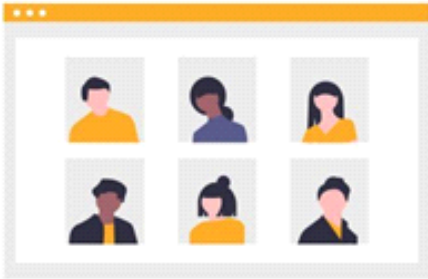# The Chamber of Tax Consultants

Work From Home

for professional firms

Adapting to the new normal

| CA Alok Jajodia | CA Dinesh Tejwani | CA Jigar Shah | CA Mitesh Katira |

Work From Home

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Edition : May 2020

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READER'S SUGGESTIONS AND VIEWS

We invite suggestions and views from the readers for improvement in further such publications and also the correction of an error, if any, found in this edition. Kindly send your suggestions on office@ctconline.org or at the Chamber's office address

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MESSAGE FROM
THE PRESIDENT AND THE CHAIRMAN

COVID-19 CoronaVirus pandemic, the Black Swan event! The whole world has been swept by the CoronaVirus. The extraordinary situation has arisen. The sudden closure of small and large economies across the globe is an unprecedented event.

India is not the exception to this. The whole of India is under the lockdown for 55+ days. During this lockdown, various key activities kept continuing at various levels. Accountants and lawyers also supported their clients so that their clients could navigate the unprecedented environment. Technological development requires small and medium practitioners be it, accountants or lawyers, to transform their practice. Key areas for the practice transformation are:

- Embrace Change

- Leverage Technology

- Talent management

Virus attack has forced the practitioners to quickly embrace the change and leverage the technology. Under these circumstances, virtual office and working from home is the only option. One of the tech companies recently said that they don't need more than 25% of their workforce at their facilities in order to be 100% productive. Work from home has made the organizations more resilient and are better equipped for business continuity and agility. Maybe work from home could be the new normal in days ahead! We have been paying a huge premium for physical workplace/meeting in the form of time and costs than virtual workplace/meeting using technology. Further now virtually, work can be done across the geographies. But, work from home also gives rise to various issues viz. data security control, the flow of data & information, adaption of the right technology, integration of multiple applications, etc.

The Chamber of Tax Consultants during the virulent time, within a very short time, has brought this publication to help people working from home. This is an initiative by the IT Connect Committee. The publication covers various aspects of the technology for working from home. We thank all the contributors for their contribution in bringing this timely publication. We are sure that readers will have an interesting read and will also benefit.

Vipul K. Choksi
President

Date: May 05, 2020

Paras K Savla
Chairman
Research and Publication Committee

ABOUT AUTHORS

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CA Alok Jajodia has over two decades of post-qualification experience in the IT and Software Consulting industry. He has managed over 100 IT systems implementations, instrumental in shaping the company's policies and process redesign exercise and its mapping with the IT solutions.

He has co-authored the book 'IT Enabling professional practices' and authored various white papers on Business Process Improvement/Engineering, Corporate Performance Management, etc. He is the vice-chairman of the IT connect committee of CTC.

CA Dinesh Tejwani

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CA Dinesh Tejwani is a Chartered Accountant and information technology entrepreneur. He has spent the last three decades conceptualizing and building over 15 different ventures.

His key strengths are providing end-to-end strategic consulting to software product businesses including India entry strategy for digital products.

He is active in mentoring startups and speaking at various events on digital transformation.

CA Jigar Shah

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CA Jigar Shah leads the practice at S. K. Rathi & Co. He is an advisor and virtual CFO for multiple funded startups and renowned NGOs. He is driven by values of impeccability, integrity & excellence.

He has authored a jargon-free book for entrepreneurs titled "GST for Entrepreneurs". Jigar is a member of the Indirect Tax Committee & HRD Committee of Bombay Chartered Accountants Society.

CA Mitesh Katira

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CA Mitesh Katira is a tech enthusiastic Chartered Accountant with wide experience in traditional and emerging practice domains. Mitesh is now focussing on the forensic audit, business analytics, internal audits, and business advisory. As a partner, Mitesh has used his knowledge and experience in developing his firm APMH & Associates LLP to the next level by client servicing in various geographies around India and internationally. leading it to become highly collaborative and technology-driven.

With an active contribution by **CA Maitri Chheda - *Chairperson*, *IT Connect Committee*, CA Uday Shah, CA Anand Paurana and Mr. Mehul Pawani**

PREFACE

To manage the COVID-19 pandemic threat, our Honorable Prime Minister Mr. Narendra Modi announced a nationwide complete lockdown from March 24, 2020 for a period of 3 weeks, extended further by 3 weeks on April 14, 2020. At the time of publishing this book the lockdown was further extended (with some relaxation) by 2 weeks. This unprecedented situation arose for the first time in our lives and most of us were unprepared.

During lockdown barring essential services, no workplaces were allowed to be opened and the Govt advised businesses to shift to 'Work from Home (WFH)' wherever possible.

Several companies, especially in the IT and ITeS sector already had a work-from-home system in place and so we're able to shift to this model for a majority of their team members. In fact, these companies took this crisis to analyze the impact and have started to consider WFH as a better operating model.

Tata Consultancy CEO announced that their study suggests over 75% of the time a staff can work from home. TCS has now decided to shift to this model post-COVID-19, a complete shift from a 20-year-old operating model.

This made us think, how professional firms have managed work during a lockdown? Are they able to work from home? What is their view on WFH as a future operating model?

To answer these questions and provide possible solutions for WFH, the Chamber of Tax Consultants decided to come up with this book. Although useful for professional firms of every size, it is more useful for professional firms with a team size of up to 20. Larger firms are better equipped to deal with work from home and have the necessary resources in place.

Terminologies

This book is intended for use by practicing chartered accountants, tax advocates, tax practitioners, tax counsels, and virtual CFO businesses. For the sake of simplicity, we will refer to them as "Professional Firms".

The people working in the professional firm whether paid employees or article trainees or interns are referred to as "team" or "team members".

A team member may report to a manager, proprietor, or partner they have been referred to in this book as "senior/s".

Methodology

The methodology adopted for the purpose of this book has been multi-pronged

The authors have drawn from their personal experience of implementing work from home or remote working models for their firms.

We have carried out primary research especially in respect of IT infrastructure and software tools

Survey: We conducted an online survey that was responded to by 304 persons. We also carried out personal calls with 39 professionals spread across 14 cities. The idea was to get their response around the following topics

— How they are managing work during lockdown

— What challenges they are facing and what benefits they perceive

— Are they thinking of about partial/full WFH post COVID-19

What does the book cover?

Is it possible to really work from home or get work done remotely?

Straight answer to this is an absolute 'YES'. There are many small, medium, and large IT firms in India working on this model. While information technology is a good analogy, we have looked at each practice area in detail to determine if it is feasible to complete it from home and to what extent

What kind of infrastructure and tools make it possible?

We have described the IT infrastructure needed from the perspective of every firm size. A small investment in some hardware and software will make your firm ready for work from home

Apart from infrastructure, various tools required for communication and control are described in the book. As far as affordability is concerned most of the tools or software have a free or a basic version. Further, the value-driven out of these tools is generally manifold resulting in better ROI and cost-benefit.

How do I ensure my team is working diligently from home?

One of the major concerns for most professional firms would be believing that without physical presence and supervision, the team would perform and be as productive at home as well. This is a very important aspect of WFH, and we have covered it in detail in this book.

ABOUT THE CHAMBER OF TAX CONSULTANTS

The Chamber of Tax Consultants (The Chamber) was established in 1926 and is one of the oldest voluntary non-profit making professional organizations. It is the voice of more than 4,000 professionals on a pan-India basis. Its members comprise of Advocates, Chartered Accountants, Company Secretaries, Cost Accountants, Corporates, Tax Consultants and Students.

The Chamber, despite its vintage, is a young dynamic organization having a glorious past and undisputedly ambitious future. The Chamber is a well-respected institution with a tradition of high integrity, independence, and professionalism.

The Chamber acts as a powerhouse of knowledge in the field of fiscal law, always proactive in contributing to the development of law and profession through research and analysis, dissemination of knowledge, and proactive interaction with policymakers. The Chamber also provides professionals several networking opportunities through interactive meetings and seminars.

Professional luminaries like late Shri B. C. Joshi, Shri V. H. Patil, Dr. Y. P. Trivedi, Shri S. E. Dastur, late Shri D. M. Harish, late Shri Narayan Varma, Dr. K. Shivaram, Shri S. N. Inamdar, have been The Chamber's Presidents.

For The Chamber education is the supreme power and the spread of education is its motto.

The Chamber strives to be pre-eminent in upholding among the

Professionals a Tradition of Excellence in Service and Principled Conduct with Social Responsibility

Knowledge sharing initiatives

The Chamber disseminates knowledge by holding high-quality Workshops, Seminars, Lecture Meetings, Study Circles, and Study Group Meetings, Outstation Conferences, etc., for the benefit of members which keeps them up-to-date with the latest developments in the field of tax and commercial laws.

Keeping in pace with the technological revolution, The Chamber also holds webinars on various professional subjects especially for members outside its

area of physical presence. Through its various orientation and advanced courses in new and emerging areas of practice, it equips young professionals to build their careers in unconventional practice areas. It functions through effective sub-committees in addition to its Managing Council which has about 300 core group members.

The Chamber also holds three offsite Residential Refresher Courses (RRCs) annually on Direct Tax, Indirect Tax, and International Tax. In-depth study and close fellowship and bonding make RRCs a 'must-attend' for loyal enthusiasts and eager new learners alike.

