

Analysis and Evaluation of the Results of Tax Consulting Firms

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Abstract—In this article, the research was carried out on the financial results of tax consulting firms. The specifics of providing tax consulting firms were reflected. The authors of this article conducted a review of the literature on tax consulting, during which the types of tax consultations were defined. This article analyzed changes and distribution of total revenues of ranking participants by types of consulting in 2018, which showed us the importance of tax consulting in the Russian Federation. Analysis of TOP-10 of the best IT consulting firms (tax and management consulting) was carried out. Shortcomings and peculiarities of the work of tax advisers in this field were identified and options for improvement of their work were proposed, which will allow to develop systems of feedback on tax advice.

Keywords—tax consultation; tax consulting; clients; state; results; financial activity; management.

I. INTRODUCTION

Nowadays, the achievement of the desired results of tax consulting firms should be based not only on the achievement of market leaders, as out of 170 companies participating in 2018 on the current list, 120 have completed the year with an increase in revenues. Positive dynamics reflected in the summary results of ranking are also visible for the absolute majority of individual segments of consulting services. Competition in the market of consulting services on tax advice should be transparent, real and should contain existing instruments, which allow to improve competition both in business and from the legal field.

II. LITERATURE REVIEW

The author of the book "Flawless Consulting" Peter Block shows how to conduct consultations without even being a

professional consultant. He also suggests that every time we advise someone, we try to change or improve the situation, but we do not have direct control over their implementation. In the book "Vision, Leadership, and the Creation of Management Consulting," author Elizabeth Edersheim formed a new approach to business management that is based on managing the best human qualities. The basis of the theory of this book is that every employee makes an invaluable contribution to the management of the business, if the employee does not want to do it, then such employees should be disposed of immediately. Another thing is when a highly qualified employee is not attracted or stimulated, which is a downside to the head of business. The author of the book "Consulting in Project Management" Philip Wickham gives as an example of consulting design: from creation of an idea to final achievement of the desired result. The main achievement in project management for the author is the availability of skills to analyze all sides of the project.

III. RESEARCH METHODOLOGY

The following methods of research are used in this article: method of comparison by quantitative indicators of activity results of consulting firms, analytical method by basic indicators of consulting firms in the area of management consulting, method of data comparison by analysis of structure and dynamics of change, graphical interpretation of information. Quantitative and qualitative research methods were used to assess the activity results of consulting firms.

The main directions of development of all types of consulting contain implementation of new technologies and digitalization of business processes, which increase financial results of tax consulting firms and lead to increase of business efficiency, which affects development and promotion of

consulting groups and companies. The research is carried out to analyze the results of tax consulting firms and this will help to interpret and improve business operations in the management of consulting activities both in large companies and in small consulting firms.

IV. RESULTS

Last year the largest increase in financial results was shown by the provision of services in the field of management consulting - personnel management. Income growth in this direction in 2018 amounted to almost 53% and reached 1,651 billion rubles.



Fig. 1. Changes in total revenue of ranking participants by type of consulting in 2018

Among the most popular HR practices are face-to-face and distance assessment of employees, training and staff development, HR analytics and automation of personnel management processes. "External changes reach such a level that internal changes are required, and it is impossible to change quickly the company without changing people. So here HR consultants are ready to help." First, search, holding of talent and development of employees become priorities for companies due to the need to implement new human resources policies. Especially in metallurgy, industry, oil and gas industry, electric power industry, banks and trade. Second, the share of cloud HCM-based projects in large and medium-sized business continues to grow due to customers' desire to reduce the time, risk and complexity of implementing such solutions." In 2018, 75% of management consulting is IT consulting, which tells us about technology growth in business planning and business process improvement.

TABLE I ANALYSIS OF TOP-10 OF THE BEST IT CONSULTING FIRMS (TAX AND MANAGEMENT CONSULTING)

No	Group of companies / company	Revenue in 2018 (thousands rubles)	Type of participant	Place in general ranking in 2018
1	2	3	4	5
1	Lanit	4 263 225	group	1
2	«Group Borlas»	2 788 771	group	9
3	«I-Teko»	1 404 740	group	7
4	«Consist Business Group»	1 328 897	group	13
5	«Chto delat Consult»	1 145 950	group	11
6	«Aplana»	919 000	group	10
7	KROK	863 060	group	6
8	ITPS	769 779	group	17
9	«ANT-Consult»	437 001	group	20

10	«MKD Partner»	167 486	company	53
11	«Rassel Besforf Rus»	91 150	group	72
12	«INA AUDIT GROUP » (JPA International)	88 525	group	65
13	BKG «InformAuditService»	71 340	group	22
14	«Technology and Business»	51 474	group	95
15	«EcoSoft»	50 951	company	92

Analyzing table 1, it can be concluded that at once five management consulting companies are in general rendering. On the first place the consulting company LANIT was located, the volume of revenues of which amounted to 4,263 billion rubles. On the second place in the volume of revenues 2.788 billion rubles the company "Group Borlas" (9th place in the total rating). On the third place there was a group of companies "I-Teko" with a volume of revenues of 1.404 billion rubles.

