

# Achieve Insight\*

Tax Function Effectiveness:  
Assessing tax competencies

## Client challenge

A multi-billion dollar energy company restated its earnings and reported material weaknesses in multiple areas within the finance function (including tax) which culminated in a resignation of the company's CFO. In an effort to assess the skills of the organization and re-establish credibility with Wall Street, the newly hired CFO conducted a global technical competency assessment of its finance and tax functions.

## PwC value

Understanding resource needs is important, but having the "right resources" in place is essential. It not only improves efficiencies and value, but also reduces company risk of technical oversight or missteps.

In collaboration with the client's VP of Tax, PwC was asked to assess and identify the relevant and essential specific technical competencies for the client's tax personnel. PwC then created a benchmark rating for each discrete role and staff level within the tax department. Finally, PwC conducted interviews with all of the client's tax personnel and prepared individual reports assessing each person's competencies. Individual feedback sessions were held with each participant, as well as with the client's leadership, to communicate PwC's findings.

## Impact

- This engagement provided the company with valuable insight into the tax function, including:
- Assessment of individual and enterprise wide technical tax skill competencies
- Areas for individual development by technical specialty (i.e. Tax accounting, international tax, M&A, state and local taxation)
- Identified opportunities to re-deploy staff either within the Tax function or other areas of Finance to better leverage individual competencies and align career objectives with organizational goals
- Identified those having strong leadership competencies to facilitate critical succession planning within the tax function and,
- Improved ability to recruit and retain personnel by using the role definitions (job descriptions developed and clearly setting forth benchmarks for the expectations management has for the technical competency of its personnel and linking these to the annual performance evaluation process.

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