, financial, and operational data into a coherent evidence chain that withstands external scrutiny.

Key disclosure mandates reshaping reporting

1

CSRD sector-specific standards

2

IFRS S1/S2 baseline requirements

3

SEC Scope 1-3 reporting

4

GRI's expanded human capital disclosures

5

OECD guidelines for responsible business conduct

Designing a modern, modular finance stack

A modern reporting environment cannot rely on rigid, monolithic systems that struggle to adapt to evolving regulations.

Finance teams need infrastructure that supports continuous validation, flexible reporting structures, and clear provenance for every data point. Modular architectures provide this agility by separating core transaction processing from verification, control, and disclosure functions.

Traditional reporting stacks tend to become increasingly complex. Workflows become layered, brittle, and difficult to change without risk. In contrast, modular finance stacks treat reporting as an integrated lifecycle, where each layer contributes a specific assurance capability.

Core components of a modern architecture



Core ERP

This remains the system of record for financial transactions, but its role shifts when paired with supporting layers. Rather than handling reporting end-to-end, the ERP anchors baseline financial activity.



Trust layer

A dedicated verification and control layer strengthens data integrity. This layer captures lineage, ensures consistency across systems, and provides the auditability required for both financial and non-financial disclosures.



Output layer

Dashboards, reporting portals, analytics tools, and ESG disclosure engines connect to verified datasets. Finance teams can surface insights, meet reporting mandates, and produce narrative-driven disclosures without manual reconciliation.

Patchwork workflows vs. composable architecture

Organizations often rely on a patchwork of spreadsheets, point solutions, and custom scripts to bridge gaps in their systems. These workarounds create opaque processes that are difficult to govern. Composable architectures offer a stronger alternative by enabling components to evolve independently while maintaining coherence through shared data standards.



Where transparency meets practice

How organizations across industries apply verifiable transparency to solve real reporting challenges, strengthen assurance, and build durable stakeholder trust.

Multinational financial consolidation

Reconciling data across enterprises

Multinational enterprises manage finance operations across different currencies, jurisdictions, and software environments. Closing the books becomes a negotiation among systems that rarely speak the same language. Variances often go undetected until late in the reporting cycle, and consolidation teams spend significant time reconciling inconsistent data structures.

Many organizations operate multiple ERPs due to acquisitions or regional autonomy. This diversity creates risks, reduces comparability, and inflates the effort required for accurate group-level reporting.

Challenges

Disparate systems

Each region adopts its own financial tools and data models. Without shared lineage, teams struggle to trace how local entries roll up into consolidated results.

Limited visibility

Headquarters often receives periodic uploads rather than continuous transparency. Errors discovered post-close increase regulatory exposure.

Inconsistent rules

Differences in GAAP, IFRS, and tax rules complicate intercompany alignment.

Solution: Unified lineage and control architecture

A unified verification layer connects all financial systems through standard event definitions and lineage metadata. Every posting, adjustment, and correction carries a traceable history, allowing finance teams to detect anomalies early and align regional inputs with global reporting rules.

Results

1

Faster close cycles through automated reconciliation

2

Transparent consolidation processes across regions

3

Reduced audit remediation efforts and improved review readiness

4

Alignment of local and corporate policies through verifiable controls

Sustainability reporting for manufacturing and energy



The next frontier of verifiable ESG

Energy producers, utilities, and manufacturers face increasing pressure to disclose environmental impacts with precision. Most sustainability data originates outside traditional financial systems, which means carbon, water, and workforce metrics often rely on manual inputs and third-party declarations. With CSRD and IFRS S1 and S2 expanding globally, organizations can no longer rely on narrative descriptions without consistent evidence.

Sustainable investment funds reached USD 16.7 trillion globally in 2024, reflecting that investors are increasingly directing capital toward organizations that demonstrate credible and transparent ESG commitments.⁷

Challenges

Unverified sources

Scope 1, 2, and especially Scope 3 metrics often depend on supplier self-reporting. Without controls, these inputs risk becoming aspirational rather than factual.

Framework proliferation

Organizations navigate multiple standards at once, including CSRD, ISSB, GRI, and national regulations.

Manual compilation

Spreadsheets and emails remain the primary data channel for many sustainability teams, limiting repeatability and auditability.

