10 THINGS THAT SHOULDN’T KEEP TAX PROFESSIONALS AWAKE AT NIGHT

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INDUSTRY INSIGHTS

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Tax professionals can often feel that they are stuck between the proverbial rock and hard place, having to juggle multiple obligations to clients and the law - and ensure that SARS’s deadlines are met. SARS’s drive to certify tax professionals is also raising the bar.

Tax regimes and guidelines are always changing, as are clients’ businesses, but following some simple guidelines can help tax professionals ensure they don’t lie awake worrying about whether they have everything under control.

In this article we’ve listed 10 common challenges that worry tax professionals - and some ideas for overcoming them.

1. Meeting deadlines. Taxes have to be filed at certain times, so it’s important for tax professionals to ensure they can meet their commitments timeously. Tax professionals should be good delegators and have trusted business partners to whom they can outsource some work. Learning to say ‘no’ is something that every business owner finds hard to do, but it’s vital to prevent oneself from getting overwhelmed or falling behind.

The other side of the coin is to educate clients about when they need to pay taxes, and act proactively to steer them away from trouble. Build solid working relationships with clients so they work together with you to meet deadlines.

2. Getting VAT returns filed accurately and on time. There are tax deadlines and then there are the regular VAT returns. Because they occur so frequently and are complex, VAT returns can become a real and ongoing challenge for tax professionals. The only solution is to train clients to make sending

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the information you require part of the routine. Give clients a template or checklist that will help make their lives - and your life - easier. Agree on regular submission dates and communicate immediately when they are not met.

3. **Implementing strong systems and processes.** A related point is that time spent making sure the practice has strong business processes and systems in place will go a long way towards ensuring smooth operations and deadlines that are met. It is vital to have the right human resources in place to do the various tasks and to check the work.

4. **Streamlining filing.** Accurate records are the backbone of a successful tax practice, but they can easily become a prime consumer of time and shelf space. The ‘one touch’ rule should be a part of the way tax professionals operate: scan each document first, so that it’s easily accessible when it’s needed. It makes sense to build in efficiency measurements to give employees a yardstick, and to enable you to make sure that continuous improvement is the name of the game.

5. **Becoming a trusted business advisor.** A common theme is the need to build a strong working relationship with clients to assist in meeting deadlines and, more generally, to enhance loyalty. In particular, tax professionals should ensure they have the information to help clients make the right business decisions at their fingertips.

6. **Communicating effectively with SARS.** Dealing with SARS has its frustrations, but communication is an important tool for making life easier for everybody. Understand SARS’s communications guidelines and abide by them - and keep your clients up to date with what you are communicating to SARS. Another piece of good advice is to develop templates to reduce time spent filing formal communications like objections.

7. **Delivering top-notch services to clients.** Meeting client requirements is critical to business success, but many tax professionals struggle to do everything. Sometimes they lack sheer manpower, sometimes it is specialised skills. You don’t have the time or skills to do everything. The critical thing is to recognise this fact and put robust partnerships in place to provide access to the skills needed. Smaller businesses in particular are using this kind of extended business model to help them compete - it can work well.

8. **Staying current.** Tax regimes, rules and regulations are subject to changes that are often significant, and are certainly frequent. Tax professionals need to be generally conversant with changes, but specialisation is a must. In one practice, individuals should have different specialities in order to ensure that the practice can deliver the advice clients need. Knowledge is the basis of good advice, and advice is what clients pay for.

9. **Applying tax and professional rules consistently and accurately.** Tax professionals deal with highly confidential and sensitive information. Protecting client information is key. Knowing what the rules are is the first step. As important, tax professionals should devote much of their energies to putting in place a range of systems, methodologies, templates and processes that will build following the rules into the way the practice does business. Automation is one important tool. The ultimate aim is to reduce the risk of client data being compromised, either by internal or external agencies.

10. **Protecting the business.** The cobbler’s children with no shoes; the doctor’s children with runny noses… Tax professionals are regulated and must ensure their SARS registrations are not rescinded due to the fact that their own tax affairs are irregular. If you’re not registered with SARS, you can’t file clients’ tax returns, so you will soon be without a business. Treat the business and yourself as clients and make sure your taxes are up to date. It’s something that’s essential to ongoing business success as a tax professional.