

Tax Management Consulting — Tax Accounting

Experience in tax and technology to help you operate efficiently

Your challenge

Tax provisions have become ever more complex as tax departments work to comply with tax accounting standards under accounting principles generally accepted in the United States (U.S. GAAP). The complexities are compounded by increased scrutiny of tax accounting by corporate stakeholders, external auditors, and regulators, resulting in the tax provision area being cited as the underlying cause of a large percentage of reported material weaknesses.

At the same time, numerous other factors increase organizational pressures around calculating an accurate and timely tax provision on a recurring basis, including:

- Tax resources have become further constrained due to staffing reductions;

- Many companies are realizing the limitations of outdated tax provision spreadsheet models and/or uncoordinated technology platforms;
- Data integrity and management issues are often prevalent and then further exaggerated when linked to the implementation of an enterprise resource planning (ERP) system or tax compliance software; and
- Other corporate events, including mergers and acquisitions, the divestiture and reorganization of business units/operations and the continued movement of C-suite executives and tax directors create additional complexities.

Complicating matters is the move toward International Financial Reporting Standards (IFRS) in more than 100 countries and the need for some organizations to understand and manage computation and disclosures under both U.S. GAAP and IFRS.

Any combination of these factors and/or developments can make it difficult for companies to complete their tax provision accurately, efficiently, and timely. Without the appropriate mix of meaningful data, leveraged resources, and aligned technology, organizations face a greater risk of being noncompliant with a wide range of tax accounting rules and often encounter costly and otherwise avoidable inefficiencies.

Deloitte can help.

Do your tax provision process and related technology help your tax department manage tax risk, increase efficiencies, and add value?

Whether your goal is enhancing a discrete area of your tax operations or transforming them entirely, we can help advance you toward that goal. Our team has the breadth of knowledge, skills, resources, and experience with technology that today's tax and finance departments require to operate efficiently and effectively.

Our approach

Tax accounting is one of several core competencies of our Tax Management Consulting (TMC) group. Through these services, we can help you enhance the efficiency and effectiveness of your organization's tax provision process, while freeing up resources to focus on other priorities such as tax planning and tax risk management. Our TMC tax accounting teams have extensive experience in providing tax data analytics, process, project management, and technology services in the areas of financial reporting for taxes under U.S. GAAP or IFRS.

In addition to being technically proficient in the many aspects of tax accounting, our tax accounting professionals are skilled in the tax technology products available on today's market, including Thomson Reuters ONESOURCE® Tax Provision (formerly TaxStream), CORPTAX® Advanced Global Provision (CORPTAX® AGP), Longview Tax, Vertex® Provision Global Tax Office™ (GTO), and others, and broader enterprise enabled systems such as ERP, consolidation, and tax compliance platforms. Through a full-time focus in this area and rigorous internal and external training, our tax accounting professionals stay current on the latest innovations to these and other software packages and are recognized leaders in the area of tax department automation.

With assistance from Deloitte's tax accounting professionals, organizations can pursue a number of goals for their tax operations, including:

- Improving tax provision processes, including increased automation.
- Integrating tax technology (tax provision, compliance, and finance systems) for improved performance.
- Increasing transparency and improving controls.
- Improving tax data management and integrity, documentation, and reporting.
- Managing costs and tighter deadlines.
- Managing tax risk.

- Reallocating resources to other important organizational priorities.

Our tax accounting services fall into two broad categories:

Provision process and technology

- Provision process analysis, redesign, and implementation based on leading practices and technical insight.
- Provision system selection and implementation, including Thomson Reuters ONESOURCE® Tax Provision, CORPTAX® AGP, Longview Tax, and Vertex® GTO.
- Integration of tax provision systems with consolidation tools (e.g., Oracle's Hyperion Financial Management, SAP, and other ERP systems), and compliance systems (e.g., Thomson Reuters ONESOURCE® and CORPTAX® U.S. Compliance).
- Inclusion of internal controls in provision processes and systems.
- Training development and deployment.

Tax accounting assistance

- Tax-basis balance sheet evaluation, development, and reporting enabled by software.
- Deferred tax account reconciliations, either on a discrete or broader basis.
- Opening balance computations arising from transactions.
- Current liability analyses.
- Indirect tax exposure analyses, including sales and use taxes, property tax, GST, VAT, and customs.
- Full or scaled tax provision assistance.
- IFRS analysis and conversion.

For attest clients of Deloitte & Touche LLP, our tax accounting services are focused on providing advice and analyses with a goal to provide meaningful recommendations to clients that are looking to improve their tax accounting efforts.

Finally, our tax accounting teams work closely with other members of Deloitte's Tax Management Consulting group in the areas of tax-aligned enterprise risk management and business performance management systems, as well as direct and indirect tax compliance systems. Together these teams provide a wide range of services focused on improving the quality, accuracy, and efficiency of an organization's tax department.

An example of how our tax accounting services can provide value

In light of a recurring tax material weakness, its anticipated remediation, and the issues associated with adopting accounting for uncertainty in income taxes, an organization decided to implement a tax-basis balance sheet as a means to enhance the tracking and support of deferred tax assets and liabilities. The organization also wanted to implement tax provision software to automate the tax provision process, reduce reliance on spreadsheets for provision calculations, and allow integration with tax compliance software.

Our professionals worked with the company to design and implement a dual-stream approach to assist the company with validating the organization's deferred tax assets and liabilities and helped it select and implement tax provision software. The validated deferred tax balances were uploaded into the tax provision software, which now produces and maintains the tax-basis balance sheet.

Benefits include improved data integrity, documentation and reporting; greater automation of the tax provision process; enhanced controls over the tax provision and process; management of risk; and the ability to redeploy tax department resources to areas where they may add greater value.

The Deloitte difference

Our tax accounting teams have the knowledge, skills, and resources that today's tax and finance departments require to operate efficiently and manage current regulatory challenges. We offer:

- An extensive base of knowledge, tools, resources, and leading practices.
- Tax accounting services that are scalable to address your specific objectives.
- A multidisciplinary team of tax-technical and technology professionals who understand the spectrum of tax provisioning.
- Regional and local resources when and where you need them.
- Access to the extensive global resources of Deloitte Touche Tohmatsu member firms throughout 140 countries.
- An opportunity to gain greater value from the tax function.

In addition, our teams can provide access to other resources within Deloitte's [Tax Management Consulting](#) group for a wide range of assistance for tax process improvement, tax technology and systems integration, tax cosourcing, tax risk management, tax data and information management, and tax organization and resources.

For more information, visit www.deloitte.com/us/movetaxforward and www.deloitte.com/us/finreportingtaxes.

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