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## North America Networking

Larry King, North American Regional Chairman

The North American Regional Conference was held in Tampa, Florida from 2-4 November 2006. The conference was well-attended and included a program filled with renowned speakers from inside as well as outside of the Polaris organization. The two keynote speakers were Gary Boomer, speaking on "Strategic Planning – Developing the One-Page Plan" and "Technology Update and Risk Management" and Gale Crosley who presented on "Keeping Your Niches Out of the Ditches". Attendees also participated in practice roundtable discussions on current tax and audit practice matters and firm leadership; including a breakout session for tax professional and one for audit/SOX. In addition to the educational program members had plenty of opportunity to network while enjoying the wonderful city of Tampa. The group had a chance to visit the offices of ValienteHernandez PA, tour downtown Tampa from the bay, and receive a bit of Spanish flavor at the Columbia Restaurant. With 65 delegates, spouses and guests, the meeting was a great success. All participants returned with special practice "nuggets" as well as the cross-marketing relationships that they established with peers of other member firms.

Every PI North American Region firm prepays the Regional Conference registration fee for one professional to attend all business and social events, and other firm professionals are encouraged to attend. For example, the PI member firm, Rowbotham and Company (San Francisco) held their partner retreat following the conference with all partners attending.

2007's North American Regional Conference will be held in Puerto Rico November 15 -17 with another great educational program and exciting so-

cial events. Encourage your partners to join us at this conference; spouses and guests are also invited to attend. Also, this year the North American Managing Partner Retreat will once again be held in August at a Chicago O'Hare Airport Hotel. Firm



Members enjoyed a variety of speakers in Tampa

leaders will roll up their sleeves for this one-day meeting and candidly share practice management and business development matters that produce a valuable list of "best practices" to implement in their firms. The firm Practice Management Financial Statistics Survey will be produced by firms again this year to facilitate discussion at the Retreat. Every North American Region firm should be represented.

Continued on page 6

# One on One Member News

## **Totalserve sets up office in Johannesburg**

*Polaris member, P.G. Economides & Co Limited, announces the opening of the Johannesburg office of its associated tax and corporate services company, Totalserve Management Ltd.*

Located in the heart of the Sandton Business district, the office was officially launched in the second half of 2006 and represents the company's ninth fully-fledged office in three continents, further advancing its position as an international force in tax, corporate, trust and shipping services.

Addressing a considerable number of professionals and clients who attended the opening at the Michelangelo Hotel in Johannesburg, Totalserve Chairman, Peter G. Economides, pointed out that "the Johannesburg office has been established with a mission to provide personalized corporate, trust and tax services to foreign and local companies as well as high net worth individuals throughout South Africa."



Totalserve Chairman, Peter G. Economides, addresses the opening of the group's new office in Johannesburg.

Economides added that the new office represented another of a series of steps aimed at further expanding the company's worldwide operations. At present, the company also maintains offices in London, Moscow, Warsaw, Bucharest, Athens, Thessaloniki and the British Virgin Islands. Totalserve is headquartered in Cyprus and first started its operations in 1972 from a small office in the West End of London.

"South Africa is a growing, very lucrative market and as such it presents tremendous opportunities to foreign service providers," Peter G. Economides said.



The official opening of Totalserve's new office in Johannesburg.

"We have been coming to South Africa for the last 12 years, so establishing an office here made perfect sense," he added.

The Johannesburg office is headed by South Africa-born Cypriot, Nick Liassou, flanked by resident Chief Representative, Maria-Anna Deroukakis. They can be reached at either [johannesburg@totalservecy.com](mailto:johannesburg@totalservecy.com) or +27 11 883 0431. Also, at [www.totalservecy.com](http://www.totalservecy.com).

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**Our members are independent. . . and United.**

UPDATE Editor: Julio Gabay.

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# Preparing for a Paperless Tax Season

By Kenneth McCall

As tax season approaches many firms are still discussing “paperless” strategies to streamline their workflows and take advantage of new advances in digital storage and process improvement. If your firm is one of these, perhaps a systematic approach might be helpful.

**The Outputs:** If one looks at tax processing from a systems viewpoint, there are really three outputs to the system: 1) Something to send to various government entities, 2) Something for your own files, and 3) Something for your client. There are ways to approach each of these that drive much of the paper out of the process.

