Output Tax Report Automation Project

Objective: Automate the end-to-end process for output tax reporting, covering download, analysis and journal preparation for 258 entities (2 output tax reports per entity) with the goal of freeing up manual effort to enable additional revenue-generating work

1. Baseline & Assumptions

- Total entities: 258
- Output tax reports per entity: 2
- Total reports per cycle: 516
- Manual effort per report: 15 minutes (0.25 hours)
- Total manual hours per cycle: 129 hours
- Team size: 15 people
- Working days: 5 days/week
- Standard hours: 8 hours/day

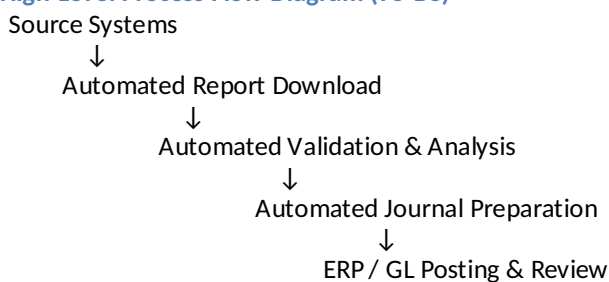## 2. Effort & FTE Savings Calculation

- Total manual hours saved per cycle = 516 reports × 0.25 hours = 129 hours
- FTE equivalent savings: **129 hours ÷ 40 hours/week ≈ 3.2 FTE**

This capacity can be redeployed to win additional work equivalent to approximately 3 FTEs without increasing headcount

3. Work Breakdown Structure (WBS)

WBS ID	Phase	Activity	Deliverable
1.0	Initiation & Planning	Process understanding & scope definition	Signed-off scope & requirements
1.1	Initiation & Planning	Stakeholder alignment	RACI & governance model
2.0	Current State Analysis	Manual process mapping	As-is process maps
2.1	Current State Analysis	Data source & report dependency analysis	Data inventory
3.0	Solution Design	Automation architecture design	To-be process design
3.1	Solution Design	Control & exception framework	Control checklist
4.0	Build & Configure	Automated report download	Download scripts/bots
4.1	Build & Configure	Automated data validation & analysis	Validation logic
4.2	Build & Configure	Automated journal preparation	Journal output files
5.0	Testing	Unit & integration testing	Test results
5.1	Testing	User acceptance testing	UAT sign-off
6.0	Deployment	Production rollout	Live automation
6.1	Deployment	Knowledge transfer & documentation	SOPs & training material
7.0	Benefits Realization	Capacity redeployment	Additional revenue / workload

4. High-Level Process Flow Diagram (To-Be)

Source Systems
↓
Automated Report Download
↓
Automated Validation & Analysis
↓
Automated Journal Preparation
↓
ERP / GL Posting & Review

5. Business Impact

- Manual effort reduction: **~129 hours per cycle**
- FTE capacity released: **~3.2 FTE**
- Strategic benefit: **Use freed capacity to onboard new clients or increase scope without additional hiring**

6. Risk Assessment & Mitigation Matrix

This section identifies key risks to the automation initiative, evaluates likelihood and impact and prescribes mitigations and owners. Use this register during the project and update it periodically

Scoring note: Likelihood: Low / Medium / High
Impact: Low / Medium / High
Risk Score: Qualitative priority (High / Medium / Low) based on Likelihood Impact

Risk ID	Risk Description	Likelihood	Impact	Risk Score	Mitigation / Controls	Owner	Residual Risk
R1	Data source changes or format instability (report layout changes)	High	High	High	Implement schema detection & resilient parsing; maintain a change log; frequent sync with source owners; automated alerts for parsing failures	Automation Lead	Medium
R2	Incomplete or inaccurate business rules resulting in incorrect journals	Medium	High	High	Define CTQs with business SMEs; develop rule test-cases; UAT with sample entities; peer review of rules	Onshore SME	Low
R3	Unauthorized access or data leakage during automated downloads	Medium	High	High	Use secure credentials vault, encrypted transmission, role-based access, and audit logs; restrict bot accounts	IT Security	Low
R4	Bot/automation failures causing delays to close	Medium	Medium	Medium	Implement monitoring, retry logic, exception queuing, and escalation SLAs; fall-back manual runbooks	Ops Manager	Low
R5	Integration/ERP posting errors (wrong journal uploads)	Low	High	High	Use sandbox posting validations, maker-checker approvals for initial period, and checksum/reconciliation reports	Ops Manager	Low
R6	Regulatory or tax-rule changes affecting logic	Low	High	High	Subscribe to tax update feeds; implement configurable rule parameters; periodic rule reviews and rapid patch process	Onshore SME	Medium
R7	Vendor or third-party tool licensing / SLA issues	Medium	Medium	Medium	Negotiate SLAs, include support clauses, maintain contingency budget for alternate solutions, and evaluate vendor risk pre-contract	Onshore SME	Low
R8	Change management resistance from team (loss of trust / knowledge drain)	Medium	Medium	Medium	Early stakeholder engagement, training, re-skilling plan, and clear redeployment roadmap for freed capacity	HR / PMO	Low
R9	Underestimated effort or cost overrun	Medium	Medium	Medium	Detailed effort estimation, phased delivery (pilot), contingency buffer (10–20%), and periodic forecasting with variance explanations	PMO	Low
R10	Control gaps leading to audit findings	Low	High	High	Embed audit logs, maintain SOPs, conduct internal audit pre-production, and involve compliance early in requirements and UAT	Compliance	Low

7. Risk Monitoring & Review Cadence

- Weekly risk review during pilot (first 8 weeks), then monthly during steady-state
- Monthly control effectiveness metrics: exception rate, average fix time, failed automation runs
- Quarterly management review with SMEs (Tax, IT Security, ERP, Compliance)
- Maintain the risk register as a living document in the PMO workspace and update mitigations and owners after each review

8. Quick Summary

This project's primary risks include data-format volatility, business-rule defects, security & access concerns, integration posting errors and potential regulatory changes. Mitigations focus on resilient parsing, SME-validated rule development, secure credentialing & audit logs, sandbox validation and maker-checker controls and proactive tax-rule monitoring. Governance will include weekly reviews during the pilot, automated alerts and quarterly executive reviews to ensure residual risks remain acceptable