Majority of consulting companies prefer to provide comprehensive services in various areas and often lead in several ratings at the same time. Especially, rendering of consulting services on tax consulting is in great demand today, as specialists of this profile are in great demand due to the frequent changes in tax legislation [2, p. 1726].

V. DISCUSSION

Consulting services in the sector of goods production are very popular, as it is necessary not only to increase capacity but also to change technological processes, raw materials. The group of companies "2K" occupies the first place in TOP of 10 consulting firms in the sector of services and goods production with the indicator of 148,302 thousand rubles. "2K" occupies the 33rd place in the total ranking in 2017, from year to year qualification of the company has expanded and confirmed by the leading rating agencies. JSC "2K" is a member of the association "Morison KSi," an international association of independent auditors and business consultants, occupying the first place in the Russian Federation and the ninth place in the world in terms of total revenues.

On the second place is Geo Invest, which is consulting and construction company with turnover 146,188 thousand rubles. Since 2007, the company has accumulated a lot of experience and carried out the whole range of work related to project support from the development of design documentation and approval to the commissioning of the facility both in Moscow, Moscow region and throughout the Russian Federation.

The third place is taken by Nexia CIS (turnover is 87,644 thousand rubles), but despite the fact that this is significantly less than the previous two companies, this group of companies has the 14th place in the total ranking for 2017. Nexia CIS is a regional network of Nexia International, which unites successful and stable audit and consulting companies of Russia. It entered the market of Russia and CIS countries in 1996 since integration into the network of the group of companies "Nexia Pacholi", which received the status of exclusive representative of one of the largest networks of the world. The company gained a good place in overall ranking in 2017 as it is in the Top 10 consulting firms in different areas.

It's necessary to note also the group of companies SRG with its revenues equal to 13,800 thousand rubles in this sector in 2017 and took the 10th place in the ranking of TOP-10 consulting firms in the field of production of services and goods. But in the total ranking for 2017 the company took the 31st place. One of the reasons for good ranking is that SRG ranks 2nd in the rating of consulting firms on evaluation activities [3, p. 88].

TOP 10 consulting firms in tax consulting, showed us that the main share in terms of revenue is a consulting firm with an indicator of 467 844 thousand rubles, which ranks 32nd in the overall ranking of consulting firms in the Russian Federation. Also, a good indicator of revenue has a consulting firm "Ural Union" in the amount of 363 008 thousand rubles, which occupies 41 place in the overall ranking. However, we see a decline in revenue from the consulting firm "Nexia CIS" with a figure of 89 134 thousand RUB, which is the best among consulting firms engaged in tax consulting. It is worth noting the growth of revenue tax Advisory firms "MSC" with an index of 73 423 thousand rubles and the company "Taxes and tax law" with exponent 504 69 thousand RUB., growth of these indicators with an algorithm year was 15% and 18%, respectively [13, p. 28].

Tax consultants are engaged in optimization, planning, risk assessment and audit in the field of taxes. Such services are required by both large enterprises and any other business, including individual entrepreneurs. In the first place — "United consultants FDP." Tax advice brought the company in 2017 467 844 thousand rubles. The company has been on the market for more than 20 years, helping Russian companies to solve legal, financial and management problems [4, p. 89].

On the second — the Ural Union group is created in 1995 and for the last 16 years steadily enters the list of the largest audit and consulting groups of the Russian Federation, annually showing positive dynamics of development. Revenue from tax consulting in 2017 — 363 608 thousand rubles. In the RA ranking "EXPERT": 2nd place in the segment of tax consulting. 10th place among the largest Russian groups and networks. 16th place among the largest Russian audit organizations [5, p. 18].

Closes the top three company UK "Vasiliev. Solanko and partners." In 2017, the tax consulting company earned 166 469 thousand rubles.

It is also worth noting the good position of the ANT group of companies, it is one of the leading audit and consulting groups in Russia. Today the group consists of: OOO "ANT-KONSALT", OOO "Audit-NT", LLC "ANT-Soft" and CWAO DPO UTS ANT. the group of companies ranks 20th in the overall ranking for 2017. we also see the presence in the Top 10 tax consulting firms, the group of companies "Nexia CIS" about which we have already written above [6, p. 213].