**The Government:** Most types of returns in most tax jurisdictions can be filed electronically. In fact, the IRS and many of its state counterparts actively encourage e-filing. Taking advantage of this electronic delivery process can save significant time and money for firms. Consider the costs of printing, assembling, preparing for mailing, postage and special handling costs, and other direct costs of mailing paper returns, and it's easy to see why more and more firms are aggressively pursuing the benefits of e-filing. True, it takes some processes adjustments, and some clients will continue to resist for assorted reasons, but the more use a firm can make of electronic filing, the faster, easier, and cheaper delivery to the government will be.

**Your Files:** In the old days a printed copy of your complete accountant's copy of the tax return, along with all work papers, copies of the client's source documents, notes and other information went into the paper file in your file room. Today, for many firms, that paper file repository has been replaced by its digital equivalent. Some firms are simply using shared network drives and filing digital images of the documents into a folder structure, which largely mirrors the layout of the paper files. Others have adopted a true document management system which allows for faster search, easier retrieval, and more flexible storage. All major tax preparation software applications allow the direct printing of returns to PDF file format, and several vendors provide means of scanning source documents into bookmarked and indexed PDFs. These two files then constitute the primary document storage for your tax return.

**Your Client:** The third output of the system, the copy you provide for your client, is often the most paper intensive component. The traditional client delivery model consists of a full printed paper copy of the tax return usually assembled in a fancy binder. These materials, coupled with the time required for assembly, can add up to thousands of dollars over the course of a tax season. Is there a better way? A growing number of firms would answer “Yes, there is!” Some of these firms burn PDF copies of the tax return and supporting documents to a CD. We know at least one firm that uses a small “autorun” HTML file on a CD that presents a marketing message to the client who receives it. Upon insertion into the computer, the CD presents a picture of the firm's office and an audio message from the managing partner. It then presents two links with instructions to “click here” for the client's copy of the tax return or the supporting documents. The other option for paperless delivery makes use of a client portal, a secure page on the firm's website or a third party site, which allows the client to log in and find his or her tax return. These can be downloaded, printed, emailed, or otherwise handled as the client desires.

These client portals are an underutilized and often underappreciated key to better client service and to reinforcing relationships with clients. One of the important benefits of a web portal is its security model. Many firms face problems with sending and receiving large files to and from clients, and unless specific steps are taken to secure them these attachments travel the Internet un-securely and open to interception. A client portal provides the same Secure Socket Layer (SSL) security that commercial

websites use to protect credit card transactions, and can easily handle the upload and download of large files. Thus they can provide an attractive solution to both of the email issues addressed above. Once you publish a document to your client portal, you can send a simple email with a link included instructing your client to click the link, log into the portal, and retrieve his or her documents. It's quick, it's easy, and it's secure.

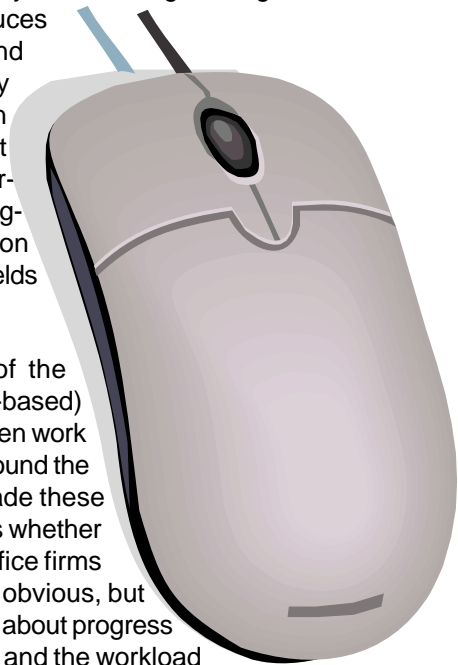
**Process Improvements:** The benefits of "going paperless" in your tax department don't end with the filing and delivery of finished products. In fact, the most significant benefits begin at the other end of the process chain.

**Scanning:** Several tax preparation software vendors, and some document management software vendors as well, have developed products designed to simplify the scanning and organization of client source documents. The use of these products greatly reduces the time spent by professional staff organizing, sorting, and indexing the paper documents submitted by your clients. By use of bar coded separator pages, a stack of documents can be scanned with minimal preparation, routed to the correct client electronic file, and arrive there sorted, indexed and organized by document type. A few of these products are emerging with the next logical step of reading data from fields on these forms and transferring the values into the proper input fields of the tax return.