The Chamber's Journals and CTC Newsletter

"The Chamber's Journal" which is its mouthpiece is very popular amongst the professionals and Corporates as well, mainly because of in-depth analysis on topical issues (theme-based). These special issues have found a permanent place in libraries of leading tax professionals.

The CTC publishes a monthly newsletter called 'The CTC News'. This newsletter contains details of upcoming events, short details of in-house publications that are on sale and various activities to be taken up by The Chamber along with material on professional topics.

International Tax Journal

"The International Tax Journal" is a recent quarterly magazine containing insightful analysis on subjects of International tax, a practice area that has picked up significantly in the recent past and which is expected to significantly grow in the future.

Representations before Regulatory Authorities and Public Interest Litigations

The Chamber has always stood up for its members and also the taxpayers at large by making effective representations before the Government and Regulatory Authorities. Its voice is respected in Government Departments and Ministries. Professionals look upon The Chamber as an institution which can take their grievances to the Court of Law, when required.

The Chamber's Libraries and Website

The Chamber manages two libraries at prominent places like Aayakar Bhavan and Pratyakshakar Bhavan which are widely used by tax professionals. These libraries have more than 4,000 titles and subscribe to all leading tax journals / magazines and books.

The members of The Chamber enjoy a unique bond of fellowship and brotherhood which is evident in all its activities and programs. The website

www.ctconline.org has a lot of information of use to its members and is kept updated on recent developments.

Delhi Chapter and Pune, Bengaluru and Hyderabad Study Circles

The Chamber has a vibrant Chapter at Delhi and insightful Study Circles at Pune, Bengaluru, and Hyderabad which are aimed at increasing its pan India presence. The Chamber is actively looking at setting up its footprint in more cities towards this objective.

Initiatives for Student Members

The Student Committee of The Chamber organizes many events for students. They are; The Dastur Essay Competition, where students across India and even from outside India participate with great enthusiasm. The Dastur Debate Competition where students from various colleges and CA Firms participate and National Moot Court Competition where students from Law Colleges across India participate.

The Chamber of Tax Consultants

Estd. 1926

Vision Statement

The Chamber of Tax Consultants (The Chamber) shall be a powerhouse of knowledge in the field of fiscal laws in the global economy.

The Chamber shall contribute to the development of law and the profession through research, analysis and dissemination of knowledge.

The Chamber shall be a voice which is heard and recognised by all Government and Regulatory agencies through effective representations.

The Chamber shall be pre-eminent in laying down and upholding, among the professionals, the tradition of excellence in service, principled conduct and social responsibility.

Unveiled by **Shri S. E. Dastur,** Senior Advocate on 30th January, 2008.

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WORK FROM HOME: A NEW NORMAL?

There is a general view that the COVID-19 threat may not disappear in weeks or months. It may subside and then reappear. This will make working at offices a challenge as safety, social distancing, and hygiene processes will have to be put in place. For example: how many people can sit in a conference room? They will have to wear a mask and sanitize hands before entering. No handshakes. Clients will be wary of calling you to the office and will prefer a video conferencing.

No one knows how long this situation will persist, but it is likely to remain like this for the next 12-18 months. This makes work from home a necessity rather than an option for the next foreseeable period.

The basic premise giving rise to the possibility of WFH

- The growing digitization of core functions: accounting and compliance
- Government's resolve to gradually shift to faceless assessment
- Courts experimenting with and moving towards virtual courts
- Evolution in technology is making the collaboration of data easy
- Increased and affordable internet across India

COVID-19 and Professional Firms

COVID-19 has forced us to explore ways to function from the comfort (or discomfort) of our homes. It has challenged us to get out of our comfort zones and adapt to new technologies.

Traditionally, professional firms have been at the forefront of adapting to change in laws and regulations but when it comes to adopting new technologies, it has not been on our priority list. One of the major reasons for the same is we never felt a need for it.

Most of the firms function from a single office, undertaking assignments which can be executed through one's own office or clients office in the local region or occasionally traveling to clients location. However, COVID-19 has compelled us to think, how can we function if our team is not physically present in our office or cannot travel to the client's office?

Why do we even need to consider something like work from home?

As discussed earlier there is a possibility that COVID-19 may reappear and the current situation may persist for some more time. So, we have to be ready to shift to WFH whenever the situation demands.

The principles of functioning from home are equally applicable to operating an office at a remote location. So, if you are someone who is looking forward to setting up multiple offices across the country (or world), setting up work from home culture is a good starting point.

Further, there are various cost-benefit factors too, discussed in detail in this book

Work from home: Survey Findings

The Chamber of Tax consultants carried out an online survey which was responded to by 304 professionals from 30 cities. It will be relevant to see the interesting findings as mentioned below:

Respondents by Team Size
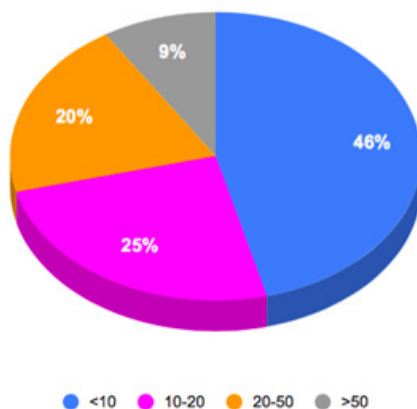
71% of respondents had a team size of less than 20 and 46% had a team size of less than 10. This figure seems representative especially for the CA firms. As of April 2019 total members in practice is 138,874. There are no statistics available for the number of article trainees undergoing training. But considering a maximum of 10 and an average of 5 per member, the number of article trainees is estimated between 297,000 to 495,000. This figure fits into the often-quoted overall number of CA students at 8 lakhs.

Are you able to work from home during a lockdown?
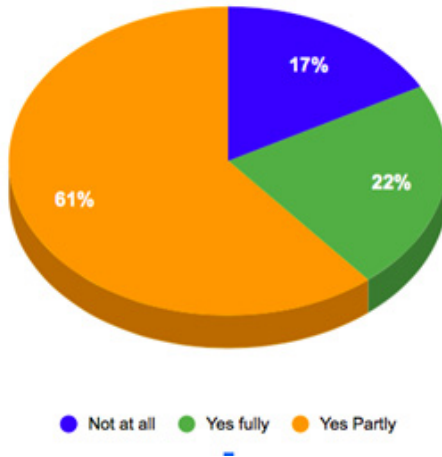
It is heartening to note that over 61% were able to partly work from home against 17% who could not work. Only 21% of respondents were in a position to fully work during lockdown. This shows that these firms had the necessary infrastructure in place.

What was capacity utilization during this period?
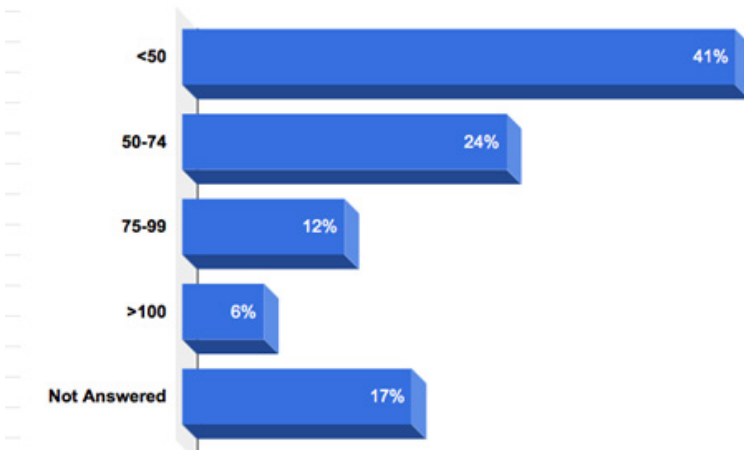
The number of respondents was only 59% of the total. 24% were able to utilize 50-74% of their total capacity. Surprisingly 6% of respondents reported more than 100% outcome.

Main challenges faced

Challenge	Percentage
Client not able to provide data	62%
Unable to access office computers	40%
Team does not have laptop/internet at home	37%
Others	21%
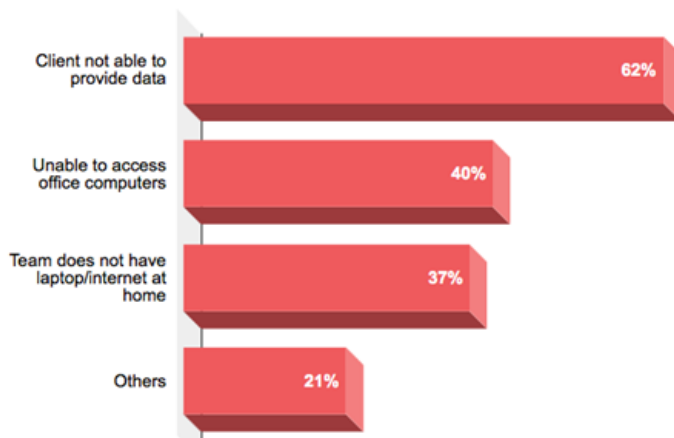
Since the work of a professional firm largely depends on the flow of data and information from clients, the lack of such data was the main cause in 62% cases where work could not be done. Only large clients who had ERP systems and were able to work from home were able to provide data to firms. As far as SME clients were concerned, barring those in essential services, others were shut down and they were not digitally ready to provide data.

