

Transcript of Interview with Brian Harvey by Nicholas Harvey

Interviewee: Brian Harvey

Interviewer: Nicholas Harvey

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Location (Interviewee): San Ramon, California

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Abstract: Brian Harvey, a Managing Director at Deloitte and Touche, discusses the changes the pandemic has caused to his job as an auditor. He provides insights into the various industries he has interacted with over the past year.

Nicholas Harvey 00:01

Good morning. It is 11:42 here in sunny San Ramon, California. This is Nicholas Harvey with the Journal of the Plague Year project. And today I'm interviewing Brian Harvey. Could you just say hello?

Brian Harvey 00:18

Hello.

Nicholas Harvey 00:19

So the- this oral history interview is going to cover Mr. Harvey's work at Deloitte and Touche during the pandemic. So let's start there. Would you briefly like to introduce what your job is and what the sort of basic duties of your job are?

Brian Harvey 00:40

Yeah, so I'm a managing director at Deloitte and Touche, based in the San Francisco office. And I work in the audit area. And so my responsibility is managing client relationships, and managing teams conducting audit of financial statements for both public and private companies.

Nicholas Harvey 01:07

Thank you. So, when you- or sort of how did the pandemic affect your job at the beginning? So, in March, what changes did your company make?

Brian Harvey 01:25

So in- in March, we immediately closed down our office and made it so that our employees didn't go out to clients, which is a normal part of our business, most of our time is spent in client offices. So that was an immediate shutdown on it. It seems like we did that earlier than many other businesses did. And it was a little before the state of California instituted some of its more restrictive stay at home orders.

Nicholas Harvey 02:07

Thank you. So, this is gonna be a very broad question, and you can feel free to elaborate as much as you want. But what are some of the major changes that the pandemic caused to your job and explain what the change was and sort of what it looked like before and after?

Brian Harvey 02:37

Okay, so the- the actual work that we do, at least in my group, really didn't change much at all. What we figured out pretty quickly was that we were able to be effective in doing financial statement audits, just about the same as working in a virtual environment than it was working in person and being in our client offices all the time. It did take some adjustment just to make sure that all the technology was in place and that everybody had adequate internet coverage in their home. So in terms of kind of major change, then the work itself didn't immediately change. But then, you know, doing it from a- from a laptop in my home office as compared to doing it at the client site.

Nicholas Harvey 03:39

And so you briefly mentioned that you sort of had to like, adjust the technology you used. Could you elaborate on that? What platforms did you use and for what purposes?

Brian Harvey 03:53

Yeah. Previously to the pandemic, we did use, like video conferencing applications, but it wasn't- it was more on an ad hoc basis and wasn't the primary way that we communicated. Emails was more prevalent. Or if I was in a client's office, I would walk down the hall and pop into somebody's office and ask my question or engage in dialogue through that. So we took a little bit of time to kind of adjust technology and determine what platforms we wanted to use for video conferencing because we thought that was valuable to be able to see people's facial expressions and just kind of have that better connection by seeing something- someone through video versus just having a telephone call. We eventually settled primarily on Zoom as our main, but we did continue to use some other products - Microsoft and some others that were available.

Nicholas Harvey 05:05

Got it. Thank you. So to move on to the next topic, how did the working virtually sort of affect the social dynamics, not just between you and fellow employees at Deloitte, but also between getting clients?

Brian Harvey 05:37

I think it's definitely had an impact. And it's something that we feel like we have to make a stronger effort to make sure we're keeping those connections. In a work from client environment, I would run into the client, and I interacted with the client every day, and I would sit and I- typically in a conference room with my team. And we would talk off and on throughout the day about work stuff and non-work stuff. So it's much easier to keep the- that social aspect there and those- those connections and strong relationships, so I think that has suffered.

Nicholas Harvey 06:25

And how- how have you communicated with your coworkers during virtual work? Like how- have you been able to communicate with them?

Brian Harvey 06:38

Yeah. We- I can communicate with them as often as I want to, and we primarily use Zoom as our vehicle for- for communication. But it's different because you've got to go in and initiate that Zoom connection versus just, you know, I can lean over my shoulder and ask somebody a question and- or have a conversation with them while I'm just sitting in my laptop when I'm at the client site, but here, it's- I'm not constantly connected to them. So it takes more of an effort, so there's definitely fewer touch points. And we have to make more of an effort to make sure that we're having those- those connections.

Nicholas Harvey 7:26

And how do you do that? How do you...

