



# Maintaining and managing quality within Cloud Accounting

Victoria Peters



Take a minute  
to connect with  
your neighbour

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- This session is eligible for **1 hour of CPD**
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# Today's speaker



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# Agenda

## Some History

- Who I am to talk about quality
- Quality reviews not new – let's make them better

## Quality – It's a process

## Dig into the details

- The steps
- The impact
- Not just for the accounting professional

## The ultimate goal of the quality process

## Wrap it up and questions



**Quality is never an accident.  
It is always the result of intelligent effort.**

*-John Ruskin*



# Who am I to talk about quality?



Been there – Done that  
Up for the next challenge

I could start with a ‘back in the day story’ of a time when the General Ledger was an actual ledger book with pages of columns and rows that had to be reconciled manually. I took a lot of pride in those balanced pages.

My life experiences have allowed me to work and volunteer in industry, public practice and the NPO sector in Canada, the US and the UK.

I have had old school bosses, micro-managers, super chill partners. I have worked with entrepreneurs full of integrity and others not so much.

Altogether this background as fueled my passion for quality. I want my name to be associated with excellence and I want that for my team.



# The quality review – Not new, let's make it better

Quality reviews have been around forever, but even at firms with amazing culture there was a negative vibe.



## The system?

- Late in the project
  - At year end, tight deadlines
- Disorganized
  - Notes in margins
  - Limited follow-up
- Inconsistent
  - Varied with partner
  - Varied with client/industry



# Quality - It starts with processes

Take ownership of the quality of cloud accounting.

- Develop process that lead to
  - Trusting the outputs.

Quality processes should enhance culture, empower staff AND produce a quality product

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  - Celebrating successes.

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  - Learning from missteps.

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# Quality - It starts with processes

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- Develop process that lead to
  - Trusting the outputs.
  - Celebrating successes.
  - Learning from missteps.
  - Empowering your team.

Quality processes should enhance culture, empower staff AND produce a quality product

# Develop a foundation of processes

Systems, processes, and procedures are all part of the foundation needed to maintain and manage quality in the cloud accounting environment.

Communication tools, a strong project management system and accessible, efficient document storage are crucial alongside a solid quality process.

- Karbon, Google Drive and QBO overview and attachments are tools we use at Envolt.
- We maintain a core APP Stack to supplement this.
- We train, stay on top of advancements and measure the effectiveness of these tools.

All processes should enhance culture, empower staff AND produce a quality product

# A couple of other thoughts before we dig in

AI and Machine learning are taking over the data entry of day to day accounting, perfect.

***Trust but verify.***

The path from data entry through to the end user needs to be verified, assessing the quality of the information must be done.

Have you ever let WebMD diagnose your symptoms?

Quality processes should enhance culture, empower staff AND produce a quality product







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# The quality checklist

The quality review process is a pillar of our practice – the QC for short

## Self Review

- Get out of the weeds and look at the big picture.
- See what the end users see.
- We use a 'directed review'.
- When done consistently the file is consistently 'clean'.

EVERY client, EVERY cycle, EVERY industry

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## Team Lead Review

- A second set of eyes.
- An opportunity for training.
- For positive feedback

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- For positive feedback

## Respond to the Review

- Communication.
- Acknowledgement of corrections.
- Further explanation.

EVERY client, EVERY cycle, EVERY industry



Maintaining and managing quality  
within Cloud Accounting  
Who is here?

OWN  
THE  
FUTURE



# QC – The self review

When we use cloud accounting at it's fullest it's easy to forget to look at the big picture.

This is a 'directed' review

- Organized by
  - Balance Sheet
  - Profit & Loss
  - CRA
  - Internal processes



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- List of questions, designed to be answered with a Yes



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- If the answer is No there is room for an explanation



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  - Balance Sheet
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  - CRA
  - Internal processes
- List of questions, designed to be answered with a Yes
- If the answer is No there is room for an explanation
- Examples of questions
  - Does the reconciliation match the balance sheet?
  - Are the account balances showing appropriate DR/CR?
  - Is the AR current? Is the AP current?



