

Intro: Hello, and welcome to the CPA Australia podcast, your weekly source for accounting, education, career and leadership discussion.

Rupen Malouf: Hello and thank you for joining us today. I'm Rupen Malouf, Acting General Manager at CPA Australia's New South Wales division, and I've also spent some time in public practice. Given the ever changing nature of COVID-19 I think it's also important to note that this recording took place on Friday the 1st of May, and any information presented today is relevant as up to date the 1st of May.

Rupen Malouf: Joining me today are public practice practitioners and members of the CPA Australia Public Practice Advisory Committee, Gavin Swan and Andrew Pearce. Gavin has been a principle of a public practice firm, Absolute Accounting Services, on the Central Coast in New South Wales since 2000, and has been in the accounting profession since 1986. He is a fellow of CPA Australia and has a bachelor's degree in business and a master's degree in commerce. Gavin is a member of several professional bodies including CPA Australia and is a registered tax agent. Gavin contributes towards various discussion and technical groups including the ATO Tax Practitioners Stewardship Group, and is a member of the CPA New South Wales Public Practice Committee. And has presented in a number of forums including live webinars, live radio and public practice intensive seminars for CPA Australia.

Rupen Malouf: Andrew provides essential strategic advice for business owners to help them reach their full business potential and maximise their businesses value, focusing on streamlining processes and driving net profits up. His skills and background as a small business owner ensure he is well placed to offer advice on every element within the business model. Andrew is currently chair of CPA's National Public Practice Advisory Committee and a past chair and president of the Tasmanian Divisional Council of CPA. In 2019 Andrew was invited to become a fellow of CPA Australia which recognises his expertise and years of dedicated service to the industry. He is fortunate to regularly sit on expert panels and present on a range of topics that can help his colleagues and other business owners.

Rupen Malouf: Gentleman, thank you for joining me today.

Andrew Pearce: Thank you.

Gavin Swan: You're very welcome. Good to be here.

Rupen Malouf: Gentleman let's just start off by having a look at some of the biggest challenges facing practitioners today during the COVID-19 pandemic. I think one of the issues that's coming up is being able to charge clients for services and receiving payment. Would you be able to share some of your strategies that you've implemented?

Gavin Swan: Sure, I'm happy to kick off with that Rupen. I think one of the biggest issues facing us at the moment is just the sheer volume and pace of change and that is absorbing an awful amount of our time. And with all of that time that's being absorbed we're not able to charge for all of it because a fair chunk of that is generally bringing ourselves up to speed with the mass of legislation and rules and explanatory statements and guidelines and interpretations. All of those things are out there, we've got to come to grips with them.

Gavin Swan: Having said all of that, when we get in front of the client's we need to have a strategy that we need to recover some of this money, and it is only fair and reasonable that we do so; otherwise, we won't have businesses to come back to. And by and large most clients are appreciative of that and during this podcast Andrew and I would like to share with you some of these strategies that we're currently adopting for our clients.

Gavin Swan: First and foremost it resulted in us having a very good review and segmentation of our client base because not every client is the same. So we have created some bespoke COVID-19 packages. The first one that we've created is really for our sole traders and partnerships who don't really employ anyone, it would be mom and dad, it could be a sole trader carpenter. And we've created a basic cover for them and that is to explain what the cash flow boost is, what the JobKeeper payment is, whether they are or aren't eligible and to apply for them, if applicable, and if we are applying for them then we also want to take too every month a claim that payment of the JobKeeper payment for those clients.

Gavin Swan: On a next level up is where a client would want us to apply for the JobKeeper registration for them, assess whether they are eligible and simply register them for it and then hand the keys over to them. And they've got, those clients would typically have employees and therefore are allowed to turn over as well.

Gavin Swan: And our third package is basically we do everything for the client including collecting the declaration forms for their employees, registering every month the relevant employees who are entitled to the JobKeeper payment as well as registering the employer for the JobKeeper payment. So we've essentially tiered it out into three basic strands of clients there. There are of course some clients who aren't eligible for this, so you need to work through that client list fairly carefully.

Gavin Swan: I might hand over to Andrew now and maybe he can give some insight as to how he's operating with his clients.

Andrew Pearce: Yeah, thanks Gavin. Looks like and it feels like we've done another degree in the last six weeks, but the goalposts keep changing so we have to keep going back and restudying all the changes. Look, there's a lot of similarities in what we've done there Gavin and my teams a pretty large team, I've actually got five accounting advisors plus myself working in the accounting side of our business. So, part of it's about getting alignment across the team too and making sure we've got consistency in our approach. And we actually worked with a local

association originally in Tasmania here which is a hospitality association, and have since done some work with housing and tourism and a couple of others.