Brian Harvey 7:31

A couple different ways. Some of it- a lot of it is just ad hoc, as I, you know, have questions or things that I needed to talk with somebody, I'll reach out. I'll send them a text message or an instant message, or sometimes I'll be in the Zoom app. And I'll just send them an invitation to click on if I know that they're available. So that's kind of [unintelligible].

Nicholas Harvey 07:58

Thank you. So now, could you sort of walk through your- what your daily work schedule- average daily work schedule will look like while you're working at home? And you're still working at home, but sort of start in March, explain what your daily work schedule would look like, and make sure you mention times, and then sort of navigate through the months up through today, which is July 13, 2021, and talk about how your work schedule should have changed.

Brian Harvey 08:42

So prior to the pandemic, since I was working primarily at client offices, I would have to commute. So that would typically be anywhere from 30 minutes to an hour and a half each way. So that certainly is something that I'm not doing now since we shifted to a work from home first environment. The typical workday, say in March, it can vary every single day. So it- and there isn't really a set structure to my day in terms of what I do in the mornings and what I do in the afternoon. My general day could consist of all or, you know, a few of reviewing work papers that people have prepared to support the work the we're doing for financial statement audits. various meetings either with the specific engagement teams that are serving clients meetings. with clients-

Nicholas Harvey 10:01

Very briefly- sorry to interrupt. Can you explain what an engagement team is?

Brian Harvey 10:06

Yeah. So that's just what the- the terminology we use for a team that is working on an audit of a client at a particular time. So we typically have a team that will- we try to keep as consistent as possible to- to perform that project.

Nicholas Harvey 10:27

Thank you.

Brian Harvey 10:29

So other things that I would do in a typical day, meetings with- meetings with clients, internal meetings for Deloitte that can run a number of different topics. They could be technical meetings, they could be meetings about resources and human resources and the availability of personnel, it could be scheduling issues, it could be performance evaluations. I'll have conversations with Deloitte employees, from a counseling standpoint, that's just part of my normal routine. There's a lot of trainings that we do; those have shifted to be completely virtual now, where in the past, they were probably half virtual and half in person. So my day can- can vary on any given day. And there really isn't a prescribed time of the day that I would do those things, but the impact of time is that I haven't had to commute which has been kind of nice.

Nicholas Harvey 11:51

Has your like, the total amount of hours you've had to work, not including commuting, just working, has it- how's it- has it changed? And if so, how has it changed?

Brian Harvey 12:07

I'd say it's- it stayed relatively consistent. I think I'd say it's relatively consistent. Things are- are kind of ebb and flow throughout the year, not necessarily on any particular calendar pattern other than that we know that we know we're really busy in January, February and March every year. And that's due to a lot of our clients having calendar year ends, which requires their financial statements to be audited shortly after year end. But I would say the- the number of hours are pretty consistent before than after

Nicholas Harvey 12:56

And about how many hours would that be per day?

Brian Harvey 13:00

In a given day?

Nicholas Harvey 13:02

Or week.

Brian Harvey 13:03

Probably averages 50 hours a week

Nicholas Harvey 13:09

And does that include weekends?

Brian Harvey 13:10

Sometimes on the weekends, yeah.

Nicholas Harvey 13:13

And so before we move to the next topic, you briefly mentioned trainings that are being held virtually. What- what is the content of this trainings? And what are the- what is it training for?

Brian Harvey 13:28

It- so it was a certified public accountant. I have required training that I have to do every year as a condition of maintaining my- my license. So the firm has a lot of scheduled trainings in order to help us meet that- that obligation. So those trainings can run anything from new emerging accounting issues that we need to be made aware of. Auditing techniques, assessment of risks, changes in the environment that may impact our audits. We had a lot of those related to the pandemic and the impact- evaluating the impact that that might have on our clients that we might be evaluated for purposes of conducting our audits. We've also might be on you know, internal Deloitte changes in software that we may be using or other things that might be internal to- to the firm.

Nicholas Harvey 14:43

So that is a nice segue, coincidentally, into my next topic, which is sort of the impacts of pandemic on how the accounting field functions. So not- not including clients, just your auditing practices or other parts of Deloitte, if you can speak about that if you're knowledgeable enough about that, but are there any changes in the- in your work better going to continue, you think, past the pandemic?

