

Accountant too deserves vacation 1/22/21



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The summer is rolling on and has all companies thinking about vacations and staff replacements. Accounting is one of the departments expected to promptly handle various enquiries and confirmations to ensure business continuity. Everyone who works in the accounting field is aware of situations where an accountant cannot take a vacation during the monthly closing, when filing reports, and during the payroll calculation. When is the accountant supposed to go on vacation? This article explores possible solutions.

Solutions

A fast temporary solution is to review your processes and replace the critical ones. First off, this would mean analysing the accounting function to identify processes it is involved in. After completing this analysis, the next necessary step would be to find out which of those process steps are critical to your business and which can wait a little. Depending on this split, we should then decide which colleague, possibly outside the accounts department, could be temporarily entrusted with the critical business activities, while those that can wait would be left piling up and waiting for the accountant to come back from vacation. Unfortunately, this is unlikely to cover the payroll calculation and the related process because that is sensitive information and only a limited number of people have access to the payroll data.

Another solution is to automate the accounting process as far as possible. This might take longer to implement but would partly solve this problem forever. In this case, too, we need to identify each activity and check whether that process step could be automated or digitised, or whether the process could be modified to remove some of the steps altogether. Examples include automation of outgoing invoices, digitisation and automatic posting of incoming invoices, and automated electronic creation of internal orders and statements. After implementing a fully automated accounting process, we should no longer worry about daily pieces of work but would still have to take care of some less regular yet important things that cannot wait until the accountant returns from vacation.

A third solution - outsourcing the accounting function - would help fully solve the replacement problem. It usually takes time to describe the existing process and begin collaboration, but the staff replacement risk or the problem with accommodating a variable workload is fully shifted to the service provider. This model works particularly well in a payroll calculation process where the company is unable to give multiple employees access to its payroll data.

The summary below shows that each of the models has its advantages and disadvantages:

	Critical process replacement	Process automation	Outsourcing
Upside	Critical business processes are identified. The replacement problem is temporarily solved. Fast implementation with no special extra cost	A long-term solution Daily work becomes more efficient and modern.	The replacement risk is fully mitigated. This solves the problem with access to the sensitive payroll data. A relatively fast solution that pays its way in a short time

Downside

The colleague, who in addition to their own work takes on critical business processes, might lack the competence. Back from vacation, the accountant will face a backlog of daily work.

The investment would break even over a longer period, while minimising the accountant workload and paper consumption.

This requires changing and adapting internal processes. The cost may seem higher than the accountant's salary but it will not exceed the company's total spending on the employee.

Our ability to manage accountant replacements and take care of staff well-being sometimes depends on the size of our industry and of our team. Also, each company should evaluate this investment in terms of time and money to be used for improving the overall processes. If you are prepared to evaluate your situation or to start putting changes in place, we would be happy to help your company operate more efficiently by streamlining your internal processes, as well as evaluating processes critical for your business continuity to support your transition towards automation and outsourcing that is appropriate for your situation.

Here you will find a brief overview of how to evaluate the possibility of outsourcing your payroll function to an external accountant.