



cutting through complexity

Sales Tax Process Consulting

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Responsibility and accountability for the accuracy and completeness of the sales tax (GST/HST, QST and PST) numbers on sales tax returns and in the financial statements is now under greater scrutiny.

Managing sales tax within any organization is becoming ever more challenging. This is driven in part by the increased focus of the national tax authorities and also the regulatory burden placed on organizations by increasing regulation. This is resulting in a general shift at a regional and even global level from local finance and accounting teams to tax departments.

In practice, tax departments must continue to support the business in a technical and advisory capacity. However, they must also have visibility and a degree of control over the underlying business processes which generate the sales tax numbers, for example, the sales and purchase processes, logistics, IT and marketing to name a few.

It is now more important than ever that the tax group have the right sales tax information at the right time to ensure accurate and timely reporting with the necessary supporting documentation. Moreover, this process needs to be flexible and adaptable to take into account changes to legislation and administration, both locally and globally.

KPMG's Process Consulting service

Process Consulting is about having the right processes and controls and the ability to monitor the timely preparation and filing of returns throughout the countries that you operate in.

KPMG's Indirect Tax practice Process Consulting service is designed to help you manage sales tax risk and opportunity, manage sales tax compliance and drive out efficiencies across your business. We do this by working with you to establish a strong control environment, clearly defined processes and responsibilities, and to achieve visibility across the business processes which impact sales tax.

We also combine the extensive compliance and specific industry knowledge of our global Indirect Tax network, the experience of designing effective controls and processes and the effective use of process and document management technology. The global network of sales tax specialists understand the local requirements and have experience of working together to design and implement technology-enabled processes and controls for international businesses.

We can help you implement the right approach for your business, which will give you confidence in the accuracy of your sales tax returns and help you manage sales tax risk.

How the KPMG approach can help you manage sales tax risk

KPMG has teams with the combined sales tax, accounting and IT systems skills and experience which will enable us to help you gain appropriate levels of control and confidence in the sales tax processes in your organization. We offer a flexible approach to working with you and, drawing on our experience, we can undertake a range of activities which include:

A desktop review of existing documentation to evaluate processes and controls

KPMG can review your existing process and controls documentation against our proprietary industry-based controls database to identify any additional controls required to help specifically manage sales tax risk. We can also highlight opportunities to streamline or standardize your sales tax compliance processes.





Evaluation and documentation of existing processes and controls

KPMG can walk through the sales tax process to map the existing process and the controls in place. This will then enable our team to evaluate the design and effectiveness of the process and controls in place to help identify control gaps as well as opportunities to streamline and improve the process. We can also design the process documentation to meet regulatory requirements.

Development of standards

For companies looking to enhance the control and performance of their sales tax management, be it national, regional or global, we can help design a set of standards. We can help map the end-to-end sales tax compliance processes and sub-processes related to sales tax management, and then design a set of standards that set out policies and practices in relation to sales tax for adherence by all the stakeholders across the business.

How the KPMG approach can help you:

Reduce risk – KPMG’s wide-ranging process and controls review helps to ensure effective management of your sales tax

risk profile across the entire sales tax cycle thus reducing the possibility of error, associated penalty and interest charges and the management time required to resolve such issues.

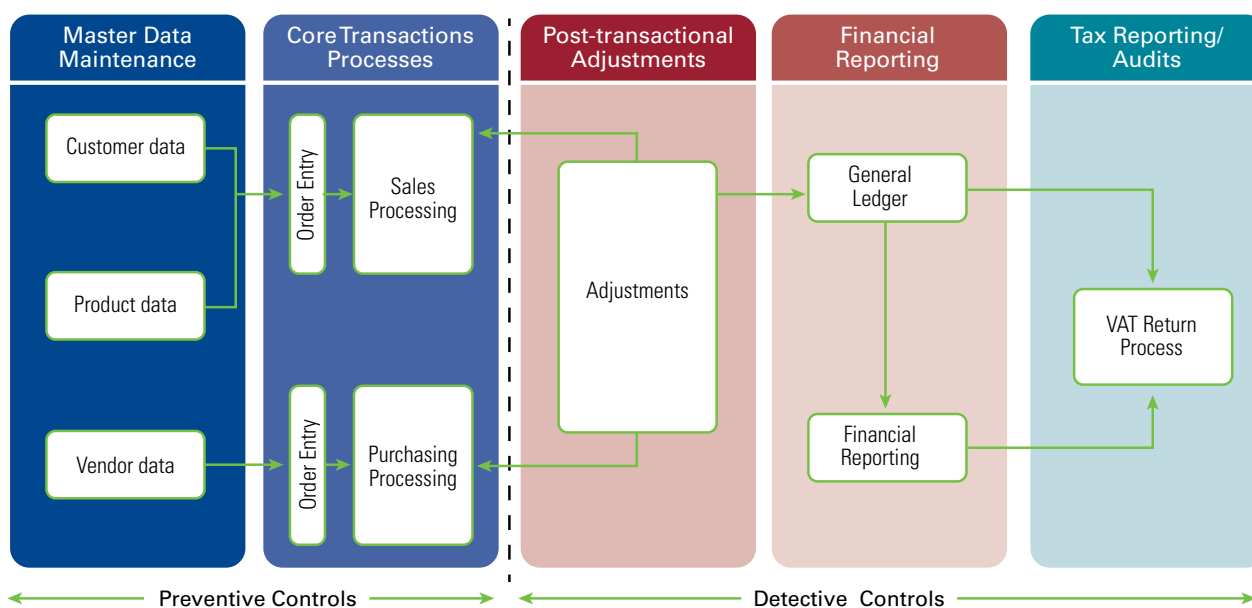
Drive out opportunity – KPMG’s review approach will also seek to ensure that you take advantage of sales tax reliefs and benefits available to your business across all relevant geographies.

Free up time – Clearly documented processes and clearly defined roles and responsibilities, underpinned by robust controls can reduce error and day-to-day operational issues. This will free up your time to focus on more strategic sales tax issues within your business.

Satisfy tax authority requirements – Being able to demonstrate visibility over the audit trail and a robust control environment can enable you to deal confidently and efficiently with the local tax authorities and other regulators.

Bring deep knowledge – KPMG’s experienced professionals have the technical skills and the global, local and industry specific indirect tax knowledge to help design and implement technology-enabled processes and controls.

Typical Indirect Tax Process



Source: KPMG International, 2008

Contact us

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