Andrew Pearce: So part of that was trying to provide services to the members and really the industry, especially the first few that really started to suffer around hospitality and tourism in particular in Tasmania, and I'm sure across Australia. So one of the things we started with was a bespoke package around doing business continuity plans for clients, and some it's tied in with the state grants that were available too in Tasmania. You needed to have a business continuity plan. And so the business continuity plan was essentially a guide that we take clients through in a 45 minute Zoom session, and it goes through the stimulus packages that are available both federally and at state level. It creates accountability for the owners and their executive, if they have one, on who should be looking at what in their business.

Andrew Pearce: With really I suppose the idea had been about trying to preserve cash at this time. We also may provide them useful references to helpful links online, things like the commercial leasing principles code of conduct that was released by our National Cabinet. And the other service on top of that was then a cash flow tool which was just an excel built tool, the trustee or accountants love tool. And it can be used to draw some quick scenarios of how a drop in revenue may affect the cash flow for that business, and then hence allow them to make informed decisions around what expenditure they need to drop and in what order. And this was needed for a number of the grants they are applying for too, so that was very relevant.

Andrew Pearce: And then more recently, only last week in fact, we added a service around the JobKeeper enrolment, and proactively trying to get out there to clients and make sure they know we're there to help them out. I pushed a mail out in bulk actually, I probably went a little bit too far and unlike Gavin I wasn't able to go through and segment them properly. And it has gone out to a few people that aren't eligible, but I put plenty of disclaimers on there so there's a few I'm having to take off that list now so they're not in the reminder email as well.

Gavin Swan: Andrew I'd just like to pick up on something that you said and that is it's absolutely critical in this process that you get alignment across your team. So like you I've got eight people here, six of us are technical staff and two are admin, so the six of us who are qualified accountants, we have meetings pretty much every second day and we make sure that we're in alignment. The team gets together, we have pretty much a storm session for about 20 minutes to work out problems that people are encountering, what we should be saying to clients, what the relevant costs are, how we're approaching things. So, regardless of who they speak to in the team that there is alignment there, there is commonality and we're all on the same page.

Gavin Swan: And the other thing that I've used, a little bit different to you Andrew, I've hit the phones. I've got all of us, it looked like a pretty busy switchboard here for a little while, and the clients were very much appreciative of the chats. So we had

that upfront engagement with them, but as I said, the main point I wanted to raise there Andrew is, like you, we had this alignment that was going on and that cannot have a price put on it because you'll spend a lot of time trying to sift through what is in the legislation for the COVID-19 packages, but the last thing you want to be doing is explaining to clients why one team member said something that was slightly different to another team member.

Andrew Pearce: Most definitely. And I think we probably had a topic of conversation to cover off on today around team communications. I'm happy to comment now, Rupen if you're happy for me to add it in now. But like you my business has 40 people in it and about half of those are in the accounting side and half in the financial planning side. So we have a number of huddles that we actually do, or we used to do when we were actually in the same building together, but that's, we've all gone to remote working environment using Microsoft Teams as the main internal communication tool now to hold our daily huddles, using Zoom for external client meetings.

Andrew Pearce: But we used to have this concept of the daily standup huddle every morning for about 10 minutes in our team, so it was just the accounting team would do that. And we've now moved that to the team's environment online and as I say we've got it down pat so it's still taking about 10 minutes and we have extended the daily huddle three times a week for just the accounting advisors, those key five I'm talking about, just so there is alignment in these new services and what's coming out. Teams also has that chat feature, so we've added some channels in there around COVID-19 and business continuity so that we can actually chat there with some curly questions that we may have where the interpretations really difficult. Sometimes we need to elevate that further through CPA for example. But we can help each other out which is key to all of this.

Andrew Pearce: We also do a weekly all of team catch up as well. So we're communicating across our business, we have weekly sales meeting for the frontline team that you talk about that are actually contacting the clients. The accounting advisor development meeting, we do training on Friday's. So I have just left our weekly team training which we actually record on Zoom so we have a library of trainings there, especially when new team members come on board. And we also throw a social one in there too on Friday afternoons as so many of us do, and I think that's really important too when we're all working from home. Especially we have virtual team catch up on a Friday afternoon, some of us have a beer, some of us don't. But it's about making sure there's a bit of fun there in the workplace as well at the end of the day.