What benefits you perceive for work from home

Benefit	Percentage
Saving in Commute time	69%
Reduction in Infra Cost	47%
Higher Output	15%
Other	17%
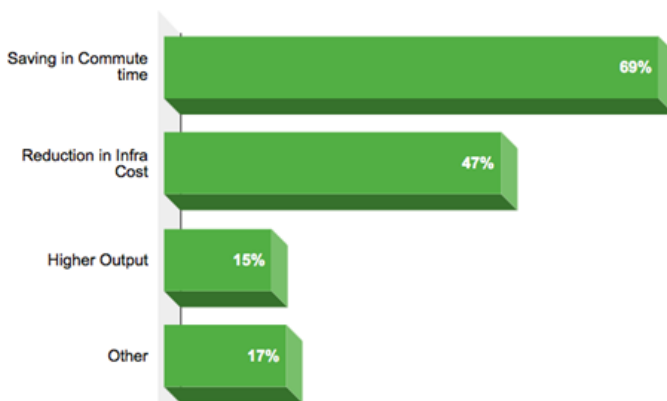
Although responses came from 30 cities, metro, mini-metros, and small towns, 69% perceive saving in commuting time as the biggest benefit of WFH. Savings in infrastructure cost is the next main benefit.

Would you consider WFH post COVID-19
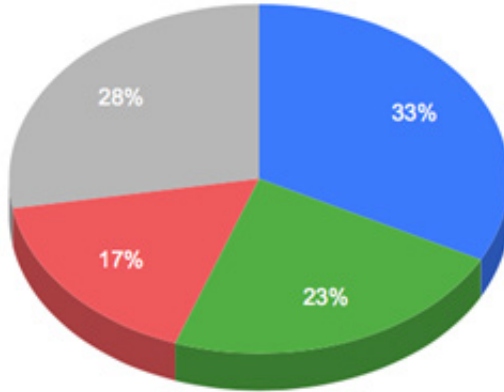
It is very interesting to note that 23% of respondents are definitely considering WFH even when the situation returns to normal. 33% are inclined to think in this direction. Only 17% are very sure that work from home is not the option.

IT INFRASTRUCTURE

For the purpose of working from home, let us see what kind of IT infrastructure will be required. IT infrastructure includes both hardware and software. Computers, servers, operating systems, internet, security, cloud-based software, and remote access software all form part of this ecosystem.

Laptops

For anyone to work from home the basic necessity is a laptop. It could be a desktop also. But considering the mobility and practicality, we will talk only about laptops.

During our survey, we found that there are various possibilities

- Some firms provide a laptop to each team member upon joining. The firm can either buy or lease such laptops.

- Several article trainees already own a laptop at home. So, during WFH, they can be asked to work on their own laptops. This concept is also called 'Bring your own Device' (BYOD), which is getting popular in WFH. It means that the firms do not provide a laptop or desktop, but the employee works on his/her own laptop. The firm only makes sure that the antivirus and other necessary security and administrative measures are followed as per the policy of the firm. This is a very cost-effective mechanism.

- During lockdown, a few firms decided to give laptops to teams for WFH. This was a decision they were forced to make to deal with the situation.

But one decision that everyone can easily implement is not buying a desktop or replacing existing desktops with laptops at the office. At least laptops can be easily be carried home for work

Internet Connectivity

Today it is not possible to work without the internet. India has a strong base of 45 Crore monthly internet users (India Internet 2019 report by IAMAI)

With the entry of Jio, internet costs have drastically come down and it is difficult to believe someone working in our profession will not have access to the internet.

- There are several cable internet service providers in residential areas

- Wired broadband connections are provided by all telecom operators

- Mobile phone hotspots work very well and a basic pack of 1.50 GB per day generally is sufficient for office work.

Firewall

Data security is very important for securing confidential client data against hackers and ransomware attacks. A firewall can be software, hardware, or a combination of hardware/software.

A firewall has several features (they may vary from product to product)

- It protects the system against DDoS, botnet and ransomware attacks (these are different types of attacks on the system by hackers, leaving the system unavailable for use)

- Restrict the use of some sites e.g. social media sites

- Built-in antivirus

- Built-in VPN

- Secure transmission of data

If the data is on the server, located at the office premises, and is to be accessed over the internet from anywhere else (e.g. home), it is necessary that a proper firewall is installed for data security. This may not be required if everything is on the cloud.

Data Storage

There can be three different models of data storage

1. On-Premise

2. On Cloud

3. Hybrid

On-Premise Data Storage

Several software programs are used for accounting, compliance, audit functions. If these programs are not cloud-based, then they need to be installed on a PC or a server. A desktop program can be a single user or multi-user. A multi-user software is installed on a server and accessed via laptops/desktops by users

For the purpose of WFH, a very basic necessity would be to be able to use these application programs remotely.

- **_Application Servers_**

    A firm may decide to buy a server and use it for installing multi-user client-server software applications, for example Tally Multi-User Version. All other users access the software by their individual PC/ laptop.

    In case of WFH, these servers can be accessed via the following tools, provided the application server is kept on at the premises: Virtual Private Network / Remote Desktop

    Virtual Private Network (VPN)
    VPN is a private network that is built over a public network i.e. internet. VPN creates virtual "tunnels" inside the regular internet which lets a set of users connect. Because it is a private network, access is only given to authorized users, hence it is secure and protects the data. Data accessed via a VPN is not visible to others on the internet.

    For VPN one would need a static IP address (internet service provider can provide) and a VPN software

    Remote Desktop
    As the name suggests, a remote desktop program permits a user to connect to another computer on a different location and work on it as if it was local.

    Remote desktop is built into Microsoft Windows 10. Several other remote desktop software is also available.

- **Data Server**
    A very large quantum of data is generated in a day's work. Audit working files, accounting data, compliance working file and proofs of completion, certification work, etc. These files are typically a word, excel, pdf files. These data are to be stored for several years as notices, litigation may take place 6-7 years later.

    While a small firm may have a common application and data server, large firms keep separate ones. A very good solution for storing data is Network Access Storage device (NAS)

    A NAS is a storage device connected to a network, which can be accessed by authorized users. It is a low cost, easy to operate the device with

automated backup features and easily accessible from anywhere so long as it is connected to the internet

On Cloud Data Storage

Having the applications and data on the cloud makes it extremely easy to work from home.

- **Dedicated Server**

   Rather than investing in hardware, operating system software one can always hire a dedicated server from an internet hosting service provider.

   This is similar to the application server and data server we talked about earlier, except that it is not in the office premise.

   It is like having your own server wherein you have complete control over hardware, software, and security. This server is not shared with anyone else.

   However, this solution will involve high recurring costs and is suitable only for very large firms. A cost-effective solution is a virtual private server.

- **Virtual Private Server**

   VPS is a virtual computer sold as a service by a hosting company. It is a virtual server within a large physical server. That makes it affordable for smaller firms also. On a VPS you can store your data and also install your desktop software. So, it is possible to install Tally and other return filing desktop software on VPS and access them from your laptop/desktop via a remote desktop application.

   The advantage of VPS is that you have full control over it, data privacy and security is stronger, the server configuration can be changed as and when the need arises. One example of secure access to VPS is that it can be configured to connect to a specific IP address + machine ID.

- **Cloud Storage**

   Cloud storage can be a good alternative for NAS. Today data storage cost has come down drastically.

   Annexure B gives detailed options for cloud storage which comes bundled with other software (e.g. Microsoft 365) or independently.

So, here is a snapshot of IT infrastructure

- *Basic* - Only desktops and laptops. Basic broadband internet service. Desktop software installed on multiple computers

- **Moderate** - One dedicated server for multi-user software. Desktops/ Laptops, Internet, NAS for data OR cloud storage on Google Drive / OneDrive

- **Advanced** - Application Server, Data Server, Laptops, Leased internet line, Routers, NAS, Firewall, Cloud Storage

Survey Findings about IT infrastructure: Success and limitations

- Desktops systems at the office. Firms having laptops were able to give it to team members who were then able to work from home. So, it is better to invest in laptops than in desktops

- Local data storage. Those who had invested in NAS were at least able to access data and do some work. Very few firms had put data on the cloud

- Most small firms had taken multiple single-user licenses of tax filing solutions. So, if these were installed on laptops, the team was able to continue working on them

- In several small firms, proprietor or one of the partners took the server home and allowed access to the team via remote desktop (e.g. anydesk)

- Large firms had on-premise servers accessible via VPN/ remote desktop, so they functioned as usual. Few of them had everything on dedicated or virtual private servers, so for them to it was work as usual

Useful Tips

Ideal Laptop

Ideally, the laptop should have 4 GB RAM and i3 processor for good speed and dependability considering the current software requirements.

Using business laptops is a better option for the professional firms. Every brand has personal or business grade options. Business grades are a bit costly, but low on maintenance and also have an extended warranty. Most of these laptops come with Windows 10 Pro operating systems as a part of the package. In the WFH model, maintenance may take longer than normal and there is a risk of longer downtime if things go wrong.

Internet

One can use a mobile hotspot as wifi. In the mobile, the biggest issue is that the internet gets disrupted with incoming calls.

We recommend that the team should have a simple 2mbps wired internet connection with WIFI router for lesser disruptions while working and thereby reduced downtime. The mobile internet can be used as a back-up in extreme situations.

Firewall

There are hardware and software firewalls. The Windows licensed version is packaged with a good soft firewall. Soft firewalls also come with the inbuilt antivirus and anti-malware tools. They allow the administrator to manage traffic and control unwanted stuff on the network.

There are open-source soft firewalls that can be installed on the server level or on a separate CPU as an option.

Since data is significantly important for professional firms, we recommend a hardware firewall packaged with the software. Hardware Firewall selection depends on the number of users and the load on the network.

Bring your own device

One of the smart ways to curb Capex cost for buying multiple devices and maintaining them is BYOD (Bring Your Own Device). The team can be encouraged to own the device. If the team member is an owner, he will definitely care more for the device.

