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DEPOSIT PHOTOS



BEYOND THE NUMBERS

How New Jersey accountants are coping with COVID-19

BY MARTIN DAKS

During a recent audit, a New Jersey team from Mazars USA LLP was supposed to do an inventory count at a client’s refrigerated warehouse. But thanks to COVID-related travel and other restrictions, the accounting, tax and consulting firm didn’t want to send employees to the location. One option would involve the client walking into the warehouse with a laptop, transmitting real-time physical inventory images to the appropriate Mazars team members.



Ferreira

“But there was a complication, since the warehouse didn’t have a Wi-Fi connection,” said Mazars New Jersey Office Managing Partner Paula Ferreira. “We know, though, that often there’s no ‘one size fits all’ solution, so we found another way — the client used [his phone], which wasn’t limited to Wi-Fi — and used that to send the real-time images to our audit team.”

In an alternative inventory procedure like that, a CPA firm should — among other issues — be familiar with the client’s warehouse, the IT system, and document that past physical counts have tied to the client’s inventory records. But the incident points up the fact that accounting isn’t just about numbers.

Accounting is, in many ways a hands-on profession, from inventory counts and other audit proce-

dures to client consultations, networking events and other activities that usually involve a physical presence. So when the COVID-19 pandemic shut down society in March, accountants had to quickly come up with new ways to do things.

“Our transition to virtual in March was actually pretty smooth,” Ferreira recalled. “We have very good technology that let us go remote without any bumps. In July, as some restrictions were eased, we opened our office but on a ‘hoteling’ schedule, with restrictions on the number of people who can be physically present and requirements to call in first so individuals can get assigned seats that maintain safe distancing.” The firm normally has up to 100 people in the office, but now limits occupancy to about 15. Mazars also provides personal protective equipment, and engages in sanitizing and other health-first procedures.

Ferreira’s employees recently started going to client meetings “on an as-needed basis, while maintaining social distancing and other protocols.” Also, depending “on everyone’s comfort level,” some employees have been attending networking and other events, noted Ferreira, who’s been to some events herself, like golf outings and outdoor luncheons. “They’re on a smaller scale, with fewer people so we can maintain the appropriate distance. But the smaller scale does let you make better connections.”

Some audit, accounting, advisory, consulting, and tax services firms, like EisnerAmper, lucked out when it came to physical audits, “since most of

our clients have a calendar year end,” according to Diane Wasser, partner-in-charge of the New Jersey Region. In those cases, a physical inventory count was done December 31, well before the pandemic struck in the U.S.

Looking ahead, she added, some clients may “postpone their physical count,” which can be done as long as the auditors “comply with professional standards” when they do a later-date count. The auditors may take additional steps, like considering whether the client company’s perpetual inventory records are reliable and properly maintained. “We are scheduling some inventory observations for end of year 2020 but we’re carefully reviewing the clients’ safety protocols.”

Social-distancing hasn’t kept EisnerAmper from signing up new businesses, added Wasser. “We’re still prospecting with Zoom and other online conferencing applications,” she said. “We’ve had a lot of new-client signups, including companies that we met before the pandemic and ones we met during it. Everyone’s basically in the same boat when it comes to social distancing, so everyone’s adapted to it. Fortunately, we already developed robust remote-work technology and when the pandemic broke we invested even more in technology, including bolstering our IT Help Desk.”

No one’s thrilled about all of the social distancing and other restrictions, “but there are some upsides,” observed John Evans, partner-in-charge of

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the New Jersey office of the Marks Paneth accounting and advisory firm.

“A lot of people are saving time by working from home instead of driving into the office,” he said. “And People with young children can work around their family’s schedule, for example. Some people have volunteered to come into the office, but we maintain strict health protocols — no more than 10 to 15 individuals instead of the usual 60 or so — and we keep a daily spreadsheet count of people who plan to come in. Communication is key to doing this correctly and efficiently.”

Busy season — when a variety of personal and corporate filings were due — was a challenge, since “it’s a lot of work to keep on top of people, especially when they’re remote,” he added. But Evans isn’t so sure that things will ever go back to the way they were, pre-COVID. “Right now I ask myself, ‘what would I want for my [grown] kids,’” he said. “In-person meetings are important, but you can establish a pretty good personal connection with someone over a [Microsoft] Teams or other video meeting. The main thing is to spend time with people and give them direction.”

Other CPA firms also successfully pivoted. Since March, CohnReznick has “been

operating in a 100% remote environment with a few essential workers coming into the offices on an as-needed basis,” noted Steven Schinella, who leads the Roseland office of the advisory, assurance and tax firm. “Several months ago, we created a re-entry task force and have recently launched a 100% voluntary re-entry pilot program in our Holmdel office,” which he said is currently operating at about 25% capacity with significant COVID-related protocols and practices in place.

“We expect that ‘work from home’ will continue to be a major part of the CohnReznick work experience in the foreseeable future,” he added. “The firm has universally adapted the Microsoft Teams platform as the means for conducting meetings both internally and with our clients. While face-to-face meetings have always been an integral part of our client service model, we have been surprised at how well we have been able to conduct successful meetings in a 100% virtual environment. Moreover, our clients understand that we are all in this COVID-19 world together and few, if any, have asked us to travel for meetings.”

In some cases, when it comes to internal meetings, “We’re actually seeing each other face-to-face through Teams more often today than we have in the past,” he noted. “But it goes without saying that personal interaction between our team mem-

bers, and with our clients, is surely missed.”

The full-service accounting and advisory firm Bederson LLP went fully remote in March, but some people began trickling back in mid-June because of tax season, said Michelle Silvestri, the firm’s supervisor, Accounting & Auditing. “We’ve divided our New Jersey staff into two groups that come in — observing all safety protocols — for a half-week at a time, which limits the number of people. Also, people with kids in school, or an at-risk person at home continue to work remotely.”

Networking and other events “are all online,” she said. “I don’t think we want to go fully remote for the long-term, once this is brought under control, but individuals may do more remote work if they want to. It hasn’t been all roses, but everyone understands that safety is paramount.”

There was some initial concern about “virtual audits,” according to NJCPA CEO and Executive Director Ralph Albert Thomas. “Firms worried that they would lose the ‘touch’ element of the audit. Clients were worried that it would create more work for them.”

But based on member-firm feedback, “... not only were those worries unfounded, the virtual audit process is actually more efficient and effective in some cases,” thanks to proper planning, he added. “Firms and clients are using tools like Zoom and [Microsoft] Teams, as well as recorded video, to perform obser-

vations and inventory counts.”

He had some advice for accounting firms in general, noting that communication tools like Zoom and Teams “have become essential, as they have for virtually every business across the globe during the pandemic,” he said. “Also, the need for secure file sharing has never been greater, with limited options for exchanging physical documents. Firms need to provide online portals or other secure options for clients to upload and download sensitive documents.”

Although the NJCPA had to cancel its June annual convention in Atlantic City “we were able to convert the vast majority of our other CPE [continuing professional education] programs to virtual events,” Thomas said. “We also ramped up our integrations with several third-party CPE providers as well as other state CPA societies.”

CPAs are more in demand than ever, he added, “helping clients navigate PPP [Paycheck Protection Program] loans, grant applications and the myriad issues of running a business during a pandemic. CPAs are expanding beyond the traditional role of trusted advisor and becoming more like a strategic advisor for their business clients to help them deal with the economic downturn from the pandemic and other pressing issues. I am exceedingly proud of how NJCPA members — and NJCPA staff — have adapted during this challenging time.”



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