# Avoid the S.O.S. at year end

Common problem accounts that can and should be dealt with every accounting cycle.

## Shareholder

- Does the shareholder even know?
- Personal debit/credit cards used for business.
- Business accounts used for personal purchases.
- Home office?
- HST considerations.
- Timely review.

If we ask the right people, at the right time, we are more likely to get the right answers

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## Outstanding

- How old is too old?
- Prepaid & Accruals (I know they do not fit the acronym).
- Timely questions – before the details disappear.

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# Avoid the S.O.S. at year end

Common problem that can and should deal with every accounting cycle.

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## Outstanding

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## Suspense

- AKA Uncategorized.
- AKA Miscellaneous.
- AKA 'Ask My Accountant'.
- Ask the right people, right away.
- Google = Best friend
- Clear before closing the period.

If we ask the right people, at the right time, we are more likely to get the right answers

# Avoid the S.O.S. at year end

Common problem that can and should deal with every accounting cycle.

## Supporting Docs

- An alternative “S”.
- Memory cannot be trusted.
- Attach documents to transactions, journal entries reconciliation reports.
- Completed T2 – why not?
- Spreadsheets, contracts, agreements.
- Upload QC to Shared Docs.



EVERY client, EVERY cycle, EVERY industry

# Month end is the 'new' year end

- Cloud accounting is real time, we cannot afford to 'leave it to the year end'.
- Accounting is story telling, telling the story of the business at a financial level.
- You cannot skip a paragraph from chapter 2 and just add it to the last page and have told a good story.

Quality processes help us ensure the story is complete, on track and of value to the reader

# Last word on the self review

Quality process = Employee Success    Quality process = Business success



- Catch problems before they are problems.
- Team members buy in to the cloud applications
- Produce timely, accurate reporting.
- Rock Star Status

# Continuing the process

## Team lead review

- Second tab on a single document QC
- Divided into same sections as Self Review
- Questions to be answered with room for comments
  - Opportunities for training, empower, encouraging
  - Encourage continuity in the Accounting Story

Quality = Employee Success

# Continuing the process

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- Divided into same sections as Self Review
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  - Opportunities for training
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## Respond to the review

- Acknowledge resolutions
  - Correction have been made
  - Further explanation offered
- May indicate a second review needed

Quality = Employee Success



# Quality is a process



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EVERY client, EVERY cycle, EVERY industry

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EVERY client, EVERY cycle, EVERY industry

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- This is WHY the file is clean month after month.
- This is WHY the year end process is so smooth.

EVERY client, EVERY cycle, EVERY industry

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- When a file is consistently clean it can be hard to see the value of repeating the process.
- This is WHY the file is clean month after month.
- This is WHY the year end process is so smooth.
- The work is being done with the QC in mind.

Quality = Employee Success

# QC – It's about communication

The quality review process is part of the story the accounting is telling

- Prior QC is reviewed as part the Self and Team Lead Review steps.
  - Notes are carried forward.
  - The how and why of the accounting does not get lost
  - Reduce redundant research.
- Results need to be available to the team.
  - Our QC is on a shared Google Drive.
  - Checklist APPS did not cut it.
- Can be used for staff training and/or transition.



# Quality processes

## Not just for the Accounting Professional

### Business Owners

- Internal team, individual, out sourced accounting, what ever your situation I encourage you to develop a quality review process.
  - Do you trust the story? Can you verify the numbers?
  - Let's be real – you have an idea of what the numbers should say – are you correct?
- Develop questions to ask when you receive reports.
  - If you cannot answer those questions easily, go back to your accounting team
  - Make those questions available to the team.