The firm can set up a fixed BYOD allowance for the team owning and using devices per month. This should be nearly 80% of the average EMI of such devices. The opex model allows charging the device cost directly to the P & L in the same year.

There can be a policy of charging back the allowance if the team member leaves within a specified time frame (for e.g. a year). This will make him sticky to the firm. The firm's risk to take proper care of the device is negligent.

Maintenance tips for the Infrastructure

Once working from home, the physical inspection and repair of the hardware and software support becomes difficult. The tips to maximize uptime for the team relating to hardware and software maintenance are:

- *Make the team aware of the basic hardware and software hacks. This will help them correct things by themselves when stuck for a small issue.*

- *Outsource the maintenance to a team of experts.*

Cost-Benefit Analysis

Financial cost-benefit analysis can be done by looking at past and present accounting data and it will definitely throw savings.

Cost Reduction

Infrastructure cost per seat: A good way to begin is to calculate cost per seat. For this purpose, direct and indirect cost attributable to physical infrastructure is summed up and divided by the total number of people who can work.

For example if total such yearly cost is 7,20,000 for an office where 10 people work, the monthly cost per seat is 7,20,000/(12*10) = Rs. 6,000 per person per month.

While calculating infrastructure cost, the following items must be considered

- Rent of premises

- Maintenance charges payable to society

- Housekeeping charges

- Electricity

- Internet

- AMC charges paid for air conditioners etc.

- Staff welfare

- Salaries of Admin staff

- Depreciation on office equipments and furniture

Cost Increase

Additional cost will be required to be made in IT infrastructure for the below reasons:

- Capital cost of acquiring laptops OR recurring cost of rental for laptops

- Capital cost of acquiring Network Access Drive

- Capital cost of acquiring Server, server license and upgrading software from single user to multi-user

- Capital cost of acquiring additional single-user licenses for desktop software

- Recurring cost of cloud storage

- Each employee will have to be provided with basic internet package to work from home

SOFTWARE & TOOLS

WFH requires various software and tools for various functions. Some of the key functions and respective tools are mentioned below.

Team Communication

One of the key things in any organization is communication. However, this becomes of utmost importance in a professional firm as the team needs constant guidance on finishing a given task. Moreover, article trainees are new to the working environment. In the comfort of the physical office seniors are always around to help and keep things moving. But, how do we tackle this situation in work from home environment?

To start with, we need to zero down on the right channel or tool for effective team communication. Broadly, the channels used for team communications are mentioned below:

●	**Emails** - If we start using email for every communication, our already overloaded email inbox will blow out of proportion. Highly not recommended. Emails should be used only for external communications.

●	**Phone Calls** - This can be used for long conversations but if this is used for every other instruction, it will become a nuisance, and most of the time one would get a busy tone on other's phones.

●	**Video Calls** - This is a great tool for team calls but can't be used frequently

●	**Messaging Apps** - Instructions through messaging apps are the ideal way to have small constant communication with team members. Let's deep dive into new age messaging apps and explore the various features they offer.

Almost everyone uses **WhatsApp**. We all might have our office groups on WhatsApp. But, is that the ideal way to have team communication? WhatsApp in itself, is a huge distraction. We all are guilty of starting WhatsApp to respond to some important work-related messages but end up spending time on trivial things. This happens even with seniors and it's very natural. We can just imagine the amount of time wasted or squandered by team members (intentionally or unintentionally!)

WhatsApp Alternates

A similar app **Telegram** is an alternate. But, over a period of time even this is now cultured with a lot of groups (very large groups).

What we need is something like WhatsApp i.e. the app useful to send messages, have audio calls, video calls, share files, images, and videos, but should be exclusive for work-related conversations. There are multiple such products and a lot of start-ups use them for swift communication (E.g. Slack). Details of available products are mentioned in Annexure C. The features of the apps are mentioned below:

Basic Features -

- Onboard the team members on the platform

- The platform only has team members. No clients, or friends or family members. It is only for work-related conversations.

- Create a group for all team members.

- Have individual communication with the team members

- Create small groups for team members working on specific assignments like an audit of a client. So that everyone is not disturbed with conversations not related to them.

- Have audio calls, video calls, and share screens. Everything in one tool

- Share files and documents

Advance Features -

- Create tasks/reminders for the team members, along with the completion deadline

- This helps to keep track of every small task like a reminder for sending some emails, reminders for sending invoices, etc. The tool automatically sends a reminder message when a particular team member needs to complete the task

- Similar to reminders create "Events" for scheduling joint meetings with client

- Keep the app on DND mode. So, no disturbance of notifications when one wants to focus and complete the tasks.

- Easy search for a particular document or message

The ultimate intention of using these apps is to completely eliminate internal emails and phone calls for small things.

Daily Reporting

A typical day at the firm would begin by the team signing the attendance register and reporting to the senior. The work would be allotted to the team member based on the personal discussion about pending work and time availability. At the end of the day, the same ritual will be repeated by meeting the senior and reporting the status of work done.

Most of the small firms have a similar structure when it comes to daily reporting. The team member either reports to the senior verbally at the beginning and end of the day. How would this play out in work from home environment?

- One alternative is to have a phone call with every team member two times in a day. This is doable but a time-consuming affair with no real value addition.

- One can also consider having a joint team calls every morning. This is also doable through video calling tools like zoom, skype or google hangouts. But this eventually leads to everyone being stuck on the call for the whole duration of the call leading to loss of man-hours. However, it is highly recommended to have a joint call either once or twice a week.

- Another way to do this is to ask team members to write an email to the reporting manager. However, it would be difficult to aggregate the data in this way.

- If a Practice Management Tool is used in the professional firm it takes care of this aspect in the form of daily reports/email updates, etc.

Useful Tips

Google Forms

One simple method to get daily reporting is by way of a google form. (Google form is similar to a physical form wherein one can note down his questions which are answered by team members online). Each team member just has to click on the link, fill-up the form, and press submit. The data of google form is

automatically captured in a spreadsheet. One can also configure auto emails i.e. as soon as the form is submitted an email is delivered to email IDs designated to receive such emails. Further, the form automatically captures the date and time the response was submitted which cannot be changed by anyone except those who are having access to the spreadsheet. It is easy to create and free to use.

Using google form or a similar structure helps in getting the relevant information beforehand for having an effective call with the team member.

Practice Management

For every practice to run smoothly it is important to ensure that each task is done before the due date, more so because any delay may result in interest, penalties, and loss of reputation. There are recurring tasks and a lot of ad-hoc tasks are created on any given day. Assigning tasks to the team and tracking them till completion is very critical.

For proper time and cost management, it is important to know the time spent on each assignment by each team member. This data helps in getting workload status for each team member and time and cost incurred on each assignment.

Invoicing of each completed task on time is equally important. Most of the small firms are using an excel sheet to manage tasks and accounting software for billing.

It is very easy to automate all these functions and have greater control over practice. This becomes all the more important for work from home.

There are various team management/task management tools and a lot of them have a basic version that is free to use. There are many specific practice management software available for Professional firms.

Few key features of such tools, benefits, and challenges associated with them are mentioned below:

Why Such Tools?

It is evident that systems and processes are the core in order to scale up the profession. In the absence of systems and processes the operations of the firms are completely dependent on the senior. These tools help in implementing the systems and processes designed by the professional firm. If these processes and systems are in place, it will help in the smooth rollout for work from home model.

One might argue that it is not needed in small firms. But it becomes a key driver to grow a small firm to a mid-size firm and further, a mid-size firm to a large firm. Also, the fact remains that, the larger the firm, the more difficult it is to

implement something new. Hence, now is the right time to implement systems and processes in the firm if not done, irrespective of the size of the firm.

Key Features

Client Management
- Group Wise data of clients at one place
- Password Management for clients
- Client Wise Compliance Tagging and Reporting
- Automatic Email/SMS to clients on completion of the task

Compliance Management
- Due Date tracking of statutory compliances
- Assigning Compliance/Tasks to Team Members. Individual team members get clarity on the respective task he is responsible for.
- Auto-generation of recurring compliances. For e.g. Once GSTR 1 of a particular client is assigned along with the user responsible, the system automatically generates every month/quarter.
- Subtasks/Checklist for each Compliance/Tasks For e.g. one can configure steps involved in the process of filing of GSTR 1. This gives immense clarity on the stages of the respective activity. It brings transparency and accountability to the system. It is also a great way to implement SOPs.
- Issue and escalation/reporting For e.g. If the team member is facing difficulty getting data from the client, he can flag off the issue to his/her senior through the software itself. The issue gets reflected in the dashboard of the senior.

Team Management
- Automatic email to team members on work assigned
- Maintenance of Time Sheets
- Attendance management

Invoicing
- Tagging of tasks - Whether Billable/Not Billable
- Tagging of tasks as "Billed" once the invoice is generated

- Automatic email to clients on generation of invoice

Any change in the professional firm is initially met with some resistance especially if the team members feel that software has been introduced to exert control over them. Hence, it becomes very important that team members see some or other benefits for themselves when such a tool/software is implemented.

Selecting the software and setting it up is the easy part. Challenge is in implementing it and getting the team to use it the way it is supposed to be used. This requires a certain level of determination, persistence, and seriousness at the top-most level. Once, it becomes a part of the culture there is no turning back.

Audit Management

Although a few features of Practice Management Software can be used for managing an audit also. However, a dedicated audit management software will provide a more comprehensive solution

The audit involves a detailed checklist for each trial balance item based on the risk matrix of the organization. Ledger scrutiny, source document verification, queries to the client team, and the responses. In short hundreds of documents and communication are generated in the process.

