

\$3.9 BILLION INDUSTRIAL SERVICES COMPANY SEEKS COMPLIANCE AND PROVISION IMPROVEMENTS

More than 150 entities, 50 countries, one solution

Background

A \$3.9 billion industrial services company with 150 separate entities operating in 50 countries around the globe was having real issues with its tax compliance and provisioning. Varying levels of communication and skill sets between headquarters and the company's foreign entities led to ineffective timing and a poor framework for managing recurring provision review. The client also had no central repository for global documentation and historic filings. Frequent compliance failures led to audit adjustments and to concerns about other unidentified liabilities.

Goals

The company sought increased visibility into and accountability for key global tax provisioning deliverables and filings. They turned to RSM.

Our role

The client team, working closely with our global compliance and reporting services team and with RSM firms around the globe, streamlined the client's global tax provisioning effort, reducing the number of providers involved from 15 to five. By establishing a U.S.-based project coordination team responsible for coordinating all global activity, we gave the client a single point of contact through which to address any global issue. All client tax compliance and U.S. generally accepted accounting principles provisioning milestones are also now visible through a customized client dashboard on Global Tracker, our proprietary web-based project management tool and repository.

Benefits

Our approach has delivered real benefits for this client. Consider the following:

- When we took over the tax compliance and provisioning process, less than 50 percent of provisions were submitted on time. Now, more than 90 percent of provisions are submitted on schedule with increased time available for review.
- The review process has provided reassurance to the client that its tax provisioning information is reliable, eliminating concerns about material compliance failures.
- All in-scope entities are visible through Global Tracker, with defined protocols in place for issue resolution.
- Previously, client leadership had no centralized access to historical tax compliance and provisioning documentation. Now, more than 80 percent of historical documents are accessible to leadership. We are currently working to fill gaps from prior providers.

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