Introduction to Day 2

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What do we mean by tax operating model framework?
## Where can we start from?

### Governance and Risk
- Documented tax policy and risk management framework
- Tax viewed as a key business partner
- Controls embedded and monitored across business processes

### Organisational Model
- Organisational model designed to reflect Tax function strategy
- Roles and responsibilities are clearly defined
- Leveraging centralised finance (GBS/SSC) to operationalise 'end to end' tax processes

### People and Capability
- Resourcing needs assessed against short-term and long-term needs
- Leverage resources from other functions where possible
- Clear career development paths exist for all roles

### Process and Responsibility
- Standardised global tax processes with clear RACI
- Comprehensive process documentation
- Tax function effort focused on value added activity

### Data and Information
- Data collected once and can be relied upon as final
- Tax controls built into global master data processes
- Single tax sensitised chart of accounts

### Systems and Technology
- Global tax technology strategy and roadmap to improve automation as finance systems evolve
- Automation of key tax calculation and tax reporting processes
- Tax data warehouse and workflow technology deployed

### Performance Management
- Covered in different session
Survey results...where are you?

<table>
<thead>
<tr>
<th>Governance and Risk</th>
<th>I=Initial</th>
<th>D=Defined</th>
<th>O=Optimised</th>
<th>Board approved and documented tax policy and risk management framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal tax policy or tax risk management framework</td>
<td>I</td>
<td>D</td>
<td>O</td>
<td>No formal tax policy or tax risk management framework</td>
</tr>
<tr>
<td>Organisational Model</td>
<td>Limited consideration given to design of the organisational model for tax</td>
<td>I</td>
<td>D</td>
<td>O</td>
</tr>
<tr>
<td>People and Capability</td>
<td>No formal career development paths or training programmes</td>
<td>I</td>
<td>D</td>
<td>O</td>
</tr>
<tr>
<td>Process and Responsibility</td>
<td>Processes are not standardised or documented and have unclear responsibilities</td>
<td>I</td>
<td>D</td>
<td>O</td>
</tr>
<tr>
<td>Data and Information</td>
<td>Financial data has to be significantly re-worked before it can be used by tax</td>
<td>I</td>
<td>D</td>
<td>O</td>
</tr>
<tr>
<td>Systems and Technology</td>
<td>Heavy reliance on spreadsheets and low level of automation</td>
<td>I</td>
<td>D</td>
<td>O</td>
</tr>
<tr>
<td>Performance Management</td>
<td>Tax function has no specific performance measures</td>
<td>I</td>
<td>D</td>
<td>O</td>
</tr>
</tbody>
</table>

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