There are tools available to automate the whole process so that everything is available. These tools make it easy to conduct audits remotely.

- It is possible to make the whole process paperless

- All supporting documents, comments, queries and their responses are available within the software

- A detailed checklist for each audit area can be assigned to a specific person

- Progress of audit can be tracked online

- Complete documentation for peer review is available

When multiple team members are working on the same audit, such tools make it very easy to track the progress and collaborate seamlessly, hence making work from home easier for audit assignments.

Some of the audit management tools for use by chartered accountants are CCH Pro, AVACOM, Caseware. Audit tools inbuilt within Tally can also serve the purpose of audit management to some extent.

Using Desktop based software

In the survey conducted by us we have found that one of the major challenges that firms faced during the lockdown was the inability to use desktop-based software. This software is not on cloud i.e. they are installed on an on-premise server.

There are two ways to access this software

- Via Virtual Private Network described in detail in the chapter "IT infrastructure"

- Remote Desktop Software

Remote desktop software like Team viewer/Any Desk/Zoho Assist is very common, and several firms use them. These tools will allow remote access to the computer from anywhere. However, the remote PC is required to be switched on and no other work can happen on that PC.

Generally, the user on a remote PC has to accept the request of the user trying to login into the system. However, with the correct settings this requirement can be eliminated. The team member can get unattended access to the PC without anyone accepting the request on the local PC.

With advanced settings in some tools like Zoho Assist the PC can also be switched on and off remotely.

Using Tally

One of the key software for any firm is Tally. Tally is a widely used desktop software by both businesses and professionals. Tally is used for

- Accounting for SME clients

- Extracting data for statutory filings i.e. GST, TDS

- Conducting audit

Since Tally is a desktop software, it is installed at a server / PC at the office. For accessing if, from home, there are 3 methods

1. Tally remote access feature

2. Accessing the on-premise server via VPN or Remote Desktop

3. Tally on Virtual Private Server

Tally remote access feature

This feature is provided in Tally.ERP9 by default. It is a free of cost option available to licensed tally users with an active subscription. One can securely access Tally.ERP 9 from anywhere to record transactions, or view reports when working from a client's office, or other remote locations or WFH.

The advantage of this option is that it does not have any dependencies on any third-party software.

The number of users which can be logged in simultaneously depends upon the type of Tally.ERP9 license installed.

Documentation and File Management

A common way of storing documents either on a local server or on cloud is by following a structure of folders /subfolders and file naming convention. For example: GST/2017-18/Client

This requires discipline by the person who is creating files. At times because of error or omission, a file is created in a different folder, and then subsequently searching it becomes very difficult.

Another method is to use the document management feature of practice management software. Most such software provides uploading of documents against a compliance and task. The search provided in the software is also very fast and easy. This is very suitable for compliance-related work.

For accounting documents like vouchers and purchase orders etc. several accounting software provides for tagging and uploading documents in the accounting entry itself.

All these features will help a lot in the WFH model, where anyone can access the document from anywhere.

A DMS software offers several useful features like:

● Extensive and fast search. The search can be by file name, tags, or even on text contained in the file.

● Version Control

● Access Control

● Encryption

It will be pertinent to talk about one DMS software (Cabinet edmss) which is very suitable for professional firms. It is a DMS system closely integrated with

Tally. So, within Tally, one can attach documents to the transaction. What makes it more interesting is that a Tally Backup containing all the vouchers can be sent to the auditor who can then easily conduct remote audit

Research/reference material

Gone are the days were in our offices required a huge library of books to be used as a reference material in order to research material. Professionals using books as a source of reference material and maintaining libraries in office will have to move to service providers providing online subscription services to relevant data in order to function in Work from home model.

There are various service providers providing subscription services to online databases covering financial laws. Key Features of such subscription services are as follows-

● They are online. Hence, can be accessed from anywhere/anytime

● Advanced search features to find relevant material

● Database of Updated Bare Acts/Rules/Notifications/Circulars/Case Laws/ Articles all at one place

● Daily emails on recent updates

● Flexible subscription plans

Using online subscription services also helps in sharing the reference material in terms of downloading the same and sending it to someone if required. It can also be helpful in drafting replies and opinions as bare provisions / required paras can be copy-pasted in the reply or opinion.

● *Books, journals, and publications are now also available in EPUB formats along with PDF formats. EPUB Format documents are required to be loaded on an app like Amazon Kindle or Gitden Reader. Readability is much better when any document is read through such apps. Such apps allow you to increase or decrease the font size, highlight, and take notes. They can also read aloud the content.*

- *Almost everyone might have attended one or more webinars in order to make the most of the lockdown period. They are a great source of learning and saves a lot of travel time. In fact, there are a lot of recorded webinars that are made available by various associations. One hack to consume them faster is to increase the speed of the video to 1.25x or 1.50x.*

Some Smart Tools and Extensions

This section gives the details of some tools/hacks which can be useful to the professional firm in Work from home Model as well as the traditional physical environment.

- **Screencast-O-Matic**
  This tool enables one to create videos on his/her PC/Laptop. It can record the screen and the voice at the same time. It is of great use to give instructions, especially if the requirement is to show someone how to do something on the computer.

- **Workpuls**
  This tool helps to track and monitor the time spent by the team on various functions on the PC. For e.g. how much time a particular employee has spent on Word, Excel, GST Site, Facebook, etc. It also helps to track idle time, the time for which team member was not active on PC.

- **Krisp**
  This is a tool that helps in canceling background noise when you are at a video conference. So, the background noise of fans, birds chirping outside, etc gets canceled out.

- **Miro**
  Miro is a "whiteboard" tool that acts like a whiteboard in the office. It is great for brainstorming and strategy sessions. It has by default templates which include Mind Map Format, Kanban Format, Business Model Canvas template etc.

- **Keeper**
  Keeper is an online tool to maintain various passwords of different sites. This shall replace excel sheets containing passwords of login credentials of income tax, GST, MCA, etc websites.

PEOPLE MANAGEMENT

People management is the toughest piece in this entire change management activity of moving fully or partially to Work from home.

Most seniors (based on the survey) feel that the people shall not work as efficiently from their home as they do at the office. This indicates a lack of a high trust factor between the team and the seniors. Also this calls for a very strong need for monitoring which is difficult in a work from home scenario.

People vary by nature. Some are self-motivated and some need to be motivated to perform all the time. On the other hand, some of the millennials (people born after the 1990s) tend to underperform and even retaliate for the monitoring. They like a free environment to work, be creative, and evolve.

There is a need to innovate monitoring mechanisms.

Now, let us empathize with the team's point of view. From the overall survey of professional firms, teams want to change, but they don't like it when it comes upfront. They feel out of their comfort zone even if someone discusses such a drastic change.

Although this change looks team-friendly, it too involves challenges from their perspective.

People love below-mentioned activities at the office even though they are even found complaining about these:

- Show themselves working hard in front of the boss.

- Traveling daily through the hustle and bustle while they catch up with friends and movies on the way.

- Coming to the office and sitting at their privileged table to work. It has a lot of social value for those going to the office at most levels in the society.

- Enjoy a comfortable office air-conditioned environment and facilities like microwave, fridge, tea maker.

- Drink tea and coffee.

- Free food/snacks especially during late sittings.

- Chit chatting with friends and colleagues.

- Taking long walks after lunch.

Even though the senior feel, it is a positive for them in the first impression, it doesn't seem like that as per our survey.

Here are a few thoughts on the points the seniors of the firms should unlearn and the action items to really make WFH effective.

Few Unlearning

To start working from home, there are certain unlearning necessary. The aim is that the work is done with responsibility within the decided deadlines, with minimum review required and maximum output received from the team.

- **Seniors believe in working harder**. Traditionally, smaller CA firms have this habit of working harder. Working all throughout the night. One due date after another. Seniors almost own up the entire responsibility for the timely delivery and of course the quality. They also engage with the clients one on one.

- **Instructions flow one at a time.** All work under the instructions of the partners/proprietors flow in one at a time generally to the team.

- **The team is taught not to operate without instructions.** The team is generally composed of article students and graduates. They completely fall on the seniors to instruct them. The team is not given the flexibility to work on by themselves. This restricts the creative angle of the team.

- **Seniors and teams seldom sit for planning work together.** The planning of the activities in advance rarely happens, therefore, the scenario forces to harp on things as they come up.

- **Performance is measured on the number of hours one is seen working.** Generally, the tendency is one who works for long hours is seen as a more loyal and hard worker, rather than the output given by him.

- **Too much engaged in routine.** In the backdrop of all the above; the follow-up and monitoring become the core function. They get too engaged in the routine. This does not allow them to learn and evolve.

This becomes a vicious cycle for the firms.

The requirement is to unlearn and break the vicious circle. Physical monitoring will almost not remain a choice in work from home model. One needs to be reminded that the firm fees are directly related to the outcome of the activity. Seniors should also respect and pay the team members on the basis of the outcomes instead of the hard work. There are exceptions to this model like the

admin team and drivers who continue to operate on hours they are available for the professional firm and loyalty that they display.

The development of leadership and periodical training shall be the way forward. Structured performance reviews and discussions on the KPI will be required if one wants to succeed with WFH as a new normal for the firm.

Action Items

Here is an action plan for the enthusiastic firms with team size around 10 people and aspiring to grow. We have assumed that the firm would have one or two qualified professionals who may be partners or proprietors of the firm. It is further assumed that the professional firm has maximum article students/interns along with a few loyal graduate employees.

This plan can be modified on the basis of the practical focus of the firm and the current maturity level of the team.

