



# SDSU Student Accounting Society

## [Frank, Rimmerman + Co. - Tax vs. Audit Battle]

November 5, 2020

**Presenters:** Ricardo Soria, Kyle Sewell (Recruiter), John Schmidt (San Francisco - 3rd year Audit Manager), Henrietta Bodi (2nd year Tax Manager)

### Presentation:

- Frank Rimmerman History
  - Menlo Park (Bay Area) as a tax firm
  - Tax experts for high net worth individuals/ start-ups
  - Now help serve venture capital firms for bay area
  - Top 25 national accounting firms
  - Rotational program for associates and intern
    - Service lines: tax, audit, advisory to help test waters
    - 3 departments over 7 months; declare a service line after program
    - Department specific available
- Tax vs. Audit
  - Choosing a service line - how to choose
    - John (Audit) : internship and associate rotations across departments; originally leaned towards audit for lifestyle (directly staying at client's), fan of consulting - style, work
    - Henrietta (Tax) : Tax class was more attractive than audit class; rotational program allowed her to appreciate tax research and tax law (very dynamic); community (managers and mentors)
  - Clients: amount, industries
    - Henrietta (Tax) - 3 different groups/industries (high net worth individuals/families, venture capital groups, wineries) while working on a group of 50-60 client groups throughout the year
    - John (Audit) : audit of venture capital funds, start-up companies, Software as a Service, life sciences, green energy/technology, and financial technology; 30-40 clients throughout the year
  - Team Environment
    - John (Audit) - audit team usually has first year associate, senior associate, relevant manager, and partner
      - Few audits going on at the same time
      - Associates frequently coordinating with partner
      - Typical engagement of 2 weeks

- Henrietta (Tax) - 15 clients during a busy season; tax returns can be wrapped up within a week
  - A lot of work directly with staff and partner
  - Work individually but frequent help for managers and seniors (open-door policy)
- Day - to - day work
  - Henrietta (Tax) : varies between levels
    - First year - client work, internal training
    - Senior /manager - talking to clients, managing an engagement, research
  - John (Audit)
    - Associates often work on audit itself
    - Managers work on client management and project management, while still updating the team
    - Internal work - what affects the firm, research
- How does the class differ from work
  - Henrietta (Tax)
    - Classes were more conceptual with no insight on using tax software
    - Work is often dependent on client's industry
  - John (Audit)
    - School is a catch-all for the subject matter
    - Lots of factors dependent on industry and location
- Busy season
  - John (Audit)
    - October - November time frame; January - April; May-June
      - Dependent on work for client
    - Required hours often vary across clients (50-60 hours a week during the season)
  - Henrietta
    - IRS Deadlines - March 15, April 15, September 15, October 15
    - February - April; August - October
    - 50-60 hours a week (dependent on client requirements)
- Work-Life Balance
  - John (Audit)
    - Audit with steadiness in terms of slow times (dependent on industry)
    - PTO is encouraged
    - Able to reflect after busy season on improving work
  - Henrietta (Tax)
    - Off season in the summer is easy to plan out
- Misconceptions relevant to the practice
  - Henrietta (Tax)

- Tax attracts introverts, while audit attracts extroverts : mix of both across services as both are required to talk with clients
- John (Audit)
  - Introverts and extroverts: Clients that produce Interesting and dynamic work will attract interesting and dynamic employees
- COVID - 19
  - John (Audit)
    - No longer seeing clients face to face; a lot of calls to catch up on (mostly video)
    - Training can be harder for first-years as training is virtual
  - Henrietta (Tax)
    - Comfortable as a manager, but more difficult for those starting out
    - Separation of work and home life
- Tips on choosing a service line
  - Henrietta (Tax)
    - Go with your gut; often close relationships with client (service advisor)
  - John (Audit)
    - Go with your guy; auditing allows value to be added to clients (especially to start-ups)

### **Questions:**

- Client work : starts ups only or are there larger corporations?
  - John (Audit) - client base is mostly venture-backed / pre-revenue
    - Frequent work with established companies and private companies, but rarely public companies
  - Henrietta (Tax) - corporate group dedicated to large companies (foreign, subsidiaries, but rarely public)
- How easy is it to switch out of a service line after finishing a rotation program?
  - Kyle - switches are rare, but it happens
    - Easy to switch specializations within a service line
  - Ricardo - 7 months for the rotational program is ample time to see where your skills fit best
- Best software for students to learn (general software - excel, tableau)
  - Henrietta (Tax)
    - Learn at the firm
    - Recommends how to use excel : macros, pivotTables
  - John (Audit)
    - Software differs from firm to firm
    - Recommends learning to manipulate data in excel
    - No real software available for us to learn on our own