It's your story – you should always understand it and trust it to be true

# Quality processes

## Not just for the Accounting Professional

### Business Owners

- What kind of questions should you ask?
  - Does the value of assets on the Balance Sheet reflect what is owned by the business?
  - Does the amount showing as AP reflect what was owed to suppliers on that day?
  - Are all of my monthly expenses represented on the Profit & Loss?
  - Did I receive or can I confidently access the reports in time to make decisions?
  - Do I understand the reports I am looking at?

It's your story – you should always understand it and trust it to be true

# The ultimate goal of the quality process

To produce trustworthy, useful reporting.



Oh, but there's more

- Train team at all levels.
- Empower team members
  - Build confidence.
  - Review colleagues.
  - Offer feedback.
- Always improving
  - Critical review of process.
- KPIs



# The extras from the quality process

Train Team at ALL levels – Keeping it Positive!

- Comments posed as questions for further clarification
- Include possible resolutions or reasons the led to the issues
- Include reminders for follow-up

This approach is encouraging, the vibe is positive and the impact profound

We use the Quality Process to empower our team.

This is a dynamic process – we are always working on it, improving it.

The approach is encouraging, the vibe is positive and the impact is profound

# The quality process as a KPI?

How do we measure individual and team success from a list of questions?

Currently this is largely subjective

- What type of errors are being made? Are they recurring errors?
- Do the responses to the review indicate an understanding of the issue?

There are some numbers that are measurable

- How many QCs are being done vs. # of files completed?
- What is the turn around time - #days between Self Review and Team Lead?

Put the quality review process to work for your team

# Quality is never an accident

- Maintaining and managing quality has to be intentional.
- Technology and innovation is available to do the 'grunt' work.
- The accounting team and business owners are free to focus on quality.
- Business owners – knowing your numbers leads to success for your business AND
  - Work life balance
  - Engaged staff
  - Timely reporting

Quality processes DO enhance culture, empower staff AND produce a quality product