**Workflow Control:** One of the strategic byproducts of the outsourcing movement has been the creation of online (web-based) workflow control models. These are obviously necessary when work is being shared among accounting professionals half-way around the world. The best news is, the outsourcing vendors have made these workflow control tools available for licensing and use by firms whether they outsource any tax work or not. The benefits to multi-office firms that wish to "load balance" work between offices should be obvious, but even single office firms can gain instant access to knowledge about progress of work through the office, the status of any given tax return, and the workload assigned to a particular tax preparer or reviewer.

The combined effects of these improved scanning products and real-time workflow control mean that firms should move toward scanning "up-front" and process their returns in all-electronic fashion, rather than continuing to work in a paper-based mode and simply scan at the end for archival purposes. Dual computer monitors have become a mainstream feature in firms, and the aggressive firms are moving beyond two monitors to three or sometimes more!

**Process Review:** One sure path to frustration is trying to overlay some of these new tools on old processes. Now is the time to review the way you do your work, the way you pass jobs around your office, and how and by whom work is done. You may find that some of your time-honored processes no longer make sense when combined with the tools available today. One proven way to analyze your processes is to draw them out. Use Microsoft Visio or some similar flowchart drawing program and document your process steps in the sequence they occur. This effort can be aggravating because of its level of detail, and is best performed by a team or task force of knowledgeable people. But once you have thoroughly captured and displayed your existing process, you can then begin to look at the steps and ask "Why?" Look for loops, dead ends, and redundant activities. If you find that you can delete some steps, modify others, and perhaps add some new ones, then draw a new diagram that captures what the new process should look like and use that for the basis of training your staff and partners.



**Steps to take now:** There are more tools available today than ever before to take your firm towards paperless tax preparation. From automated and intelligent scanning of documents as they arrive, to controlling work as it flows through the office to the delivery and archiving of the system outputs, the tax preparation process is ripe for automation.

The key to making the transition is to understand how your work is being done today (document the process), analyze it for potential improvements using the tools described, and revise the process accordingly. Then, document the new process, train your staff, and enforce the new standards.



Form a task force of knowledgeable Partners, Managers, Tax Staff and Administrative Staff. Have them conduct the analysis described above. If new software tools are part of your plan make the selection now and get them in place by the end of the year. Paperless tax processing is here today in firms all over the country. Decide now to join them!

This Article was provided by Boomer Consulting, Inc. and written by Ken McCall. Ken's Bio is available online at <http://new.boomer.com/new/bios/KM%20Short%20Bio%202005.doc>

## Regional Updates

### Asia/Pacific

Delores Teh

### Regional Chairwoman

The Asia/Pacific region continues to work on one of their many goals, to increase membership in countries where representation is needed. A number of inquiries have been received for membership information within the last few months. Two applications have been received for membership. One application is from a firm in Shanghai, China and another application is from a firm in Bangalore, India. Recently a prospect firm in Osaka, Japan was visited. This firm was recommended by our member firm The Fuji Accounting Office; we have invited the firm to apply for membership. The region looks forward to another year of networking, new prospects, and the annual meeting in Bangkok, Thailand.

### EMEA

Wolfgang Hohl

### Regional Chairman

After the European Conference in Duesseldorf September 2006 the European Region focused on setting up and expanding a functioning EMEA office infrastructure in Cologne, Germany.

In coordination with the Miami office, the EMEA office will have its internal focus on forming a well coordinated working team, organizing, supporting and extending joint business development activities of member firms (E.G. Triangle, Belgium, Germany, Netherlands/ Cross-Boarder Activities). The office will also be in charge of visiting current member firms and prospective member firms, asking for action proposals, recommendations and complaints, checking member firm quality and coordinating existing EMEA work groups.

The external focus will be on increasing EMEA memberships in locations where we are not represented or underrepresented. We are currently in discussion with more than 10 firms requesting membership in Polaris International, and we are sure that within the next year we will increase membership in the EMEA region and improve representation in other countries. We would like to encourage everyone to assist the EMEA Regional Office in finding new members. For the organization itself the most important criteria for existing members should be international orientation.