Gavin Swan: For the practitioners listening these packages that we've put together and in terms of how they impact on our own cash flow, we've had a pretty good take up of it and there's been an initial boost to cash flow. But I'm foreseeing that over the next month or two that will dry up somewhat because when we segment our clients there's a group of them that have got money now, but they forecast that they're going to have no money, or little cash flow in the next couple of months. So we're riding the waves with them. And for those clients

that are going to be tight in the next few months, we know that we've basically got them signed up to these packages and there's an understanding there and indeed there's an agreement there, that they will pay us probably not for another two or three months, by which time we hope that they will be back on their feet, and certainly some of these stimulus measures will do what they're intended to do and that is make it through to the client to help them sustain their business.

Gavin Swan:

So there are benefits to cash flow, as I say an initial little bit of a sugar hit. It will certainly keep us busy in terms of workflow in the office which we'll get to in a moment. But I'm foreseeing that it could be a little bit of a flat line for cash flow just in the next month or two, but given that we've made these connections with the clients, we've reached out to them and I might also add that each client is taking a couple of phone calls, it's not just one phone call and we're done. We're finding that it's a couple of touch points there. Then we're seeing that that will keep us busy on the work front, cash may not materialise for the next couple of months but at least we've got something in the meantime to tide us over. And indeed the attitude of some clients has been, "Look, I want to give you some of this money now while I've got it. Just keep me going for the next few months."

Andrew Pearce:

It's interesting you say that Gavin and I know that I've got a few clients in particular that have really been suffering, especially if they've got larger enterprises and lots of team members. They've had to make some pretty drastic decisions in their business and likewise they've come to us and asked for our support in way of either reducing the scope of services and also a deferral on some payments, and we've tried to be as accommodating as we can for those clients. At the end of the day we want them to be sustainable and longterm clients as well.

Andrew Pearce:

But one of the big advantages we do have here in Tasi was the state government announced a number of grants. The first one being a business continuity grant. I think it was called Emergency Support Grant, no sorry Business Continuity Grant. It was \$750 and the whole idea of it was to spend with your professional advisor, a CPA effectively. And so when we put our packages together we actually tried to price them accordingly so that they would be able to afford a service with that \$750. So the business continuity plan I talked about we've priced at \$350 and the cash flow forecasting tool and helping them put that together was \$400. So hopefully the grant, and the grant was very open, most businesses got it. They'd rather spend that on getting the support from us and then moving forward to the other grants that are available. One was a two and a half thousand dollar grant called the Emergency Support Grant, and one was a \$15,000 hardship grant, which was more targeted towards specific industries. But look, a lot of people went for it.

Andrew Pearce:

For us, the delay in cash flow hasn't been immediate. We've actually had most of these proposals go out and then pay upfront in advance and we use Practice Ignition as a software program to aid in that. So it's just a direct debit out of

their bank or credit card. So from our experience, I know that's probably not the case across the country, but in Tasi that's been really good for the accountants and professional advisors, and I think moving forward in the next few months yeah, as you say, we hope that some of these businesses will find their feet and they're able to continue to pay us for the essential work I suppose we are proving to them in these times. But yeah, like you I do wonder about the scope of services that they may need next year and how they might be trying to reduce the scope down to save some money and also change the timing of the payments to us.

Rupen Malouf: Thanks gents. We may take a short break now and once we're back we'll start talking about other things like the important of security software updates, business continuity. So we'll be back in a moment.

Announcer We hope you're enjoying this episode so far. To access all of CPA Australia's COVID-19 related resources, including articles, videos, checklists and advice, go to cpaaustralia.com.au/covid19. And now, back to the episode.

Rupen Malouf: Welcome back. We've got Gavin and Andrew here talking to us today about client billing during COVID-19. We're going to move onto the topic of business continuity. So how is this affecting your normal workflow through the office?

Gavin Swan: The timing of this in terms of where we sit with our workflow is pretty good. We've got most of our compliance work out of the way for the year. The Program is looking quite solid and if you have a look at the timing of it, it's about when most people are doing their quarter three business activity statements, and it's about when most people are undertaking their year to date review and perhaps having a look at some tax planning.

Gavin Swan: So in terms of job flow, it's probably turbo charged it a little bit in that the people who are coming in to simply do a business activity statement are now coming in to do a BAS plus they need some JobKeeper package assistance for example. Or the people who were going to come in to do tax planning, they are of course, it's turned a lot of tax planning on its head because you can have a look at the nine months to the 31st of March all you like, but everyone knows that it falls off a cliff after that. So it's made us really think about how we approach that and not necessarily take the normal reviews that we do as standard.

Gavin Swan: The other thing that it's forced us to do, when I went through my client list, there were clients out there, some of my clients do their own business activity statements. It actually made us reach to them, and there's a lot of those people who we're doing their BAS' for them, on top of a little bit of tax planning and on top of having to talk to them about the JobKeeper package. So it's really beefed up the work that's coming through the normal compliance work, but in a sense it's made those clients, well either us approach them or they approach us, but it's brought contact to those clients when normally there wouldn't be that contact.

