SAO compliant VAT Return consolidation and submission

When Balfour Beatty plc needed to upgrade an obsolete Oracle Hyperion bespoke indirect tax system in order to prepare and submit multiple complex VAT Returns via the HMRC Government Gateway, it decided to take a new approach and sought help from tax technology specialists Tax Automation.

Business Driver: Balfour Beatty was looking for an efficient, centralised approach for its VAT Returns submissions.

Industry Sector: Infrastructure

Why Tax Automation: Balfour Beatty had previous experience of working with Tax Automation and therefore knew that it could develop and implement an end to end solution for the consolidation, authorisation and submission of VAT Returns with multiple contributors in numerous locations.

Business Benefits: With Tax Automation's VATpack and VAT Controller, Balfour Beatty now has a flexible, intuitive system that meets internal and external audit requirements as well as being fully SAO compliant.

Background

Balfour Beatty is a leading international infrastructure group drawing on over 100 years of international knowledge to provide the infrastructure that underpins daily lives, supports communities and enables economic growth. With around 36,000 employees, it generates revenues of over £8 billion. The group finances, develops, builds and maintains infrastructure including roads, rail, airports, seaports, tunnels, bridges, health and education infrastructure.

Transparent and accurate reporting

As a FTSE 250 listed public company it is vital that Balfour Beatty's reporting is transparent and accurate, which means that it must be meticulous when reporting its financial returns and calculating its VAT liability. No easy task when you consider that Balfour Beatty's Group VAT Return is made up of figures from approximately 40 separate business units situated in numerous locations including 2 shared service centres. Each business unit is required to prepare data for 34 separate input fields, which when consolidated make up the figures for the 9 boxes on the VAT Return. Up until recently, results from these 40 business units were consolidated into the main Balfour Beatty Group VAT Return using a bespoke Oracle Hyperion system and then submitted to HMRC by manually entering the figures via the Government Gateway.

An alternative approach

Relatively straightforward in theory, the overriding problem facing Balfour Beatty wasn't the calculation of the liability, but the collection and management of all the data required to calculate it. Put simply, Balfour Beatty's corporate tax department was finding that it was not

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properly armed with the right tools to manage the volume of data required to accurately calculate the tax liability. Innes Burns, Tax Manager, Balfour Beatty takes up the story:

"We knew that we needed a centralised platform and a better way of managing the preparation, consolidation and review of the Group's VAT Return. We wanted to avoid manually typing in the numbers and our goal was to have these automatically uploaded straight into the HMRC Gateway."

Balfour Beatty already knew about tax technology specialists, Tax Automation, as its investment subsidiary team had been working with the company for three years. It therefore evaluated Tax Automation's VAT Controller software and their proposal for a tailored version of their Excel based VATpack. Innes Burns continues:

"Not only were we looking to replace our existing software platform, but we really needed a tool that would enable us to produce one set of numbers that would be automatically filed. That said, we also wanted value for money. Tax Automation's VAT Controller represented good value and even better it did everything that we were looking for."

VAT Controller is a SAO compliant web-based application that addresses the full lifecycle of VAT Returns which enables Balfour Beatty to better manage its compliance risk. By combining online filing, consolidation, document storage, sign off procedures along with a comprehensive audit trail, VAT Controller significantly improves transparency and risk management for the VAT processes.

Excel with a rigorous audit trail

Additionally, Tax Automation proposed the development of a tailored Excel based VATpack, which would be completed by each business unit containing Balfour Beatty's specified validation controls and an auditable sign off process integrated into the Group's email system. Once completed this data is then automatically uploaded into VAT Controller. Innes Burns continues:

"Thanks to Tax Automation we now have an end to end solution for the consolidation, authorisation and submission of our VAT Returns. In fact, we now have an extremely flexible template and approach to the collection of all the key figures required with the validation controls and sign off procedures as well. In addition we have a full audit trail and all the documents are stored in one central location."

Innes Burns adds:

"The project was completed very quickly and if we ever had any queries, the Tax Automation team came back to us promptly and were extremely friendly and helpful. We now have templates which Tax Automation designed specifically for us and as a result have good control over the Group's submissions."

Following implementation, the next VAT return was successfully and efficiently prepared and submitted a day early. Innes Burns concludes:

"As they say the proof of the pudding is in the eating and we have successfully filed our latest submissions without a hitch – thanks to Tax Automation."

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