

BUILDING MULTI-YEAR AUDIT READINESS

WITH SMART ACCOUNTING



OVERVIEW

Company: Confidential (\$50M Company)

Employees: Reduced from 6 to 3 in finance & accounting team

Headquarters: United States

Engagement Duration: 2024 – 2025

Project Lead: Varsha Nagpal

Project Focus: Multi-Year Audit Readiness, US GAAP Compliance, and Finance Transformation

“We realized that we were basing our analysis and business decisions on unreliable financials. We had unreconciled accounts for 3 years, were never audited, and dealt with surprises in EBITDA every month. Unpredictable negative cash flow with constant capital depletion was an awakening call.”
— CFO & CEO, Confidential Client

• INEFFICIENT MONTH-END CLOSE

Month-end close cycle exceeded 30 days, delaying internal reporting and board-level decision-making.

• UNDERUTILIZED ASSETS & INCOMPLETE REPORTING

Undercapitalized fixed assets held as CIP, understated depreciation, and missing CAP table maintenance and stock compensation valuation.

• RESOURCE INEFFICIENCY

A bloated in-house finance team with 6 members was underperforming with high operational costs.

SOLUTION

• HEALTH CHECK & DISCOVERY

Conducted a 2-month diagnostic to uncover financial and compliance gaps.

• FRACTIONAL CAO LEADERSHIP

Introduced strategic oversight for GAAP compliance, process streamlining, and audit planning.

• MONTH END OPTIMIZATION

Reviewed the close checklist and reduced cycle time from 30+ to 15–18 days.

BUSINESS CHALLENGES

• HISTORICAL FINANCIAL ACCURACY

Unreconciled bank and balance sheet accounts for 3 years led to unreliable reporting and business decisions.

• NON-COMPLIANCE WITH US GAAP

Issues included deferred revenue recognition, incorrect accrual accounting, inventory valuation problems, and delayed ASC 842 lease accounting implementation.



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• OUTSOURCING MODEL

- Downsized the internal team from 6 to 3.
- Outsourced transactional processes to TANSON.
- Appointed TANSON for complete audit management and preparation.

• POLICY DEVELOPMENT & DOCUMENTATION

Standardized and documented US GAAP-aligned accounting policies.

• TECHNOLOGY & AUTOMATION PLANNING

Roadmap developed for intelligent automation in reconciliations, close tracking, and real-time reporting.

RESULTS

- Reconciliation of all banks and balance sheet accounts.
- ASC 842 implemented and backdated to required compliance dates.
- International statutory audits (HKG & others) for 2022 and 2023 completed.
- Financials for 2024 ready by March 2025 for June 2025 audit.
- Month-end close time reduced by 50%.
- 40% cost reduction by outsourcing.
- Stronger governance, timely board-level insights, and audit-ready documentation.

TANSON's approach to Finance-as-a-Service transformed an overwhelmed finance function into a streamlined, compliant, and scalable operation. The client's leadership now tracks not just cost savings, but also continuous improvement through intelligent automation.



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