Gavin Swan: So, to that end, the stuff coming through means that we're all over the clients figures year to date whether we like it or not because even if we haven't seen the client all year they're having to present us with an array of information to assess their eligibility for certain things. In that sense it's been quite good; although, been very demanding and I'll say the same thing as Andrew said as well, whilst we're having our store meetings or our huddles a couple of times a week, we do have a broader staff meeting once a week as well and we go over all of these matters such as invoicing, job flow, workflow, client queries, system problems, et cetera, et cetera. So we really are trying to keep on top of all of that workflow and the only way to do that is really sheer hard work and just monitoring that client list and keeping a track of that.

Andrew Pearce: Yeah, I'll second that. As far as challenges go we also merged another accounting firm in with ours back in February, so talk about challenges. And they were a very paper based firm, so trying to get them all digital and tech savvy and then redeploying everyone at home has added to the challenge I suppose. Like Gavin yes, a lot of our end of year compliance work was nearing completion, it was the final few on the list, and obviously with some new relationships coming across, if anything I can say that this has made us reach out to clients in relation to their business continuity and therefore increase, or work on some of the relationships that didn't exist for the team we've merged in and where relationships are changing.

Andrew Pearce: But I think the main one is redeploying the teams at home, which we did six weeks ago now. We really just head off home and try and safeguard the team, and trying to monitor workflow was a little harder. When we're in the office we had our dashboard and we had it on big TV screens and we'd huddle around it every day. So we no longer have that so we had to create new habits I suppose. And setting up everyone from home was a challenge like making sure everyone had the appropriate safety in their own home workplace. We're responsible for that. We even bought a desk for one of our employees and got the internet on for one of them. But there was a lot of, I'm sure Office Works made a lot of money out of us in all these little connectors to connect our computers to TV screens appropriately in everyone's house.

Andrew Pearce: But we allowed everyone take their screens home and their chairs home to make sure their environment was safe. But yeah, it has been a challenge, without a doubt it's been a challenge but I think it's also made us stronger and that's the positive that will come from this. Strategic planning is an area we do a lot of work in and we've got two people dedicated in strategic planning, succession planning and ongoing coaching and their revenue took a real hit. So as far as workflow goes that was difficult, but we were able to redeploy them into work around business continuity planning, it was quite fitting for them.

Gavin Swan: Andrew I'd just like to go back to what you said about being in touch with some clients, and this is where I don't think we can underestimate this, you've merge with another firm just because you had nothing else to do at that time of the year. And we're reaching out to clients that we would traditionally see once,

maybe twice a year. So I see the long term value in that, in that you've actually put yourself forward to this client, you've reached out to them, you've had meaningful discussions with them.

Gavin Swan: Now going back to the actual content of this podcast, and that is client billing. When you're in front of these clients the absolute key is to demonstrate your value to them. So you need to talk about what these stimulus measures are going to do for them, how you as their trusted advisor can explain these rules to them to their benefit, and I don't necessarily mean to their maximum monetary benefit either; although, that would be a desirable outcome, but of course not everyone is eligible and we want to make sure that everyone is following the rules and abiding by the integrity measures.

Gavin Swan: So the key to being able to bill clients for this, and we are aware that there will be some clients who won't be billed for a little bit of this work, perhaps not until August, September, October. The key to it is to demonstrate the value that you are offering them now even though some of this stuff is dead set boring, you are looking at forms, you're filling out applications, you're talking about this year versus last year, you're talking about cash versus accruals, you're watching the clients eyes roll back in their head and say, "Stay with me here. We're trying to keep you in business and we want this. When this is all over, and it will be over at some stage, we want you to have a happy, healthy, sound business."

Gavin Swan: And we like to think that apart from pointing out the value we're also giving the clients a fair bit of confidence that they can do this, because we're listening to media reports every day that say you can't do this and you can't go there and you can't undertake these normal activities, and people are really nervous about it. So I we could give them a bit of value and a bit of confidence, then our job there is done. And to our benefit I think in the longer term it will make these clients a lot more sticky to us as long as, if we're not recovering everything that's not the end of the world because it's a long term game and we will in the longer term I think recover that.

Andrew Pearce: That's right, yeah. And a client that's sustainable is far easier than trying to find a new client because they don't feel you've added any value during this time and they've left or they've had dire consequences in their business because they haven't been able to access that advice of course. When it comes to tax planning, you mentioned tax planning and I think it's one of the most valuable services that we actually offer. That's the sort of thing that perhaps clients aren't rolling their heads back and falling asleep at the table about. They want to know how to merge cash flow and reduce tax legitimately, and it's one thing we really do focus on this time of year, but been able to touch base with our clients in relation to this and I always discuss with them who may need the tax planning still, and some people try and reduce the scope of services. But for some it is still very relevant. And it is very different trying to estimate income for the next two months obviously for a lot of those businesses as well.