Though the below mentioned action items will be of great help in making the firm suitable for WFH, it also encompasses a lot of generic tips for the firms to develop themselves and will form an integral part in growth based on the experience of firms that have grown in size and maturity.

Create periodical work pipelines for the team

Work from home is a lot easier for seniors who can plan and assign tasks for longer intervals instead of daily assignments.

- Develop a habit of planning the work and assignment of work for at least a week at a time. It will be a great situation if this can be done for a month at a time.

- It is necessary that seniors design and insist on the reports as agreed with the team for review on a regular basis. The daily report can come from the team at the end of the day.

- Best to keep operational discussions on a weekly basis.

- Avoid getting engaged in the day to day follow up and micro-management. The daily report will give the required information.

Have proper reporting structure

Taking the review of the work done physically in the office and in WFH is a bit different. Generally, as a thumb rule, each individual can manage up to 4 to 6 reportees in the professional service industry. Therefore, it is necessary to identify people with managerial skills and make them leaders of a small team.

In the WFH situation, this will ease the load of the seniors, and will avoid too much communication and non-productive monitoring.

● One of the important aspects is to show confidence in the identified leaders. It is necessary to give them confidence that they can manage a team.

● Communication to the whole team about the reporting structure is important.

● This will also help in the succession plan and will be very useful when the professional firm grows.

● While the leaders can get the work done from the team, the seniors can concentrate on the specialization, developing business and monitoring & mentoring a few leaders.

Develop training calendars

Work from home means less possibility of supervision and guidance on each small activity. Training is a long term solution for supervision. This will build a learning culture in the firm. Focus on required training for the team can reduce the quality issues and also the efficiency challenges.

● There should be a learning and updation plan for each team member of the firm.

● Ideally, the training should be on various topics of technical interest like GST, Income Tax, FEMA, Accounting Standards, etc., and also on soft skills like communication, IT, leadership.

● Periodical team sessions can be organized internally on any topic.

● There should be a way to monitor the progress based on the planned calendar

● Training can be planned either inhouse or externally via various professional bodies like Chamber of Tax Consultants, Bombay Chartered Accountant Society, ICAI, etc.

● Firms can plan sponsorships for online courses (for e.g. online platforms like Udemy, Coursera, Linkedin) and certificate courses. This can be announced as recognition or award within the team.

Identify and communicate Key performance indicators (KPI) at every level

KPI does not only help in measuring the outcome of the individual person in the team, but also helps in making sure that all the work planned is getting

completed well within timelines. Further, it also motivates the team members if, for recognition of their performance, incentives and rewards are attached to KPI's. In the WFH scenario, this will play a big role in getting work done and keeping the team motivated.

- The KPIs should be clear and measurable to the extent possible.

- KPIs can be in terms of the number of returns filed, number of accounts handled, revenue number managed, due dates met (for the qualitative related work) and so on

- Develop the incentive model based on the KPIs achieved and make it a critical element of people's salary.

- Identify people who can take challenges and reward them on their worthy achievements. This is like sharing profits and making people seniors in some way.

- Do regular reviews and help people achieve their KPIs genuinely. This will also help the firm to raise its bar and become a better service provider.

Create a Framework and allow the team to be flexible & creative within the framework

WFH will restrict the innovative ideas of getting the work done, smarter ways to engage clients, build smart processes, if the team is not given the freedom to be creative and be flexible. Therefore, a framework can be created, and the team can be allowed to be flexible and creative within the framework.

- Creativity and flexibility is the key to dealing with the new generation team members, with an average age of 22 to 25.

- This new generation needs a lot of freedom to operate and deliver effectiveness.

- This brings a huge amount of ownership in the team as they feel they have contributed to the growth of the firm to a great extent.

- This also allows firms to identify and have loyal team members which are of great help to develop the firm.

Develop periodic review and feedback mechanism

During WFH the overall physical interaction is minimal. Therefore, it is necessary to have a periodic review session with each individual, give and collect feedback. This helps the team to improve on the performance and firm to achieve its goals smoother.

- There should be a structured periodical review session for the team members.

- The person should be given an open opportunity to share his issues and concerns.

- The person should be applauded for his creativity and achievements over the period of review.

- This review is also the perfect time to freeze on the KPI for the next period.

- This helps the firm to improve on the process of delivery of assignments and be more efficient.

Develop engagement calendars like events, sports and picnic on the regular intervals

During WFH, the social bonding reduces. It is necessary for the team members to meet. This increases the bonding in the team, inculcates team spirit, and also helps to enhance productivity. People need to feel connected. Also they need to build great relationships. This calls for regular engagement ideas for the team.

- The firms can plan a picnic - maybe annually (can be planned when things get normal). Till then a weekly video call can be planned, where the agenda should not be work-related.

- There can be planned celebrations like Dipawali, Holi, New Year, Independence Day.

- This also allows the team members to come together once in a while and feel the warmth of togetherness. Also, this helps them to know each other better.

- As the firm grows, the team members should be made to coordinate and lead these events. This brings a lot of learning in the team. Structured team games and soft skills sessions can be organized which helps mold team culture.

Give a complete background of the client and project

Sometimes regular coordination becomes a hindrance in WFH scenarios. It is always better to have a session with all the team members who are going to be involved in the project. A session on the background of the project, client, projects already done previously with client, etc. can be explained. The same session can then be used to finalize the plan of action, assign responsibilities, and the timelines.

- One of the important aspects is the way the project is assigned to the team.

- Keep all of them (assigned to the project) in the loop on each activity happening about the project even if not relevant.

- Keep all in loop in the review of the project.

- At the growth path, one of the aspects of good leadership is taking everyone along. Creating leaders and accountable managers is the core of the growth of the professional firm as a long-term strategy.

Create a clear succession plan for each one in the team

In professional firms, team members are the most valuable asset and the seniors want to always have them in 'front of their eyes'. The team becomes irreplaceable very soon. The fear of giving independence or poaching is a hindrance to the acceptance of work from home culture. The succession plan and non-poaching agreements are necessary to remove this fear and adapt to WFH.

- It should be in the KPI of every leader to create a proper backup of himself.

- This should be monitored on a periodic basis.

- The training sessions by the seniors/leaders should be held regularly.

The above action items are for the seniors to enable them to work from home and also help them to have a more mature and responsible team in the firm. It is evident that seniors have to be more adaptive to the change and they take it as a challenge. There would be various things where seniors will have to come out of the comfort zone in WFH (the smallest example is to call the peon for every small thing).

Quick action checklist

All the points mentioned above may not be possible from Day 1. The above points also have the aim to develop a smart environment in the long run, which will help the firm to grow and have offices in remote places and manage them from home-town. Therefore, the below-mentioned points can be an immediate action checklist.

1. Run a survey within the team on what they think about this Work from home idea.

2. Only practical trials will give the real feeling.

3. Check out the list of self-motivated people, have a proper work pipeline, and start experimenting with them on WFH.

4. Decide a review day and structure of the report.

5. Do a detailed review with the above set of people.

6. Setup the training calendar and follow up meticulously.

7. Plan for the complete roll-out of WFH.

Benefits and Challenges of work from home

There are several other benefits from the point of view of professional firms as well as team members

From the firm's point of view

Benefits
- Easier to scale operations as there is a large availability of work from home staff e.g. qualified stay at home mothers who are not able to go to work.

- Staff can be hired from any part of the country/world.

- Less attrition as most work from home team member tend to stay longer

- More productivity as working from home environment, savings in commuting time (and consequent exposure to pollution and stress) will result in less sick days

Challenges
- Review of work, reporting, and tracking

- Data confidentiality

From the team's perspective

Benefits
- Savings in daily commuting time

- Better work-life balance as spending more time with family

- Possibility of flexible timings

Challenges
- Boredom and lack of social interaction with office colleagues

- Lack of proper work environment at home e.g. space, air conditioning, quiet place

- Disturbance from family members e.g. kids

Useful Tips

- *Use a table & chair to maintain the right posture - while it is incredibly tempting to recline comfortably on the sofa or a bed, such poses tend to harm your posture and could cause pain in your neck, shoulder, and spine. Also, your mind gets trained to remain alert and in "work mode" when on the bed/sofa, so sleeping / relaxing becomes non-intuitive.*

- *Asset liability balance - maintain the daily P&L of your body, getting enough water and food at regular intervals while balancing it out with short bursts of activity. This will make you feel more energetic and alert while boosting your productivity and keeping your body weight in control*

- *Work mode - it's good to set expectations with others sharing the premises around your work hours/meeting schedules and preferred work environment. Simulating brighter lights, grooming yourself in the morning and dressing up makes you feel better about yourself and feels closer to your regular routine of going to work. This helps get more work done.*

- *Some things are accepted freebies that come with Working from Home - kids / other people photobombing calls, having to cater to the doorbell / other house chores / poor connectivity. Learn to deal with such situations without feeling embarrassed or losing your peace of mind. Be twice as patient with everyone else as they're also new to the situation.*

- *Compensate for the lack of face time - your body language communicates over 70% of what you want to say, without which you need to put in extra efforts to ensure the tone and meaning aren't lost in translation. This also means coordinating with others involves the extra steps of checking if the other person is online and available. Remove the stigma of being "wired in" - if you need time to wrap up something, just say I'm in the middle of something and will reconnect once it's done.*

- *It can get lonely - avoid monotony at all costs; have at least 1 video call a day, set a hard limit on work (it never, ever ends) and spend the rest of your time relaxing/cultivating new hobbies / with other inmates not discussing work.*

FEASIBILITY OF VARIOUS PRACTICE AREAS

In this section we try to look at various practice areas of a professional firm and check if it is possible to do it in work from home model after taking into various aspects discussed in the book so far.