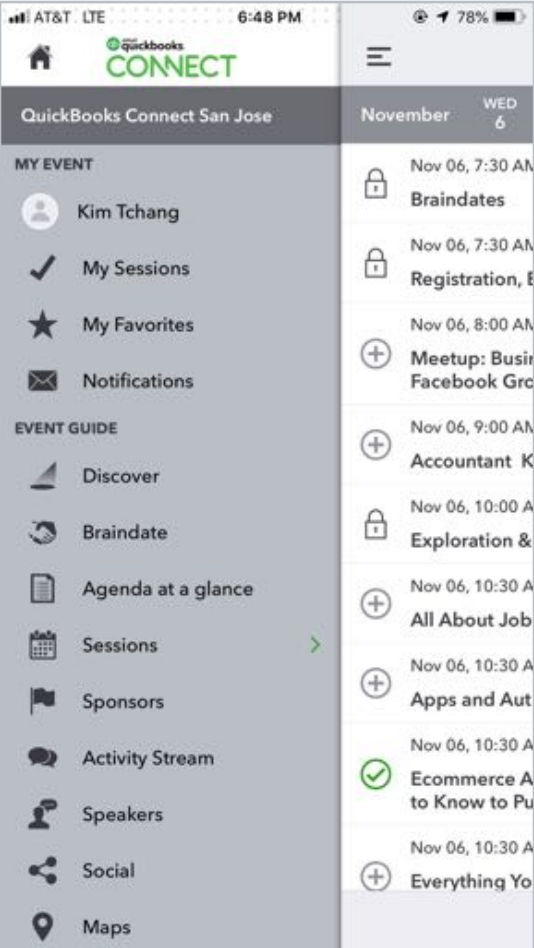


# Questions?

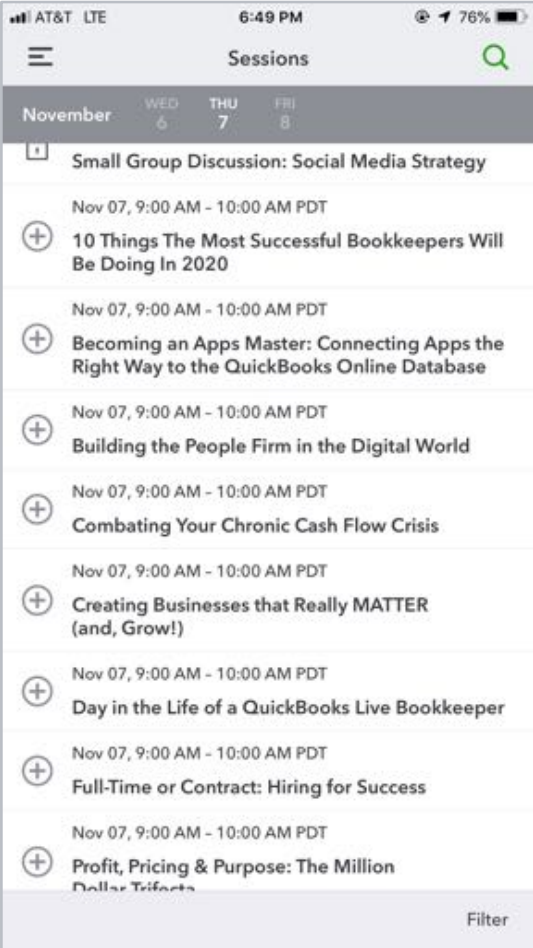
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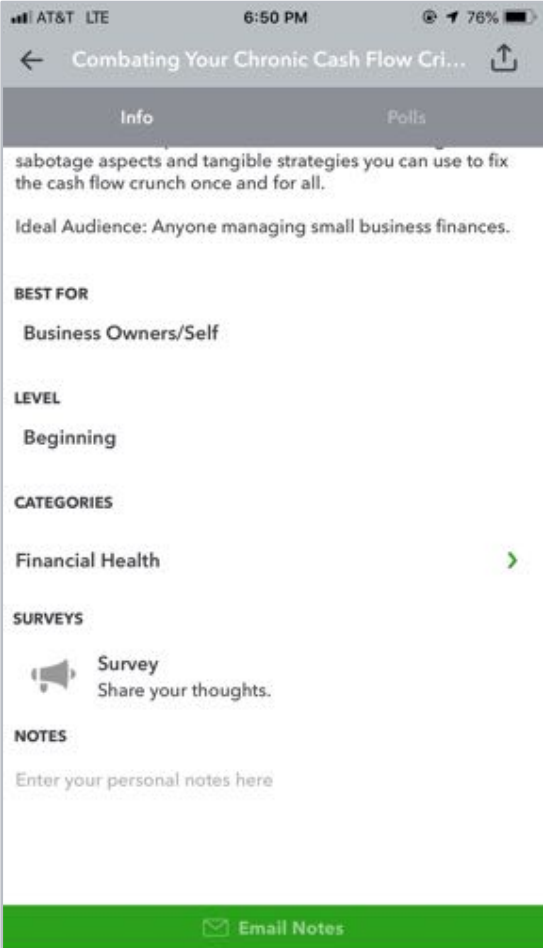
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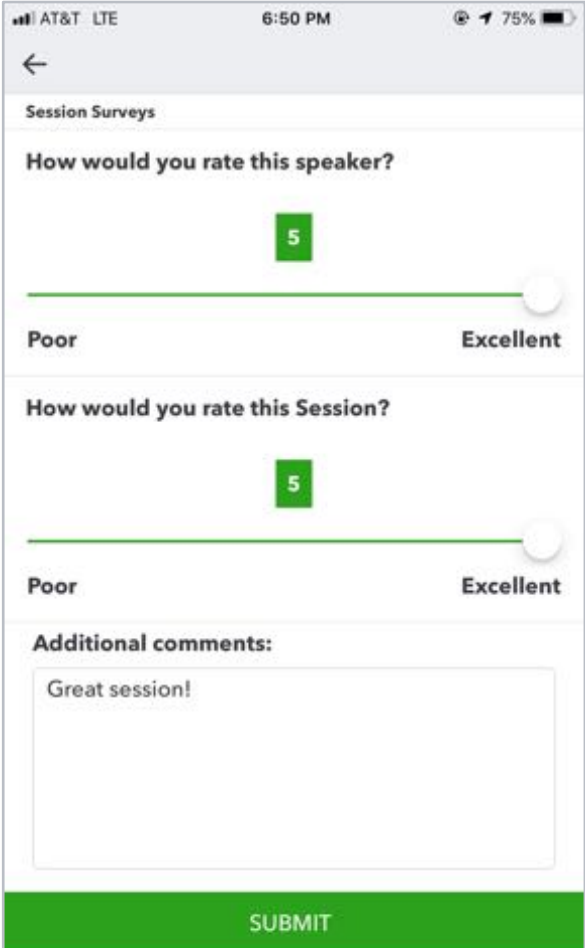
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# Material Download