Brian Harvey 15:24

Yeah. So the- the trend in auditing for the past several years has been a shift towards using more data analysis and other emerging technologies to help us do our audits. A lot of those processes are- you were able to do virtually. If you went back 20 years ago, plant records were mostly manual, and we needed to physically be on side of the client, in order to look at their paper records and evaluate that information. Now, a lot of that is contained in- on servers, and it's in the cloud, and it's able to be more easily accessed virtually. So that shift wasn't kind of the getting of information; it didn't really change that much. As a result of shifting to a virtual work environment. The pandemic did have an impact on on a few things. There were some regulations that came out mostly in the tax area that provided some relief for companies. So how those particular regulations get treated as a tax impact, which is some information that- that my team would- would look at and evaluate to see that it's being done

appropriately by individual clients. I don't know whether this relates directly from the pandemic, but we've seen a large increase in- in companies essentially becoming public companies and having increased workload. So that's actually increased the amount of work that we have to do at a lot of our clients and has brought in a lot of new work. So overall, as a firm, we're actually, I think, busier than what we were pre pandemic. So there's a lot of additional work that has- has come up for us as a result of that. I don't know if that's actually driven by the- the- by the pandemic, but the- that increased work tend to coincide with the shifting to the virtual environment.

Nicholas Harvey 18:01

Thank you. Just to ask her a little bit more about that last part, if I understood you correctly, you're saying that you observed a trend where companies would become- go public over, you said, over the past few years before the pandemic?

Brian Harvey 18:20

No. The, I think, the trend of more companies going public is seems to coincide with the timing of the pandemic.

Nicholas Harvey 18:29

Got it.

Brian Harvey 18:30

I don't- I don't know that it's necessarily driven by the pandemic itself, but it- it may be coincidence.

Nicholas Harvey 18:38

Got it. And so, um, let's move into- you mentioned briefly, new regulations in 2020 that relate to how auditing and then- and tax work. So could you briefly talk about what those regulations are and how it's impacted your work?

Brian Harvey 19:01

They're- so most of the changes, as I mentioned, are in the tax field, and really, it has to do with the IRS providing incentives to companies to keep employees on the payroll and other kinds of incentives. So I don't work with taxes much directly, but I have part of my team that are tax specialists. So there's additional work that they had to do, just to see that that was being treated appropriately. From an auditing standpoint, there really hasn't been much that's impacted me in terms of additional regulation. That does make me think about though, that the- in conducting our financial statement audits, we did have additional procedures and things that we needed to do as a result of the pandemic, for example, because all- most of our clients have shifted to a virtual work environment, one of the things that we are heavily focused on looking at our company's system of internal controls. And virtually every company had some sort of changes in those controls that we need to evaluate it as part of the audit work that we do.

Nicholas Harvey 20:34

Could you briefly define what a system of internal controls is?

Brian Harvey 20:38

Yeah, so it's- the processes that a company has in place in order for it to conduct its business to record transactions. And the system of internal controls is basically a framework that a company has in place in order to ensure that things are being recorded the right way and on a consistent basis.

Nicholas Harvey 21:11

And the I've started going through you, when I asked you about changes in the field and traveling working back, I had to clarify things. And so, I one of the first things you mentioned, was that one of the last, one of the first things you mentioned was that the some of the technology that's being used in auditing changed, and you specifically mentioned data analysis, and you said other technologies, could you elaborate specifically on what- what these technologies are called, what their- what they like, are their definition and how they're used in auditing?

Brian Harvey 22:01

Yeah. I'll just touch on them briefly. So, we utilize some artificial intelligence programs to evaluate like, contracts. We'll use a- we're using cloud-based audit platform in order to keep track of all of the work that we do for a particular audit, which allows everybody to access the same documents at the same time, instead of having to wait for one person to finish and pass it along. We're looking at- we're applying tools to evaluate trends in data that's coming from our clients, like a regression analysis. So those are the kinds of things without getting too technical.

Nicholas Harvey 23:01

Alright, so we talked a little bit about your impact- impacts in your- in- within Deloitte itself. Final question on that topic, how is the- how's the pandemic affected- are there any policies that Deloitte has made as a result that are permanent like, working from home or anything like that?

Brian Harvey 23:33

Yeah. Some- some of that is still kind of working its way out. You know, we- we obviously implemented, you know, work from home first and have essentially completely been working virtual. Currently, the thought is that- that the ability, and the acceptance of someone working at home is more acceptable. I think that's going to continue, I think that's going to become a permanent part of our- of kind of how we do- how we perform our work, where in the past, you would generally not work from home hardly at all. You'd spend a fair amount of time you spend most of your time at the client side, and then you'd have time that you weren't at the client, you would typically be in the office and do work in the office. I think that piece of it is going to greatly be reduced. And I think the expectation for people to be in the office when they're not at the client side is going to go away. And I don't think that's just

strictly at the late trend. I think what we're hearing from our clients is that they are looking for ways to shift to have working from home, working virtually to be a bigger part of everybody's work plan.

