

Compelling reasons for collaboration



Collaboration among SMSF professionals, especially from a technology perspective, should be embraced and is the key to providing great client service, writes [Ron Phipps-Ellis](#).



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Now more than ever, the pursuit of an integrated service offering differentiates a good experience for super fund trustees (the end user) versus a great experience.

Collaboration in real time is now expected. When super fund administration is matched with the right super audit firm, adviser and technology platforms, everyone wins. Investing time in choosing the right service providers and products as part of the end-to-end offering is what super fund trustees need and want.

During my whole career in the accounting industry, I have seen how accountants have had to adapt themselves to maintain their position as the

trusted adviser to their clients. Their importance to the industry should not be underestimated as they have to navigate a continuous plethora of increasingly complex legislative changes, competition, technology and resourcing challenges.

So now it's time to make everyone's job easier.

The mandating of independence in 2013 and the recent changes to the licensing regime have changed the role of accountants, which has forced the outsourcing of non-core or specialist services for most firms. It just makes sense for everyone.

This is the importance of industry collaboration.

Of course, there are the larger firms that can provide a full suite of services in-house. But not all

firms realise that, in some cases, an external specialist might be better and more efficient than their existing internal resources and processes.

One advantage these compulsory changes have created is the beginning of a reformation in transforming professional staff from being compliance focused to now proactively engaging with their clients in advising them on running their businesses and finding new clients. Accountants deserve and need to be perceived and referred to as business advisers rather than just compliance agents.

Here are some key considerations in choosing the right products and service providers:

- Trusting the auditor is at the forefront to guarantee independence and quality is ensured.
- Trustees normally do not engage with the auditor. They trust and rely on the accountant/administrator's judgment to appoint the right Australian Securities and Investments Commission registered auditor to express an opinion on the transactions of the fund and they must accept any resultant contravention reports the auditor might lodge with the ATO. Audit fees have become very competitive, but the relationship with their auditor is much more important than price alone.
- Trusting the adviser is now more important than ever if the accountant has not become licensed to provide financial advice.
- Transparency and communication starts with the accountant/administrator. The more upfront they are with the auditor and adviser, usually the easier it is to address harder issues immediately as they arise.
- Documenting the roles and responsibilities of each party, data security protocols, legal compliance, governance and so on is essential for clarity.
- Responsive and innovative – professionals must respond and anticipate member needs. Often super fund trustees don't know what they need unless they are given choices. But too many choices can

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become confusing.

- Establishing and maintaining ongoing relationships with third-party professionals is essential to continue the collaboration life cycle. Adopting a commercial approach and being flexible without breaking the rules are necessary attributes in the advice and opinion process. Accountants are now more aligning with financial planners and other service providers to provide a full-service offering. Administrators also usually align with one or two auditors on a panel, depending on their scale of operation. But accountants sometimes struggle to find auditors who can use technology and still deliver a quality, efficient and value-for-money audit.
- Technology platform choice is paramount to seamlessly and instantly analyse and share data among all users. Data transmission and the method of communication are an important part of ensuring efficiency in the end-to-end process. The choice of super administration software is quite a simple analysis. But it is extremely important advisers and auditors can access, communicate and analyse the data received from accountants/administrators seamlessly using their own technology platforms. Until now, this lag in super fund audit technology has hampered

the streamlining of the end-to-end real-time data-sharing process. But newly released intelligent super audit software has solved this problem, which is furthering the quest for real-time collaboration.

Continuing with this technology theme, the most important recent development in the accounting industry has been continuous accounting enabled by data feeds and purpose-built technology.

Automating the collection, processing and analysis of financial data provides many advantages that are simply unobtainable by manual processing methods.

This has profoundly affected the burgeoning SMSF industry.

In recent years, the process of administering SMSFs has been transformed at an impressive pace. Data feeds and process automation have also replaced the traditional manual in-arrears record-keeping and transaction processing to almost real-time reporting to super fund trustees and members.

This has enabled accountants and administrators to access and analyse data more efficiently and faster, allowing them to have more real-time discussions and add real-time value to their clients. Again, this will cement their position as the trusted advisers to their clients.

Creating factual insights from structured data (data analytics) will become more common as more people realise data insights create better decisions. Some firms will choose to develop their own custom-built solution as one way of maintaining their competitive advantage.

But I'm surprised how slow the uptake of data analytics in super fund software has been. The importance of this tool cannot be underestimated. Not being able to analyse data from the past, the present and predict activity of the future increases the difficulty involved in making the informed decisions accountants must be equipped to make.

Machine learning tools and rules engine software are also now emerging

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to automatically perform tasks, including predicting the likelihood a transaction or an event is accurate and that it complies with legislation or rules, producing advice, answering legal questions and so on.

The financial planning and legal industries seem to be very proactive in this robotics race.

An interesting challenge for accountants will be to embrace the real-time data that is embedded in this new technology and create more advice work for their clients, which they didn't ask for, but most of whom should be prepared to pay a premium price for it as a result of having more data insights.

The return on investment in embracing the right technology platform and collaborating with the right auditor and adviser can result in significant cost savings for professional staff in allowing them to charge and recover higher fees for providing more meaningful real-time, value-added advice, rather than focusing on compliance work, which normally attracts write-offs. The same potential time savings can also be achieved for non-professional support staff by removing redundant processes and can often represent a compelling business case to create efficiency gains in an accounting practice.

But it's the practice principals who need to embrace both technology and outsourcing of non-core activities. This cultural shift is likely to increase job satisfaction among

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professional staff in furthering their evolution in becoming proper business advisers.

For super fund auditors, the ability to leverage advanced technology is the key to delivering an exceptional customer experience and building a great audit business. But it is difficult to commit resources and money to do this without scale.

Up until recently, there has been a gap in the industry for someone to lead the way in creating collaboration among super fund auditors.

However, this has now changed. Software that has been built by auditors for auditors is now being shared and made readily

available to all super fund auditors. The fear of competition has been abandoned and replaced with trust. Auditors now have a previously unobtainable advantage to future-proof their firms by bringing them into the age of digital super audits.

This newly released super audit platform Evolv uses focuses on automation and a new audit framework that has changed the way in which super audits are performed. It's a new way of working and thinking that enables a quality audit, reduces risk and creates natural efficiency gains in a scaled manner.

It is vastly different to the other audit super fund technology platforms.

In my opinion, it's time superannuation accounting and administration software be harmonised with intelligent audit software platforms that embrace true process automation, advanced data analytics and business intelligence functionality. This is becoming essential to advance the shift in industry collaboration.

Auditors who want to remain relevant must move away from just having technical super capability to now using and embracing super technology, while continuing to advance their skills and judgment capabilities in performing smarter audits. I call this the great adaptation of skills from technical to technology.

Conclusion

Collaborating with the right auditor and adviser and embracing the right advanced technology will help to reshape firms into the future. Changing culture to create more profitable and efficient work processes, delivering faster and more meaningful real-time advice to clients and enable more seamless streamlined information sharing among professionals should result in an enhanced client experience.

My advice to getting started is to lose the fear of collaboration by choosing wisely. Differentiate yourself. Be disruptive to yourself rather than waiting to be disrupted.

Being good just isn't good enough. It is time for professional service and technology firms to reinvent themselves and make the leap to become great. ▼