1. Find the session on the agenda
2. Select + for more information
3. Download PDF of slides and/or supplemental material

<https://can.quickbooksconnect.com/agenda/>

The screenshot shows the QuickBooks CONNECT agenda page for December 10. The page has a green header with the QuickBooks logo and navigation links: Why Attend, Agenda (selected), Speakers, Pricing, Sponsors, Travel, and FAQ. Below the header, there are tabs for December 9 (Accountant Day), December 10 (selected), and December 11. A 'Print Agenda' link is in the top right. A paragraph describes breakout sessions. A search bar labeled 'Search for sessions' is present. Below it are filter buttons: Organizational Culture, Life & Business Skills, Technology Training, Business Growth, Advisory, and Financial Health, with an 'Expand all +' link. The agenda list shows sessions from 7:30-9:00 am to 11:00 am-12:00 pm. The 'Breakout Sessions' section is expanded, showing details for 'Creating Your Small Business Culture', including a description, ideal audience, best for, speakers, location, track, CPD hours, and level. Other sessions listed are 'Understanding Personalities for Better Communication' and 'How to Use QuickBooks for Your Small Business: Introduction'.

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Why Attend Agenda Speakers Pricing Sponsors Travel FAQ

December 9  
Accountant Day

December 10

December 11

Print Agenda

Attend breakout sessions to learn strategies to grow your business, how to hire and build an ideal culture, tips to improve your financial health and more. Connect with peers and experts for one-on-one learning. More information coming soon.

Search for sessions

Filters: Organizational Culture Life & Business Skills Technology Training Business Growth Advisory Financial Health Expand all +

7:30-9:00 am Registration, Breakfast & Exploration +

8:00-8:45 am Meetup: New to Networking +

9:00-10:00 am Morning Keynote +

10:00-11:00 am Exploration & Connection +

10:15-11:00 am Meetup: Women in the Workforce +

11:00 am-12:00 pm

**Breakout Sessions**

**Creating Your Small Business Culture**

Many solopreneurs and small business owners feel like they don't have time to work on their company culture (or that they even should). Instead, they spend most of their days working in their business rather than "on" their business. In this session, you will receive tips on how to reduce stress, improve productivity, and improve your personal fulfillment all through the nurturing of your crew, your clients, your fans, AND yourself!

Ideal Audience: Business owners looking to enhance their culture.