Gavin Swan: Yeah, ain't that the truth. It really is a job in itself, and we can't just put our spreadsheets on autopilot and say, "Do what you did last year and let's have a talk over a cup of coffee", you're actually having to put your thinking caps on and really think on your feet as to what could potentially happen to this clients business.

Gavin Swan: Now, Andrew we were talking earlier that we've got tax time not too far away. Today's the first of May, at the end of next month is the end of tax year 2020, and I was rattling through gosh, that's the last thing I need is a tax time coming up at the moment. But really we're doing a lot of the preparation work for that now, but one of the things that I foresee in tax time 2020 is a much earlier peak. And that can be a good and a bad thing when we've got the tools at our disposal to deal with that, but if it's an earlier peak you're getting some of these people in front of you who you're only just helping now. So in other words, it's still going to be fresh in their memory.

Gavin Swan: So you can have an earlier peak there, but I'm foreseeing two peaks. We're going to have the normal tax time individual tax return peak in July and August, but because we've been in front of clients talking about their businesses and their cash flow and their tax planning, they're going to be hot to trot with their records already up to date. Most of them have been in self isolation with nothing to do but correlate receipts and keep zero up to date. So I'm forecasting that whereas those people might normally come in November, December, January, February, I think they're going to be right on our coattails there and I think they're going to be in here in August, September and October creating a double peak in tax time 2020. So I'm not sure what your thoughts on that are, but I'm just forecasting, we're busy now and I just think it's going to go up and not come, very early July.

Andrew Pearce: I did a review on that Gavin and my business doesn't do a lot of the individual tax returns, it's only when they're associated with a business group, but what we do, and I think this is something everyone should be doing right now is getting proactive with your client list as you talked about earlier, and actually going through a scheduling process. And that's what we do in our business, we actually schedule every business client into a month by mutual agreement because we know we don't want to be inundated and unable to complete all the work that comes in in a certain month and that just means that clients are possibly getting annoyed.

Andrew Pearce: So while we're actually talking to clients now we're talking about the scheduling of their end of year financial year work and what month they'd like to get it done in. Some people are saying, "I'd like to get it done a little bit earlier this year." And we're like, "All right, well let's schedule it in for August, September", whenever that is. But at the end of that process we'll actually have a month allocated for every single client. So if you can imagine a planner, I think it's a ... planner is what they call it, you'd have a client name or a group name down against a month and then we can actually look where we've actually overloaded ourselves and where we don't have the capacity to complete work and try and

communicate mutually with those clients the most appropriate time to do it so that we can spread it out and we can also allocate our resources properly in our own teams.

Andrew Pearce: It's all planning, but you're right you don't want people just dropping it in perhaps as normal when they-

Gavin Swan: No, look Andrew we have a mix of individual and business clients and for those practitioners listening in who have a fair mix of individual clients, the approach that we're going to adopt this year is similar to the one that you've mentioned Andrew in that we're not going to ... Traditionally you would wait for those clients to ring you up and say, "Hey, I've got my ...", and I'm using the old parlance here so please don't come after me, "I've got my group certificate ready and I've got my health fund statement and I've got my rental property statement", and all of that sort of stuff ready. We're going to go through our list and see who we can cherry pick off and who we can get out of the way easily and early, because we've got that capability now with online services and prefills, and we are actually going to contact the clients and say, "Hey Andrew, we know that your tax affairs are fairly simple. We've downloaded all the stuff, we recon we're ready to go. Would you like to come in at a certain time, in a weeks time and sign off on your tax?"

Gavin Swan: And what we're going to do there is try and be a little bit more in control of the workflow in that we're going to assist those people coming, we're going to, as you say by mutual agreement, this is when you're going to come in so we can get those early ones out of the way and also in these difficult times too, some of those people are really going to be needing their refunds. They could be on job seeker or some form of New Start and could have been without work. So I want to jump on those guys, service those clients, get them out of the way and then I can turn my attention to the more complex tax affairs whether they be businesses or clients with rental properties.

Gavin Swan: So pretty much first thing in July I'll be eagerly going through the prefills and making a point of contacting those clients. But the beauty of what we're going through now is that I'm pretty familiar with my contact list, my client list now because I've been doing nothing but staring at it and highlighting it and so on for the last four weeks. So if I could offer that tip to practitioners out there for 2020, don't wait for the clients to come to you. Starting from late June get yourselves familiar with that client list and work out a strategy of contacting those guys. They will thank you for it because there are some of them out there that are going to need those refunds pretty quickly.

