



OPTIMIZATION

Streamlining Bookkeeping Process to File VAT Returns Accurately Ahead of Time

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Optimising VAT Processing for Improved Efficiency



Introduction:

Our client, a prominent accounting firm, was encountering challenges in delivering estimated VAT figures promptly to end clients following the end of VAT quarters. The process was marred by inconsistency and lacked standardisation, particularly in processing Dext invoices to correct account codes and VAT codes. This case study delves into the strategies we employed to address these issues and achieve significant improvements in efficiency and accuracy.

Identified Solutions:

- **List of Clients and Prioritisation:** We began by identifying clients with weekly or monthly bookkeeping frequencies, recognising the need to streamline processes for these clients. We prioritised jobs with frequent bookkeeping over quarterly VAT tasks to ensure timely delivery of VAT notes within four working days post-quarter-end.
- **Creation of Master Database:** To enhance efficiency, we curated a master database encompassing common and regular suppliers along with their relevant account codes and VAT codes. This database was developed based on the analysis of 20 major clients from our client's base.
- **Planning and Process Revision:** We collaborated closely with Accounting Firm to devise a revised process and planning strategy, ensuring alignment with their objectives and requirements. Subsequently, we shared and obtained approval for the proposed changes before implementing them.
- **Team Training:** We conducted extensive training sessions with our client's team to familiarise them with the utilisation of the master database for processing Dext invoices accurately and efficiently.

**In the world of finance,
the best accountants are
the sculptors of economic
success.**

~ Richard Turner

Challenges Faced:

High Volume of Simultaneous Tasks: One of the primary challenges encountered during implementation was managing a higher-than-anticipated number of VAT jobs alongside weekly or monthly bookkeeping tasks. Meeting the four to five-day delivery window posed difficulties, especially with additional deadlines to contend with.

Overcoming Challenges:

External Backup Support: To address the challenge of workload overflow, we identified and trained external backup personnel specifically for handling smaller, straightforward tasks. This approach helped alleviate pressure on the core team and ensured timely completion of all assignments.

Benefits Achieved:

- **Timely Delivery of VAT Figures:** By implementing our solutions, our client achieved remarkable improvements in their service delivery timeline. They can now provide VAT figures to their end clients within four to five working days of receiving the necessary information.
- **Error Reduction:** The introduction of standardised processes and the utilisation of the master database led to a significant reduction in errors. Monthly errors decreased from an average of 10-12 to less than three errors per month, thereby enhancing overall accuracy and reliability.
- **Standardisation and Efficiency:** Our client successfully achieved standardisation in the processing of account codes and VAT codes, ensuring consistency across operations. This standardisation not only improved efficiency but also enhanced the overall quality of service delivered to end clients.

Conclusion:

Through strategic planning, process optimisation, and effective collaboration, our client overcame significant challenges in VAT processing, ultimately achieving notable enhancements in efficiency, accuracy, and client satisfaction. The implementation of standardised procedures and the utilisation of technology-driven solutions have positioned our client for continued success in the dynamic landscape of accounting and financial services.



Accounting greatness is not just about what you calculate; it's about the financial stories you unfold.
~ Christopher Miller

