

DESTINY CONSULTANTS LTD

Tax Practice Management

*Presented by Ronald Akankwasa
CEO*



1

Background

**Frame work of a consultancy firm
business**

Internal

- **People**
- **Cash-flow**

External

- **Services**



2

Background

Type of staff to hire

- » **Loyal**
- » **Committed**
- » **Technically competent**

Background

Staff mix

- » **Technical skills**
- » **Business skills**
- » **Soft skills**

Background

Staff Remuneration

- » Fixed pay
- » Commission
- » Business partnership

Services offered in a tax practice

1. Services offered in a tax practice.

- a) Tax compliance services- Corporation tax**
 - PAYE, WHT
 - VAT
- b) Tax advisory services**
- c) Tax health checks**
- d) Transaction advisory services**
- e) URA tax audit management**
- f) Tax training**

Risk Management

2. Risk environment

- **Effective risk management is fundamental to a success of a tax practice.**
- **It is the responsibility of every employee in the firm to undertake this responsibility.**

2.1 Philosophy and risk framework.

Quality

- **Monitoring and managing risk is one major way to ensure quality.**

Risk management

- **Develop and document policies and best practices that a firm should adopt to manage risk and ensure quality.**

Categories of Risks

1 Client risk

- **Accept only the right clients. Guard against reputations, independence issues.**

2. Contracting risk

- **Specify responsibilities in writing ground rules that will govern relationship with clients.**
- **Use standard business terms.**
- **Scope of services.**

3 Technical risk

- **Doing the work properly**
- **Use the right for an assignment.**
- **Develop procedures for each type of work**
- **Develop a technical database**
- **Ensure work is reviewed before leaving the firm.**

4. Reporting Risk

- **Setting out what has and has not been done.**
- **Reports should reflect role as advisor.**
- **Do not make decisions for clients.**

5. Third Party Risks

- **Not establishing un intended responsibilities to other parties.**
- **Confidentiality.**
- **Only report to contracting parties.**

6. Financial Risks

- Improper pricing, billing, or collection.

Ethical Practices

Ethical guidelines

- **Business must be conducted ethically.**

Ethical guidelines

- 1. Act honestly and with integrity**
- 2. Exercise good judgment**
- 3. Know your subject**
- 4. Adhere to the codes of ethics and standards that govern the profession**

Pursuing New Work

- **Pursuing new work is the foundation of a firms growth.**
- **Marketing and business development must be in a manner that is consistent with professional behavior**
- **Develop a marketing policy**

4. Engagement acceptance/ continuation

- a) **An “Engagement” is an agreement to provide professional services to a client.**
- b) **Before taking an engagement, the firm must establish of it can undertake the assignment without incurring unnecessary risk.**

a) Scope and plan

Obtain a proper and clear understanding of :

- i. Scope**
- ii. Purpose**
- iii. Use of work**
- iv. Economies of the engagement.**

Continuation

b) Asses / evaluate the risks.

c) Recommend or reject

d) Approvals.

5. Document Management

5.1 Record keeping

- a) Retain documents and files for the legally required period (i.e. 5 years)**
- b) Keep electronic communications.**
- c) Keep supporting working paper files.**
- d) Routine back up of data.**

6.Mistakes and Complaints

- a) Develop a policy of dealing with errors and mistakes within the firm.**
- b) Advise the client if an error is discovered that could affect their affairs.**
- c) Disclose to the tax authorities, errors made in tax returns.**