Andrew Pearce: That's a perfect gift and that's a project we're doing in June across our teams too. Essentially getting those lists together, making sure they're allocated, we actually price them up front in advance for the right services and give them a proposal for the year and spread that out in monthly payments, so they pay on a pay month basis and the work gets scheduled for the month it needs to be done in. And we have a 30 day turnaround process on the end of year

compliance stuff, and it results in a general meeting at the end so we can run through it with them and talk about other things they may need to achieve their goals. But you've also got to time in the completion of the business activity statements for some clients or IAS' or whatever the case may be.

Andrew Pearce: So being proactive is the key. Hit those lists and don't be reactive to your clients next year, be proactive in guiding them into the ...

Gavin Swan: Andrew we've been talking through this podcast about communication and how absolute key that is. Communication is our number one weapon in this whole COVID-19 environment. As part of that we're going to have a chat about letters of engagements to clients so that, again that's part of our toolbox of communication and with most of our clients we have put out there, especially the ones who are engaging us to do this hands on work, we've put out a separate letter of engagement to say, "We just want to codify what we're going to do here." Because some of them you need a bit of a demarcation line to say look, "No, I'm not going to pay your staff for you", and others are wanting advice perhaps on early withdrawal of super which we aren't undertaking any such advice.

Gavin Swan: And we're finding that that's again, puts everything into focus. We've got it down to three pages and a lot of it is the why to's and wherefores, if you want to get to the substance of it, it really is only a page long. And we're finding that that is invaluable as well in terms of codifying what we're actually doing for the client.

Andrew Pearce: Okay, I've got a few comments I could probably make. Rupen did you want to say-

Rupen Malouf: I was just going to say what's the reaction been from your clients and around creating the additional letter of engagement with the services you're providing?

Gavin Swan: Rupen I'll say by and large it's been very good. You always get one or two who it spooks them because they've got it there upfront in writing. Most people it provides some comfort and some clarity to, but you do need to get used to the fact that not everyone will like it but it's just part and parcel of being a CPA professional that we have to have a letter of engagement. Also, from an internal communication point of view, when you're sitting down doing this engagement letter, it actually helps you crystallise where you're heading as a team. In other words, some clients will ring you up and they'll want you to do anything and everything and you're running around doing all of this stuff for clients and you're not quite sure whether you should be or not. If you've got a letter of engagement there it puts a lens over what you're doing and it gives you some good focus.

Andrew Pearce: Yeah, when it comes to engagement there's not a lot of accounting firms out there probably did an engagement letter when they first met the client and

probably haven't given them another one since. I know many years ago I moved to including a re-engagement, so every year when I re-engaged for their financial statements and tax returns I'd give them a new engagement letter. So that letters to add minor change I suppose as they were needed. And I noticed recently that, I think it was the National Tax and Accountants Association came out with an updated one for their members. I'm not sure if it's for CPA, I haven't seen CPAs yet, but if there is we could have it added in perhaps to the resources that come out with this podcast.

Andrew Pearce: And I know that with some of the engagements that have happened now in relation to these COVID related activities I've made sure that the actual scope of the engagement has included some additional disclaimers that would normally be in an engagement letter just to make sure, as you were talking about Gavin, but I actually have it as a project to complete the next couple of weeks is updating our engagement letter. I mentioned we use Practice Ignition which makes it very easy because you can embed the standard engagement in and it's attached to every proposal that goes out and gets accepted. So I actually want to update the underlying engagement letter there to ensure that we're including these new standard paragraphs.

Gavin Swan: Yeah and I think on that the engagement letter is something that we should be thinking about every year, not just an ongoing engagement letter that we might have signed off on five or ten years ago. It's something that really needs to be looked at on a fairly regular basis.

Andrew Pearce: Yeah, I think it should be a best practise really. I think-

Gavin Swan: Absolutely.

Andrew Pearce: We should re-engage annually.

Gavin Swan: And I know it's the last thing that we need on up in here. Practitioners out there now are saying more paperwork and more admin and so on, but if I could just point out that the time that you spend on that is time that you will save later in any disputes, and also it'll save you a lot of time in terms of running around doing unnecessary things for the client. It'll clarify what you've got on board. So I would highly recommend-

Andrew Pearce: It takes away arguments too.

Gavin Swan: Absolutely.

Andrew Pearce: You have an argument with a client after the fact and you're trying to perhaps get money out of them in some cases. To be able to refer back to that is important, it's not just if it goes to a legal dispute but remember that CPA Australia provides this resource, you can access it online and download it and put your letterhead on it. It's there and ready to use, you don't have to make

any changes, you can if you do business slightly different but it's there and ready to use.