Solution: Data integrity by design

A verification layer captures ESG data with embedded metadata that confirms source, timestamp, and validation status. Sustainability metrics flow into financial reporting from controlled pipelines rather than ad hoc submissions, enabling confident disclosures across continents and markets.

Results

1

Audit-ready ESG metrics aligned with CSRD and IFRS standards

2

More consistent reporting across facilities, suppliers, and business units

3

Stronger credibility with regulators and investors

4

A transparent link between sustainability performance and financial results

High-velocity industries: payments, telecom, retail



Real-time oversight for digital transaction environments

Industries that process millions of transactions each day cannot rely on periodic audits. Payment networks, telecom providers, and large retailers require real-time control environments that detect irregularities before financial exposure grows.

The limits of periodic assurance are increasingly visible in high-velocity environments. At a systemic level, the IMF notes that financial stability risks have increased rapidly as the global financial system has been tested by higher inflation and fragmentation risks, underscoring how quickly issues can propagate when controls lag behind activity.⁸

Challenges

Data volume

Human review capacity cannot keep pace with millions of daily transactions.

Detection lag

Irregularities often surface after financial impact has occurred.

Resource constraints

Scaling audit teams increases cost without eliminating risk.

Solution: Intelligent, automated assurance

Integrating real-time validation tools with core systems enables automated checks on every transaction. Exceptions are flagged instantly, routed to the appropriate teams, and stored in a unified evidence trail for auditors and regulators.

Results

1

Continuous audit coverage that reduces operational risk

2

Early identification of fraud patterns and control failures

3

Lower remediation costs through automated exception handling

4

Strengthened transparency for stakeholders across complex value chains

Public sector and nonprofit accountability

Trust, transparency, and civic confidence

Public sector organizations, international NGOs, and donor-funded institutions operate under a different but equally demanding form of scrutiny. Their legitimacy depends on trust from citizens, donors, oversight bodies, and multilateral partners. Financial accuracy alone is no longer sufficient. Stakeholders expect proof that funds are used as intended, controls are enforced consistently, and corrections are handled transparently.

As funding models become more complex and cross-border, accountability challenges grow. World Economic Forum research warns that the world is entering a low-growth, low-cooperation era, increasing exposure to severe risks and amplifying scrutiny of institutional behavior.⁹ In this environment, obscure reporting systems increase reputational risk even when no misconduct exists.

Challenges

Restricted and conditional funding

Grants and public funds often come with strict usage conditions. Tracking how funds move across programs, partners, and geographies can overwhelm legacy accounting systems.

Fragmented oversight environments

Financial data, program metrics, and impact reporting typically reside in separate systems. This separation limits the ability to present a unified, verifiable account of performance.

Perception risk during corrections

When errors or restatements occur, the absence of visible data lineage can create suspicion, even if corrections are legitimate and well governed.

Solution: Verifiable transparency framework

A unified transparency framework connects financial records, program activity, and governance events into a single evidence layer. Every adjustment, approval, and correction becomes traceable, time-stamped, immutable, and reviewable. Oversight bodies gain secure access to the same verified data used internally, reducing friction and reinforcing confidence.

Rather than reacting defensively to scrutiny, organizations can demonstrate continuous accountability through evidence-based reporting.