Best For: Business Owners/Self-Employed

Speakers: Tamia Madenitz

Location: Room 201 CDEF

Track: Organizational Culture

CPD Hours: 1

Level: Introduction

Understanding Personalities for Better Communication +

How to Use QuickBooks for Your Small Business: Introduction +



OWN  
THE  
FUTURE

# Additional Content

## REASONABILITY TESTS BY FINANCIAL STATEMENT

### **BALANCE SHEET**

#### **Assets**

##### **⌚ Cash on hand/Petty Cash**

- Accounts reported in usual debit balance
- Physical count agrees to amount posted to general ledger
- General ledger agrees to manual tracking

##### **⌚ Bank**

- Outstanding cheques less the 6 months old
- Outstanding deposits less than 2 months old
- 'Debit card' transactions all cleared with possible exception of final few days of the month

##### **⌚ Undeposited Funds**

- Proof of deposit in the few days following the end of the bookkeeping cycle
- Equals actual deposit prepared but not yet taken to bank

##### **⌚ Accounts Receivable**

- Days sale in AR reasonable for company
- Ratio of current/30/60/90+ days acceptable
- Confirm credit balances are true and accurate
- Rounding errors or small short/over payments cleared if appropriate
- Review 90+ for expectation of collection

##### **⌚ Prepaid Expenses**

- Being tracked according to company policy (adjusted monthly or at year end) possible opportunity for memorized transaction but ensure memorized transaction does not cause account to go to negative balance
- Review insurance, membership, subscription and/or contract payments for possible adjustment to prepaid

##### **⌚ Security Deposits**

- Ensure still valid, have any portion of the deposits been applied (rent, utilities)



# Additional Content

## REASONABILITY TESTS BY FINANCIAL STATEMENT

### BALANCE SHEET

- **Fixed Assets**
  - Entries meet the prescribed attributes of a capital addition
  - Copies of invoices are available for year end reporting
  - Disposals have been properly removed from the books, including accumulated amortization
  - Documentation of the purchase/ sale is complete and accurately posted
- **Liabilities**
  - **Accounts Payable**
    - Aging acceptable according to company policy
    - Confirm credits are valid and will be applied
    - Agree to vendor statements
  - **Accrued Liabilities**
    - Clear accrued amounts from prior period if applicable
    - Confirm validity of amount (should always be a credit balance)
  - **Customer Deposits**
    - Confirm validity of amount
    - Reconcile to procedures used to track when moved to revenue or returned
  - **Credit Cards**
    - Reconciled
    - Outstanding item reasonable and clear on next statement
  - **Due to/from shareholder(s)**
    - Should be in a credit balance
    - Approval by shareholder(s) on file
      - If a debit balance document plan to rectify before tax implications

# Additional Content

## REASONABILITY TESTS BY FINANCIAL STATEMENT

### BALANCE SHEET



#### Liabilities

- **Due to/from Intercompany**
  - Agree to related company
- **Payroll Liabilities**
  - Agrees to next filing of PD7A
  - If vacation pay is included a continuity schedule should be prepared
- **GST/HST Payable**
  - Agree to file(d) return
- **Corp Tax Payable**
  - Agrees to CRA statement
- **Long Term Liabilities**
  - Interest and principle recorded separately
  - Agree to statement if available
  - Agree to amortization schedule



#### Equity

- **Dividends Paid**
  - If applicable know who is to prep T5
- **Opening Balance**
  - No changes from YE

\*\* Do the year end financial statements match the financial statements filed by the accountant? This should be confirmed approximately 6 months after fiscal year end.

# Additional Content

## REASONABILITY TESTS BY FINANCIAL STATEMENT

### **PROFIT & LOSS STATEMENT**

#### **Revenue**

- ⌚ Different revenue streams clearly defined
- ⌚ Posting is done in a consistent manner
- ⌚ Ratio between revenue streams is as expected

#### **Cost of Goods Sold**

- ⌚ All appropriate accounts included
- ⌚ Gross Profit appears reasonable

#### **Remaining Expenses**

- ⌚ Consistently posted
- ⌚ Appropriate number of postings of monthly expenses
- ⌚ Suspense account cleared
- ⌚ No items that should possibly be capitalized

#### **Other Income/Expenses**

- ⌚ Clearly identified