Rupen Malouf: Yeah, CPA Australia has got some resources for engagement letters, the standard one, but also the one for members around COVID-19. How are you tracking the assistance you're giving clients?

Andrew Pearce: You got it Gav.

Gavin Swan: Thanks.

Andrew Pearce: You need to go first.

Gavin Swan: No, you're more than fine. We've got a Google sheet, a master Google sheet that we can tap into. Anyone can tap into that from our intranet, so we've got a website like most people have but internally we use an intranet and we access this website. We've listed all of our clients, when they were rung, whether they would like assistance with JobKeeper, who has said what to them. So for example, we've rung a client and it could have been one of my staff and the client said, "No, I don't need any assistance", so we note that down and there has been a couple of instances where the clients actually rung back and said, "I changed my mind." So, someone else may take that call and at least they can reference this Google sheet and say, "Yeah, we understand that you initially turned us down but we're very happy to help you."

Gavin Swan: So it just puts us up to speed straightaway. It also says how we bill the client, what work are we going to undertake for them. So it's basically a spreadsheet, it's a cheat sheet that everyone accesses so that we're all on top of this because when this first came out you've got to remember I just had everyone hitting the phones and getting ahold of clients as quickly as possible just to assure them. So on that basis they may not be getting their normal accountant ringing them, but we've got a consistent level of communication happening in the office and that really does help with our communication strategy in terms of keeping a solid lid on what has been spoken or delivered to the client.

Andrew Pearce: Yeah, I can add to that. The trustee accountants love tool as we call it, excel has been utilised in our business too. We've got it embedded into our Teams, our Microsoft Teams, that folder structure there so there's an online excel that shares some of the old Google docs. But as I mentioned before with Practice Ignition we're sending all the proposals out via that and we've got a specific library for the service that we're selling here. So we've got a standard library topic that we sell for the business continuity plans or the help with JobKeeper enrollments, so we can actually get statistics on how many we've actually provided and for who.

Andrew Pearce: But what we've also been doing during this time is helping out a lot of non clients, so members of some of the industry bodies, the associates I talked

about earlier through tourism industry council or the HIA or others there. So we've actually got a spreadsheet where we enter the names there because we have to feed that information back to those associations as well and that's just a joint resource. And on the communication front we've also been doing a lot of webinars, so we've found originally we were just inundated with calls from members and people within certain industries that were going through those associations, and we didn't have enough resources or capacity internally. We'd redeployed a few of our people to try and help out there, they've spared a few hours a day to try and help with the volume of calls. We even had some people doing a bit of work on weekends and after hours. And then we decided to launch some webinars using the Zoom tool because we had a Zoom subscription, so we just upped it to be able to do webinars.

Andrew Pearce: So we're able to do 15 people at a time and had a different pricing on that for the associations. But it allowed us to get through in bulk a lot of those people and provide help faster, and for those that wanted to move to something one-on-one afterwards they could but we found it actually did a really good job and Zoom actually captures all the attendees names and details so we can then feed that back to the associations as well. So it was easy to actually gather all the names that way, just by using the right technology, and it's that capability set that we've had to grow in in this crisis, that we won't lose. If you think about the advantages that have come from this, we're now capable of doing webinars. Had never done one before COVID-19.

Rupen Malouf: Thanks gents. If we start looking at some of the practical measures you've put into place around internal communication and also the external communication strategy, would you be able to share what that's looking like now versus what it looked like before?

Gavin Swan: We're meeting a lot more regularly... If anything I'd have to say it's tightened us up as a team. We're huddling together every second day. At one stage there a couple of weeks ago I was messaging all of my team on a Sunday night saying, "Hey, I want you in here first thing on Monday", and to their credit even two people who had the day off came in. So we had a meeting there, but we're meeting every second day, we're a lot tighter as a unit where we know that we've got a common goal, we know that we're against a common enemy and we know that the common objective here is to help the clients out.

Gavin Swan: So internally it's really helped us to streamline a few things because I might pick up the phone to a client, they're not available but they'll ring and speak to someone else. Same thing with an email. So it's really forced us to be consistent across the line there and talk to each other about what we're doing. As I said, it's made us tighter as a team and really brought us together.

Gavin Swan: Externally, well it's just forced us to be out there amongst our clients a lot more than we normally would. So, again we've got a reason, we've got a cause to do that and that's COVID-19 and basically we're your trusted advisor and we're here to help. So we've been out there more than we would have normally. I've

resisted the bulk mail out, I get why that works for some people and I think what you're hearing here is a couple of similar but contrasting views on how Andrew and I approach things.