During the European Conference in Duesseldorf, the Spanish firm Confeauditores introduced itself and after being visited by Hans Odjik at their firm, Confeauditores has become a member of Polaris International. The company has branch offices in many other important locations throughout Spain and has connections to South American countries, especially Mexico. Most of their work is in the consulting business, but Confeauditores is very inter-

nationally oriented. Two other firms in Germany are members now and a third prospect near Stuttgart is willing to join Polaris within the coming weeks. The development of the number and quality of Polaris members is followed up by increasing the activities of business development, setting up and expanding partnerships of external networks with banks, private equity companies, etc., creating a new Polaris internet website, reorganization of the Polaris Peer review system and establishing the Polaris trademark as a quality mark.

You can reach the EMEA Regional Office represented by CEO Norbert Schmitz and his secretary Ms. Marion Herzog (English, French and Spanish) at:

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EMEA Regional Office:  
Offenbachstraße 66  
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norbert.schmitz@polaris.de  
marion.herzog@polaris.de

We wish you a successful year 2007!

## Latin America

### Jorge Echevarria

### Regional Chairman

The regional meeting in Rio de Janeiro, Brazil was a great success. After the meeting the region understood the need to develop several committees for various projects that LA will undergo in the New Year. Plans to develop a new Spanish brochure are underway. A committee has been formed to communicate with the region about organizing CVs and resumes for joint proposals and Business Development. Also, the Peer Review committee is continuing their efforts to move the process forward by having each member firm conduct a self evaluation using a self review checklist. For 2007 the Latin American regional meeting will be held in Miami, Florida.

## North America

### Larry King

### Regional Chairman

cont'd from page 1

The North American Special Practice Committees have been reorganized and expanded to include more PI firm professionals. The following committees have been established:

Audit/SOX  
International Tax  
Domestic Tax (SALT & other tax professionals)  
Marketing/Business Development  
Administrators/HR

These groups are holding periodic conference calls for sharing best practices and developing & identifying resources within the PI network. To find out more about the Special Practice Groups please contact [ric@accountants.org](mailto:ric@accountants.org)

Developing and participating in business opportunities and sharing technical information continue to be the outstanding advantages of PI membership. PI program objectives are aimed at providing benefits directly to as many professionals as possible, globally as well as within the North American Region.

## Oceania

### Denis Jarrott

### Regional Chairman

Since establishing Oceania last year we have been diligently seeking new members to join. Advertisements placed in Charter Magazine (Australia) and in New Zealand have resulted in a few enquiries which are still in the process of being followed up.

Registration forms are now available for our first Regional Meeting which will be held at the Sydney Harbour Marriott Hotel, Circular Quay, Sydney from 23-25 March 2007. If you have not registered for the regional meeting, we encourage you to do so. A three day educational program has been scheduled with plenty of time to network and strengthen business relationships.

# Member Profile

## Lo Hock Ling & Co.

Lo Hock Ling & Co. is a leading public accounting and consulting firm in Singapore, with 5 partners, 2 directors and over 90 staff, and was established in 1983.

Lo Hock Ling & Co. offers a full range of services to meet the needs of both individuals and corporations.

### **Audit Services**

Statutory audit of financial statements  
Compilation of financial statements  
Special audits due diligence investigations  
Special reports on agreed upon procedures  
Review of accounting and internal control systems

### **Tax Services**

Advising and preparing clients for tax audit and investigation  
Tax compliance work for corporations, individuals and partnerships  
Integrated tax planning for business entities and their owners  
Assistance with tax incentives schemes  
Goods and services tax advisory services

### **International Tax Planning**

Business information and structure in foreign countries  
Foreign taxation consulting

### **Estate Duties**

Estate duty planning and consulting  
Estate duty advisory services and administration

### **Management Consultancy Services**

1. Financial Management
  - Financial management and control advisory services
  - Forecasting and budgeting
  - Accounting and management information system consultancy
2. Accounting Services
  - Outsourced computerized accounting services
  - Compilation and analysis of financial information
  - Preparation of GST returns
  - Non-audit Financial Reporting Service