Accounting

Several small firms undertake accounting and compliance work for SME clients. Technology startups also prefer to get accounting done by professionals.

Is it really possible to undertake accounting assignments in work from home model?

If the volume of transactions is low to moderate, it is possible to do it remotely. Otherwise visiting client premises to complete accounting entry is more suitable.

Transaction data for accounting purpose can be received from the client any of the following manners:

- **Email**: If the documents are very limited clients can simply send details via email.

- **Cloud Upload:** In this option one can use a google drive or dropbox or any other cloud storage option. Create a common folder and share it between both client and the relevant team members of the firm. Clients can upload the relevant files on the designated cloud folder. The uploaded files can be accessed by the team members of the firm from anywhere / anytime. This is better than using an email as documents are available in a common folder accessible by both client and firm.

- **Google Form**: This is an extension of cloud upload. In this option, the client fills up the basic details of the document and uploads the image of the document in form and submits the form. The documents are automatically stored on a google drive folder and a spreadsheet is automatically created which has basic details filled up in the form and a link to the document uploaded. This helps in retrieving the document on a later date and also every transaction can be marked whether it is accounted or not. This can be of great use for giving data to the auditor for vouching.

- **Tally Extensions**: There are extensions available in tally which can be used to save the documents at entry level itself. This can eliminate the need of

having physical documents especially expense vouchers, physical bills for purchases, etc.

w **Cloud-based accounting softwares:** E.g. Quickbooks and Zoho Books. These are online and hence can be accessed from anywhere. Furthermore, the documents can be stored at the source of the data entry itself. For example, while booking an expense or purchase it has an option to upload the supporting documents in the attachment section. For retrieval, one can access the GST Compliances

GST right from inception has been created as a paperless technology-driven tax. This is evident from the fact that from registrations to filing of refund claims, almost everything happens online.

In GST professional firms have to comply with monthly and quarterly filing of returns, filing annual returns and audits, filing LUTs, amendment to GST registration, etc. A lot of it happens directly on the GST website.

The government has also provided free GST offline utility for businesses having voluminous transactions. However, GST offline utility is not equipped to save the data permanently. Hence, if someone is using the same for filing GST return, he needs to save the data of the tool used for filing return. Currently, this might be saved on office PCs but the same can be flawlessly done on the cloud using any of the data management methods discussed in the "IT Infrastructure" section of the book.

Alternatively, there are many cloud-based softwares that can be used for filing GST returns. In this case, the data is permanently stored in the software itself. If a desktop-based software is used, the same can be accessed either through VPN or remote access.

Further, as far as GST Annual return and audit is concerned it consists more of data crunching and reconciliations which again can be achieved through WFH.

Hence, as far as regular GST compliances are concerned, they can be easily managed in the WFH model.

Income Tax Compliances

Unlike GST, Income tax compliance ecosystem is dependent on desktop-based filing softwares. Although post-COVID-19 it is expected that there might be more cloud-based return filing tools launched, but as of now the tools available are majorly desktop based.

One of the major tasks while filing income tax returns is to get relevant data. If proper systems are in place this can be easily done in the WFH environment.

Folders created in cloud servers can be shared with clients wherein they can save all information. These folders can be accessed by both team members of the firm and clients simultaneously.

Desktop-based software can be accessed either through VPN or remote desktop access softwares as discussed earlier.

It's difficult to implement the WFH model if most clients prefer to send the data in physical form. However, in today's day and age most clients prefer to have their documents in soft copies. They are comfortable with the use of technology in order to maintain and provide data for income tax return filings.

Assessment Proceedings

Income-tax

For regular assessment proceedings under income-tax, e-assessment has been in place since 2015. However earlier queries were sent by email and replies too were emailed. Since the 2018 e-Assessment portal is operational. The queries by the assessing officer are listed on the tax portal and a reply along with supporting documents have to be uploaded online.

It is possible to complete this work from home easily. Clients can be asked to send details like statements and scanned copies of vouchers etc via email/ google drive. It is understood that most of the clients will have this much technology capability. Only if the client is not digital-ready at all, a visit may be required

The visit to the income-tax department is not required as everything is to be uploaded online.

The government has also started a faceless assessments this year. This process will not require any physical interaction with the assessing officer who may be located in some other city.

So, as far as income tax is concerned, most of the assessment work can be easily completed from home.

GST/Service Tax

GST audit/ assessment is yet to start. However, for a service tax audit by the department, there was always a visit to the principal place of business by the officers, who would inspect books and documents. All submissions were also written replies on paper.

There are no guidelines contrary to this during GST Audit/ Assessment by Dept. as of now.
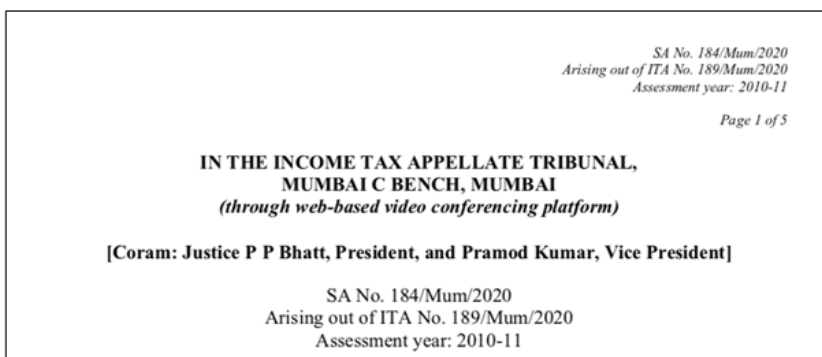
Litigation

Litigation practice involves

- collating facts, information and data

- researching the case with reference to legal provisions, case laws and commentaries

- Drafting of necessary application, petition, grounds etc and preparation of case papers

- arguing case in Tribunal or Court

Most of the litigation practice involves in-person meetings with clients and visits to the tribunal and courts. Cases are still filed in papers, so it involves printing of several papers, arranging them, bookmarking them for quick reference, and creating multiple sets. At times pages run into hundreds. Normally research and case paper preparation are done at the office.

Most professionals are of the opinion that only research work is possible to be carried out from home due to the availability of various case laws software and websites. Some drafting work can be carried out at home subject to the availability of facts and documents. However, case paper preparation is not possible at home. Getting information and facts from clients is also difficult via video calls, as it is not very practical. Presentation of a case in court/Tribunal requires marshaling of facts and law.

Courts/ Tribunals are however now trying to implement e-filing of cases (Delhi High court already has it in place)

For the very first time, ITAT Mumbai Bench, fixed an e-hearing for an urgent stay matter. The hearing was conducted via the Zoom web meeting.

SA No. 184/Mum/2020
Arising out of ITA No. 189/Mum/2020
Assessment year: 2010-11

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**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI C BENCH, MUMBAI**
(through web-based video conferencing platform)

[Coram: Justice P P Bhatt, President, and Pramod Kumar, Vice President]

SA No. 184/Mum/2020
Arising out of ITA No. 189/Mum/2020
Assessment year: 2010-11

Statutory Audit

Audits are generally done onsite. The audit team visits client premises, either get access to their ERP or asks for various data and reports, verifies source documents like accounting vouchers, agreements, etc.

From WFH perspective, let us look at clients based on the accounting system they use

Clients using Tally or similar desktop-based software

Generally, clients provide data backup to auditors who can then carry out ledger scrutiny and other audits from their laptops. However, for verifying source documents, a visit is generally required unless the client has digitized all paper records.

Clients using cloud-based software

New age cloud-based accounting software provides easy access to auditors. Several of these packages have features whereby source documents can be scanned and tagged to the accounting entry itself. Auditing such clients can become easy in WFH Model.

Clients using ERP

Large corporates using SAP or other ERP systems, generally provide limited time-restricted access to the auditor's laptop. The access is read-only and provides an easy way to carry out an audit. Most ERP store documents and agreements also within the ERP itself.

However, it is perceived to be not possible to do a 100% audit remotely. A visit to client premises may be required for a few audit processes like stock verification, fixed assets verification etc.

Whenever there is difficulty in physical verification visits, the auditors are becoming creative to structure the arrangements with nearby firms and use the "Expert Opinion" as permitted by the Standards on Auditing SA620 in India. Also, many are innovatively using video conferencing for viewing the sample inventory to be verified or even the physical vouchers to satisfy themselves about the correctness of the financial statements.

Internal Audit

Generally internal audit is perceived as something which has to be done at client location as it involves looking at accounting, inventory records, close and frequent interaction with the client team, and several physical inspections.

However, like statutory audit, several functions can be done remotely, hence suitable for WFH

- Accounting and inventory system, if online and access given to the auditor provided supporting documents are scanned and uploaded with each transaction. This however has a flip side, opening a document sometimes takes time and this limits the number of documents that can be verified on a given day.

- Interaction and discussion with client team and management can be done via video conferencing, which most people are now comfortable with.

Inventory physical verification or compliance with Factories Act regarding safety etc, will still require a visit to the location.

Certification and attestation

Attestation and certification work generally involves printing the same on a paper, putting a firm's stamp, and signing with a pen. However certain online statutory forms require digital signatures only i.e. MCA forms, income-tax efiling. Several firms use it for signing engagement letters and other professional reports for clients.

Recently ICAI has clarified that as per SA-700 digital signatures are valid for the purpose of attestation as well. It further clarified that all other requirements pre attestation and post attestation like collection and retention of documentation as prescribed and generation of UDIN continue to remain as it is.

It is seen that there is a habit of keeping these tokens at the office or with staff members. This will make digital signing difficult in work from home scenarios. For this purpose it is necessary that the authorized signatory must carry a DSC token with himself/herself.