Gavin Swan: But for different firms that are listening out there, we might do things a little bit differently but they both work. And we're happy with how we're going with our communication strategy in terms of being in front of clients. Some of them want something a little less formal, that's okay. Some of them want something a lot more formal and structured, that's okay. And Rupen I think in terms of how this will leave us for future events as Andrew has just said, they didn't know how to host a webinar before. We've done a lot of things remotely with some people working at home, we've done webinars, we've gone to taking training sessions and things that we never thought that we were going to do or would have to do, we've done them.

Gavin Swan: So we've forced a lot of clients to deal with you remotely and electronically. Clients who you never thought that you would see a scanned document from all of a sudden are operating remotely and sending you what you need via email. So to that end I think it's left us quite well prepared for future events; although, having said that I don't want another one of these events to happen in a hurry.

Andrew Pearce: Yeah, similarly I try and contrast before and after and I mentioned before we do our daily huddles anyway, and there's usually 18 at the moment in that daily huddle for the accounting team. And it's over within 10 minutes and I'll tell you there's a sit, a gender, one of the questions is are you stuck on anything and a lot of the time you take that offline anyway if you are stuck. We don't all listen to one persons issues. But those huddles for 10 minutes each day do reduce the amount of phone tag internally when you're trying to get in front of someone else in the business that might be on the phone or in an appointment. So they are really good.

Andrew Pearce: I said we've deployed Teams, we were using Microsoft Teams but we deployed the chat function and the call function so we could actually work remotely. And that's been really good in reducing down the number of internal emails. I don't know about you Gav but my emails have gone through the roof.

Gavin Swan: Absolutely ballistic. I've got 400, this is just to give you an idea, I've got 400 deleted emails for the month of April alone. They're just the ones that don't need to be saved or archived. So yeah, it is absolutely ... The urgency with this Andrew is that if you don't stay on top of those, if you're not on top of them they will get on top of you.

Andrew Pearce: You're right. And I launched a training talk across the organisation a couple years ago called Email Ninja. It's by some guys from, it's a great tool, Spacemakers they're called. They're a bunch of project managers and they use some proven methodologies to help you get through your emails faster. So the idea is to get your inbox down to zero every day without missing an action. Really effective and we now train that throughout the organisation, if you get to

zero it makes you an Email Ninja. It's been a couple of weeks since I actually got to being an actual Ninja, but occasionally I get there and geez you feel good.

Andrew Pearce: But as far as getting back to communication, one of the other things that I've done since is created a couple of landing pages. One was around the state government grants, more specifically, and the offering we had around the business continuity plans and you could actually book a meeting through Calendly through that site. And I had added Loom via, I don't know if you've heard of the tool Loom, I think it's an add-on to the Google Chrome experience. It films your desktop and yourself if you've got a camera, so you can actually talk through a topic on the screen. I try and make them really short. I use them for internal training as well as external communication, you'll see a few of them on our Facebook page for example. There's one on that landing page on the website.

Andrew Pearce: And trying to be really quick and concise as an update there. Facebook I'm not sure, we don't have all our clients obviously following us on Facebook. But we've done a couple of mail outs and I actually got each of my five accounting advisors to do a little three minute video each talking about some of the grants and that all went out to their subset of clients. Because sometimes it's difficult when you're hitting the phone to get every client. What's a good time for those clients? So at least with this they can watch it while their sitting on the couch at night watching Netflix or whatever the case is, and if it's important, they want more info than they can call us back. But we're just trying to be as proactive as we can, especially when it is difficult to get in contact with some clients and get the timing right.

Rupen Malouf: So I'd like to thank Gavin and Andrew for taking the time to speak with us today. It's been a pleasure hosting you and I guess some of the call outs that I've written down here are making sure that your teams are aligned, the internal commons is in place so that there's a consistent message through to clients, looking at the client lists early and approaching and being proactive with your clients. I think we talked about engagement letters and while they may be perceived as mundane they're quite important when we're providing extra services to clients. And I think the biggest one is just a reminder that our public practitioners are the trusted advisors and the front line for being able to support businesses. Any links and resources that we discussed today will be in the show notes and there'll also be some links on the podcast webpage to assist you.

Rupen Malouf: I'd like to thank Andrew and Gavin for joining us today. Thanks for spending the time to talk to us today.

Andrew Pearce: You're welcome Rupen. Thank you.

Gavin Swan: Rupen you're welcome, and a big shout out to the public practitioners out there. We know what you're going through, so and we're thinking of you, so all the best to you all and it's been an absolute pleasure being on.

Rupen Malouf: Thanks for joining us today and we wish you all the best.

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