Increased growth in 2017 was also characteristic of financial management services. For the year, they added 24% and amounted to 9.642 billion rubles. On average, in 2017, every second company in the ranking provided advice in the field of Finance. In addition to traditional services – the development of methodologies for accounting, tax and

management accounting (including IFRS) – financial consulting is actively developing new areas, such as the introduction of robotic process automation (RPA – robotic process automation). "RPA is a software algorithm that performs employee actions in various computer applications as a human would. Customers-pharmaceutical and manufacturing companies, retailers, banks-with our help launch pilot projects for the implementation of software robots and move to full-fledged robotics [8, p. 56].

With proper implementation, RPA technology can significantly save resources. Thus, in one of the holdings, the robot replaced eight employees who were engaged in the collection and verification of acts with counterparties, posting documents to a database and an electronic document management system. In one of the medical universities, for example, we robotized the upload of 50 thousand scanned copies of primary documents to the IT systems of the University and to the public Procurement website. The software robot was "taught" to exchange data with the procurement system "1C: Accounting 8.3", the financial document management system in the state Treasury and the public procurement website. This is a typical routine process for state institutions, and robots significantly accelerate it, helping to save costs for supporting procurement processes," - Sergey Lozhkin, managing partner of NFP, gives examples.

VI. CONCLUSIONS

Analysis of financial consulting firms is a professional analysis of the financial and investment activities of the enterprise, which is carried out without audits. This requires accounting and management accounting data. The leader of this area of professional consulting is currently the company "BDO Uicon" - revenue 1 327 959 thousand rubles for 2017, the company took 9th place in the overall ranking for 2017, which is undoubtedly a high figure [7, p. 100].

Interkomp -1 139 451 revenues thousand rubles for 2017. For 20 years of work in the Russian market "Intercomp" helped to optimize business processes to tens foreign and Russian companies of the most different profile and scale.

Closes the top three company SCHNEIDER GROUP, revenue from financial advice-732 435 thousand rubles. More than 15 years successfully advise companies on the organization and development of business in the CIS countries, Ukraine and Poland. These three companies are in the top 20 of the overall ranking [15, p. 3115].

Analysis of legal consulting firms showed revenue growth in 2018 by almost 20%. The main contributor to revenue were three consulting firms, namely, the "KSK group" with revenues 273 103 thousand RUB., a consulting firm "Creation and development" revenue which amounted to 216 728 thousand rubles and "Institute of problems and of business" with revenues of 730 210 thousand. The growth in revenue consulting law firms stems from the fact that organizations and enterprises of small and medium business easier to handle in the consulting law firm, rather than to maintain the state as a lawyer that the implementation and introduction of business economically and quickly [9, p. 18].

Since the specialists of consulting firms engaged in legal advice, are highly qualified specialists and quickly solve existing problems. Also, a quick jump to increase revenue was carried out by the consulting company "Alta via" with revenue of 78 633 thousand rubles. the company "Accountor Russia" with the amount of revenue 75 085 thousand roubles and the company "Express logger" with revenue 61 412 thousand.

The rapid development of new technologies, however, does not negate the fact that at least half of the income in the financial consulting segment is derived from work within the outsourcing of accounting functions (external accounting and tax accounting, preparation of financial and accounting reports on a regular basis, payroll). Of the top twenty groups and companies in the financial consulting segment, more than ten participants specialize in this type of service [14, p. 58].

In addition to the demand for traditional types of assessment, market players note other areas. "We are seeing an increase in requests for evaluation in order to conduct forensic examination. For example, there has been an increase in the number of confirmation orders for transfer pricing used within industry groups. Recently, tax authorities often make unjustified claims against group members, revealing unjustified tax benefits. Here, an independent assessment of the validity of prices in the transfer transaction can help in the settlement of tax disputes. Another direction is the evaluation of non-core and distressed assets formed in large and medium-sized businesses during extensive growth. Many companies reduce costs by getting rid of illiquid assets both in non-current assets and in warehouses in commodity balances.

In conclusion, we would like to note that the main prospects for the development of the consulting market on tax advice will be the following:

- It is necessary to introduce the promotion of tax advice to small and medium-sized businesses;
- It is necessary to develop a full range of methodological material for teachers of higher educational institutions for training of tax advisers;
- Various courses and international conferences should be held to enhance citizens 'legal culture on tax advice';
- It is necessary to increase the state control of observance of standards and rules of tax advice to small and medium-sized businesses;
- It is necessary to increase competition in the consulting services market in order to solve the problem of prices for consulting services.

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