Results

1

Faster regulatory and donor reviews with reduced follow-up requests

2

Clear audit trails for restricted and multi-year funding

3

Stronger credibility during investigations or public inquiries

4

Trust is positioned as a measurable and defensible organizational asset

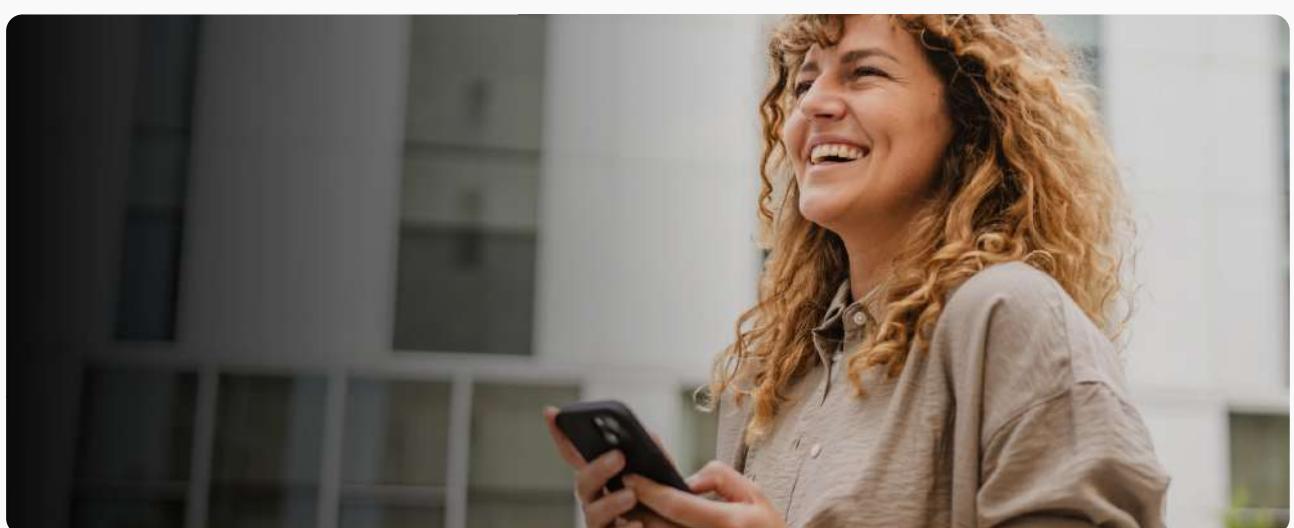
Reeve: Verifiable transparency for the next era of financial trust

A scalable trust layer for modern financial ecosystems

As organizations face mounting expectations for transparency, immutability, verifiable reporting, and real-time accountability, traditional financial systems are struggling to keep pace.

Reeve provides a next-generation accountability framework powered by the Cardano blockchain, enabling organizations to anchor financial data, strengthen stakeholder trust, and transform reporting into a strategic advantage.

By combining immutable record-keeping with intuitive data exploration, Reeve elevates financial integrity from an internal process to a demonstrable, verifiable asset.



The Reeve advantage



Customizable transparency

Organizations choose what becomes visible, to whom, and at what level of detail — enabling trust without compromising confidentiality.



Verifiable financial records

Reeve records financial data on-chain, creating tamper-resistant, independently verifiable proof suitable for regulators, auditors, and stakeholders.



User-friendly interface

Reeve pairs blockchain-secured data with accessible dashboards, making complex financial evidence easy to explore and interpret.

Strengthening trust through evidence

Reeve transforms financial reporting by embedding cryptographic verification into every layer of the data lifecycle. Instead of relying on periodic checks or institutional reputation, organizations can now demonstrate data integrity directly through transparent, immutable event trails.



The benefits of Reeve's trust layer



Traceable accountability

Every financial event is anchored with metadata, enabling clear provenance.



Simplified audits

Immutable on-chain records support rapid, reliable audit cycles.



Enhanced transparency

Stakeholders gain unprecedented clarity into financial operations.