### 3. Business Advisory

- Feasibility studies and investment appraisals.
- Corporate reconstruction
- Preparation of financial reports and proposals for grants and subsidies
- Private Exempt Companies business advisory services
- Advise and assist clients to prepare for public listing
- Mergers and acquisitions
- Valuation of businesses

### 4. Family Business Consultancy

- Succession planning
- Corporate restructuring advisory services
- Solving the problems and identifying the needs of family-owned businesses

### **Information Technology Consulting**

Accounting solutions and software supply  
Implementation and training services  
Customization of specifications and reports IT technical support and maintenance  
Systems integration  
Hardware evaluation

### **Corporate Secretarial and Management Services**

Incorporation of companies  
Corporate secretarial services  
Appointment as liquidators and receivers  
Provision of registered office  
Payroll services  
Carrying out company searches  
Providing advice on relevant changes in Company Law  
Litigation Support Consulting  
Forensic accounting  
Business valuation  
Due diligence investigations  
Expert witness testimony  
Corporate and partnership dissolution  
Mediation

For more information on Lo Hock Ling & Co., visit [www.lohocklingco.com.sg](http://www.lohocklingco.com.sg) or contact Pearlyn Chong at 65-6535-6111 or at [pchong@lohocklingco.com.sg](mailto:pchong@lohocklingco.com.sg).

# Save the Dates

<b>Oceania Regional Meeting</b> .....	<b>23-25 March 2007</b>
Marriot Sydney Harbour Circular Quay	
<b>Polaris Annual Meeting</b> .....	<b>18-21 May 2007</b>
Stockholm, Sweden-Sheraton Stockholm	
<b>Managing Partner Retreat</b> .....	<b>23 August 2007</b>
Chicago, Illinois-O'Hare Airport	
<b>EMEA Regional Meeting</b> .....	<b>6-8 September 2007</b>
Budapest, Hungary-Intercontinental Budapest	
<b>Asia/Pacific Regional Meeting</b> .....	<b>28-29 September 2007</b>
Bangkok, Thailand	
<b>Latin American Regional Meeting</b> .....	<b>5-7 October 2007</b>
Miami, Florida	
<b>North American Regional Meeting</b> .....	<b>15-17 November 2007</b>
San Jaun, Puerto Rico	

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## Polaris Welcomes New Members



E. Cohen & Company, CPAs has five partners: Eric Cohen, Stephen Fuller, Anntoinette F. Brown, Kathleen Flaherty, and Alex Brager. The firm is a full service auditing and accounting firm in Rockville, Maryland. E. Cohen & Company, CPAs currently employs a staff of 19.

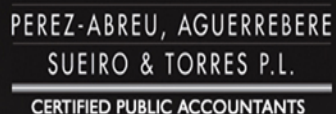
"North American membership continues to grow. E. Cohen & Company, CPAs is an excellent addition to the North American region," stated Larry King, North American Regional Chairman.



Confeauditores has eight partners: Mr. Juan Luis Marchini

Bravo, Mr. Jose Jesus del Estal Santamaria, Mr. Romualdo Casillas Suarez, Mr. Jose Maria Burgos Mora, Mr. Justo Martinez Ruiz, Mr. Angel Lopez Ranilla, Mr. Louis Aldama Larre, and Mr. Antonio Alonso Alarcon. The firm is a full service auditing and accounting firm in Madrid, Spain. Confeauditores currently employs a staff of 42.

Wolfgang Hohl, EMEA Regional Chairman stated: "This additional firm in Spain will bring benefit to our network and the members."



Perez-Abreu, Aguerrebere, Suiero & Torres has four partners: Mr. Juan Aguerrebere, Jr., Mr. Carlos Perez-Abreu, Mr. Alexander Sueiro, and Mr. Michael R. Torres. The firm is a

full service auditing and accounting firm in Coral Gables, Florida. Perez-Abreu, Aguerrebere, Suiero & Torres currently employs a staff of 16.

"The region is glad to have a young, aggressive, and bilingual firm in the Miami area," stated Larry King, North American Regional Chairman.



C.W. Fan & Co has two partners: Mr. Andrew Fan and Ms. Winnie Fan. The firm is a full service auditing and accounting firm in Hong Kong. C.W. Fan & Co. currently employs a staff of 15.

Delores Teh, Asia Pacific Regional Chairwoman stated: "The Asia Pacific Region welcomes this additional quality member in Hong Kong."