CASE STUDIES

During our 39 calls with professionals we came across a few interesting cases, which are worth sharing in this book.

CA Shaliesh Narang | Mumbai | All set for WFH

CA Shailesh Narag practices in Bandra West area of Mumbai. He has 10 employees and does not have any article trainees. The firm handles accounting (for very few), income-tax, GST, MCA, and audit for their clients.

Prior to lockdown, the firm had a local server, 4 laptops, and 5 desktops. Everything was stored in a local server, which also had Tally, tax filing software. They use a cloud-based practice management software for a work assignment, tracking, and billing.

Lockdown made Shailesh start thinking about work from home. So he started searching for various options, talking to other CAs, and contacting several service providers. He was convinced that COVID-19 related interruptions are here to stay for over a year and WFH is the only alternative.

Most of the 10 staff members have to travel long distances and end up spending 3-4 hours every day commuting in cramped local trains and buses. This is the main reason he would like to continue with the WFH model even post COVID-19

So, this is his plan which he is implementing as soon as the lockdown is lifted

- Give existing laptops and buy new ones and give them to each of the employees

- Reimburse broadband monthly bill for each employee

- He has finalized a Virtual Private Server and will completely shift to it for desktop softwares and data storage

- He will maintain his existing office but will use it only sparingly for occasional client visit and staff visits

- Use daily video calls to plan work for the day.

He is very hopeful that with this model, he will be able to increase his practice substantially. But what makes him happier is that he will be able to give better work-life balance to his staff who will save 4 hours of commuting time. He has absolute trust in the commitment level of his staff, who will work with as much sincerity as earlier.

Khandhar Mehta & Shah | Ahmedabad | Seamless shift to WFH

KMS is one fine example where existing infrastructure, system and processes helped the firm to seamlessly shift to work from home from day one

The firm has an overall 110 professional staff and the remaining 15 Admin staff. As of now 90 of them are working from home without any issue. The following factors made it possible

- Each staff is given a laptop upon joining

- A robust IT infrastructure which includes 3 IBM servers, Firewall, Physical VPN, Leased 16 MBPS internet line, 2 NAS boxes, Cloud Storage

- Subscription to Microsoft 365, several other software for accounting, payroll management, fixed assets management and return filing. CCHiFirm Software for Practice management, Prowess software for Transfer Pricing.

- The firm had a ransomware attack during last Diwali break and their backup system was so strong that they ignored the threat and could make the server up and running during two days of Diwali holidays

Apart from tax, audit, and compliance work from Indian companies, the firm is doing a virtual CFO function for several clients abroad.

Each of 90 persons are able to work from home without any hiccups whatsoever. Their internal assessment shows that over a third of employees are working more than regular office hours (maybe due to locked down and nowhere to go), overall creativity and quality has gone up. However, few who are not self-starters need to be supervised by way of task management tools and regular follow-up

Current experience has made partners and managers of the firm think positively about continuing with this model partially in the future also. One immediate decision being considered is to convert working on Saturdays from home for each and every staff.

Savage and Palmer - an accounts & tax outsourcing startup that is seamlessly working from home during COVID-19

Rehan Netrawala and his team of 150 accountants have been working from home. They are all based in Mumbai but for 20% of their clients based outside Mumbai, they provide remote accounting services as well.

The main practice is the IT-enabled outsourced accounting and compliance for the clients. They have a very good client base of small and medium companies and funded startups, who want to shift the headache of their accounting, tax filing, and MIS to an external agency.

Their young and enthusiastic team is also working on an IT solution called Brego - a cloud-based MIS reporting tool that plugs into the most accepted accounting software Tally.

CFO Bridge - shifted it's office to a co-working space almost a year back called 91 SpringBoard

V Srinivasan is a CA with a very good industry experience at the CFO position with large companies. He started his own practice in the domain of virtual CFO service almost 5 years back with an office in Chembur.

The team of 35 reports to the client place for meetings and operates from home otherwise. Almost all meetings happen at the 91 Springboard shared conference room or at a coffee shop.

Their clientele and thereby the partner CFOs are Spread across Pune, Bangalore, Hyderabad, and Doha, Qatar.

ANNEXURE A: IT INFRASTRUCTURE

Item	Few Brands	Cost Range
Personal Laptop	HP, Lenovo, Dell, Acer	29,000 - 35,000
Business Laptops	HP, Lenovo, Dell, Acer	48,000 - 1,50,000
Server	Lenovo, Dell, HP	1,50,000 - 6,00,000
Firewall	Fortinet, Sophos, Cisco, Linksys	12,500 – 1,00,000
Open Source Firewall	Endian, pfSense	Technical setup + a basic CPU cost
VPN	Open VPN, Nord VPN, Private VPN	0 - 20,000
Remote Desktop	Microsoft Remote Desktop Radmin Remote Desktop	0 - 2,000/User
NAS	Synology, Windows Digital (WD)	20,000- 1,00,000
Cloud Storage	Google Drive, Amazon, Onedrive, DropBox	6,500 for 2 TB: Google Drive

ANNEXURE B: CLOUD STORAGE

Microsoft 365	Basic	Business	Enterprise
Costs	Rs. 125	Rs. 545	Rs. 660
Web & Mobile version Excel, Word, PowerPoint, OneNote, Outlook	Y	Y	Y
Desktop version & Syncing Excel, Word, Powerpoint, OneNote, Outlook, Publisher, Access	N	Y	Y
One Drive (1TB Space)	Y	Y	Y
Microsoft Teams for online meeting and chat up to 250 people	Y	N	Y
Exchange/ Email hosting with 50GB mailbox; your own custom domain, calendar syncing and sharing	Y	N	Y
Additional Tools	N	N	Y
*Price mentioned is per user per month with an annual commitment			

G Suite	Basic	Business	Enterprise
Price*	Rs. 125	Rs. 672	Rs. 1650
Web & Mobile version : Sheets, Docs, Slides, Forms, and Gmail	Y	Y	Y
Cloud Storage**	30 GB	Unlimited	Unlimited
Hangout/Meet No. of persons	100	150	250

*Price mentioned is per user per month with an annual commitment

**Restricted to 1 TB if 5 or less users

ANNEXURE C: SOFTWARE TOOLS

Team Communication	Tools for Virtual Meetings	Remote Access Tools	File-Sharing Tools
Flock	Go To Meeting	AnyDesk	Dropbox
Microsoft Teams	Google Meet	Cisco Webex	Google Drive
Slack	Skype	Team Viewer	One Drive
Yammer	Zoho Meetings	Zoho Assist	We Share
Zoho Cliq	Zoom		

Practice Management Tools	Project Management/ Task Management Tools	Surveillance Tools	Cloud-based Accounting Softwares
CA Dashboard	Click Up	ActivTrak	QuickBooks
CCHiFirm	Microsoft To Do	Panogard	XERO
Cordl	Trello	Team Logger	Zoho Books
Jamku	Zoho Projects	Workpuls	
My Task Co			
Papillio			

ANNEXURE D: ARE YOU READY FOR WFH?

Name of the Firm:			
Sr. No.	*Particulars*	*Examples**	*Yes/No/NA*
Infrastructure Readiness Checklist			
1	Laptops all team members		
2	Internet connectivity at home for all team members	Dongles/WiFi Connections	
3	NAS for Data Storage	My Cloud	
4	Data Storage and sharing tool	Google Drive/ OneDrive	
5	Connectivity of desktop software like Tally	VPN, Anydesk	
6	Practice Management software/tool	Papilio/Jamku	
7	Messaging tools	Slack/WhatsApp	
8	Video meetings tool	Zoom / Skype	
*Note - Refer to Annexure A/B/C for more examples.			
People management Readiness Checklist			
1	Reporting structure Finalisation		
2	Structure for assigning the work to team members		
3	Reporting format Finalisation		
4	Training for the usage of newly adapted hardware and softwares		
5	Identify timesheet and performance monitoring for the team members		
6	Finalization of daily/weekly video call schedule		
7	Check concerns of the team members, if any		

ANNEXURE E: SAMPLE OF APPROXIMATE INFRA COST

Giving two examples of the approximate costs involved in making a firm ready for work from home. All prices are taken from online eCommerce portals and may vary on day to day basis

Firm with 5 team members
This is an approximate cost for a firm having 5 team members. It assumes that Tally is installed on one laptop and others access it via Tally remote. Remaining desktop-based software is installed on individual laptops by buying multiple single-user licenses.

Firm with 5 team members	
HP Laptop Intel Core i3, 4 GM RAM, 1 TB HDD, Windows 10 Pro	Rs. 48,000 Capex
JioFi Router	Rs. 1,999 Capex
JioFi Plan 1.5 GB per day for 336 days	Rs. 2121
Gmail with free 15 GB Space	NIL
Desktop Based Software: Access via AnyDesk (or similar software) or Get multiple licenses of tax compliance software	Varies

Firm with 10 team members
This is an approximate cost for a firm having 10 team members. It assumes that Tally and other desktop softwares are installed on a Virtual Private Server and all team members are able to access it remotely.

Firm with 10 team members	
HP Laptop Intel Core i3, 4 GM RAM, 1 TB HDD, Windows 10 Pro	Rs. 48,000 Capex
JioFi Router	Rs. 1,999 Capex

Firm with 10 team members	
JioFi Plan 1.5 GB per day for 336 days	Rs. 2121
NAS Drive 4TB	Rs. 30,450 Capex
Virtual Private Server to access desktop-based software (5 User access at a time and 100GB Data)	Rs. 3450 per month
Microsoft Business Basic 365 for Microsoft Office + 1 TB space + Email	Rs. 125 per user per month