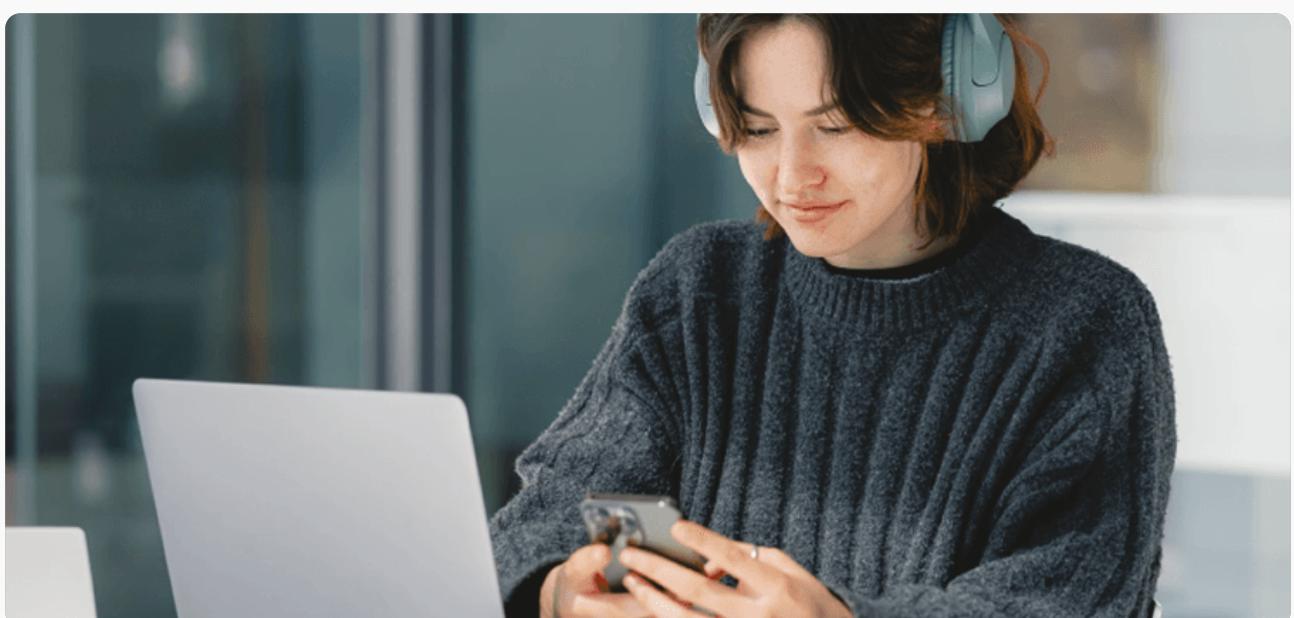
Improved efficiency

On-chain reporting reduces manual reconciliations and data-handling overhead.



Next-generation resilience

Robust architecture supports continuous operation, future compliance standards, and scalable growth.





Establishing a new benchmark for financial transparency

To lead by example and demonstrate the power of verifiable financial reporting, the Cardano Foundation piloted Reeve within its own financial operations.

By recording real accounting transactions on-chain and integrating seamlessly with its ERP system, the Foundation created an independently verifiable financial dataset — setting a new standard for digital-age transparency.

The Problem



Stakeholders increasingly expect financial transparency supported by independent verification rather than solely internal reporting. Yet traditional systems rely on fragmented data, manual processes, and limited auditability — leaving organizations vulnerable to trust erosion.

The Foundation needed a future-proof method to strengthen accountability, improve the accessibility of financial reports, and reinforce stakeholder confidence.

The Solution



Reeve enabled the Foundation to record core financial data directly on the Cardano blockchain, generating immutable, transparent records accessible to stakeholders. By digitally signing accounting transactions and financial reports, Reeve enables anyone to independently verify balances, expenses, and revenue streams with full confidence in the data's provenance.

Seamless ERP integration ensured a frictionless transition, while Reeve's interface enhanced understanding through accessible dashboards, customizable reports, and contextual insights.

Enhanced transparency	Supported auditability	Improved efficiency
Stakeholders gained unprecedented on-chain visibility into financial operations.	Immutable blockchain records simplified audits and strengthened assurance.	Reduced manual reconciliation and streamlined data management.
Strengthened trust	Broadened awareness	Scalable, resilient architecture
Stakeholders gained confidence through verifiable, tamper-proof data.	The pilot created a foundation for future initiatives using verifiable financial data.	The blockchain-backed system supports long-term growth without compromising performance.

“Whether you’re an NGO seeking to build donor trust, an enterprise, or a public body wishing to future-proof your organization’s accountability, Reeve delivers next-generation accountability. With customizable transparency and verifiable records for audits and ESG disclosures, Reeve enables enterprises to develop a scalable trust layer within existing ERP environments.”

**Frederik Gregaard
CEO, Cardano Foundation**

Sources

- ^{1,2} EY Global Institutional Investor Survey (2024).
- ³ Deloitte CFO Signals Q4 Survey (2023).
- ^{4,5} PwC's 26th Annual Global CEO Survey.
- ⁶ OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023).
- ⁷ GSI Alliance Global Sustainable Investment Review (2024).
- ⁸ International Monetary Fund Global Financial Stability Report (2023).
- ⁹ World Economic Forum Global Risks Report (2023).



Learn more



The Cardano Foundation is an independent, Swiss-based not-for-profit advancing Cardano as a public digital infrastructure across a wide range of industries.