Nicholas Harvey 25:04

And you said that Deloitte... Well, in March of 2020, they started having everyone work from home; have they set a date for when that's going to end or?

Brian Harvey 25:20

It's- it's been continually revised. So what we currently are looking at right now is that after- we're expecting that after Labor Day, that we would no longer be at a primary virtual essentially required work environment that after that date, assuming that your particular state and county regulations have allowed for it and that your clients were open to that, we could shift back to working at the office or working at client sites. I don't expect to see that shift to be immediately embraced by everybody. I think everyone's going to probably continue to work virtual first. So in the firm said that, if anybody who's not comfortable, going back to the office or going back to client sites, can continue to work virtually for the- at least for the foreseeable future.

Nicholas Harvey 26:30

Thank you. So to move onto the final topic I had planned, talking about sort of impact of the pandemic on different types of businesses, as you, that you see as you work with clients, we talked about this very briefly, in the pre-interview. Could you sort of talk about [inaudible]. And then, if necessary, talk about some of your clients and how the pandemic has impacted different aspects of those clients and fields that operated.

Brian Harvey 27:05

Yeah. So we've seen a- kind of a broad range of impacts. So my client base tends to be almost exclusively in the consumer business space. So my clients tend to be either retailers or product manufacturers or distributors of goods, goods and services that ultimately go directly to consumers. So if you think about what happened with businesses back in March of 2020, a lot of businesses had to shut down when everybody shifted to work from home, unless you weren't an essential business, you [unintelligible]. And at the same time, people were concerned about the economy, so in some areas, spending was reduced. So some, but with people working from home, they were spending a lot more time at home. And they were- their whole family was at home all day, every day. So there were certain needs of the home that that increased. So what we saw was for grocery retailers, they had a huge increase in their sales. I have a client who is a beverage, primarily alcoholic beverage, retailer, and they saw positive results as people were doing that consumption at home as opposed to doing it in bars and restaurants. Other businesses saw the opposite impact where they were negatively impacted. People cutting down on discretionary spending, so spending on things that they didn't necessarily need. So some of those businesses were hurt, hospitality and travel related businesses had a significant impact and essentially shut down for months at a time. So part of what we did from an audit standpoint is we had to

evaluate what impact there was to our clients' businesses as a result of the pandemic, and that impacts how we evaluate the risk associated with the business and doing the audit.

Nicholas Harvey 29:47

So you mentioned that you have a client who is beverage, primarily alcohol distributor, and you also mentioned grocery and hospitality industry, but it wasn't entirely clear to me whether you have clients that are in grocery and hospitality, or if that sort of just knowledge that, you know, could you elaborate; are those clients? That just information, you know?

Brian Harvey 30:15

So I have clients that are in- that are in grocery. And hospitality, I know just from other information within the office for- from colleagues who are serving hospitality plants.

Nicholas Harvey 30:32

Got it. Thank you. So could you talk a bit more specifically about the [inaudible] without using the name of each client, but go through each client and talk about sort of impact on the business? You already went through alcohol and grocery, are there other any other clients that you've been working on?

Brian Harvey 30:55

I have a client that is a- related to automotive industry. So the automotive industry had a pretty significant negative impact. We're not driving as much during the pandemic. So they're meaning to buy new cars, was greatly reduced. So those that business was negatively impacted. I have a client that is involved in the sports area. And essentially, that was basically stopped completely for a year, because of the pandemic, they weren't able to hold those sporting events. So they essentially generated no revenue during that, during that time.

Nicholas Harvey 32:00

Go into as much detail as you're able to, but when you say sports area, what does that mean?

Brian Harvey 32:07

I mean my client is in the business of hosting sporting events, and their revenue is generated from advertising as well as ticket sales.

Nicholas Harvey 32:21

Got it.

Brian Harvey 32:21

So since none of those sporting events were happening during that time, there was no revenue, so their business was negatively impacted.

Nicholas Harvey 32:34

Got it. Thank you. And you can continue.

Brian Harvey 32:38

I had another client that is in the shipping industry. And in the short term, say in the march 2020 timeframe, they had a pretty negative impact on the business as globally, manufacturing slowed down or shut down, there was less goods available to ship into the United States. They they're involved in shipping goods in and out of the U.S.. So in the short term, their business was negatively impacted, but it then ended up recovering pretty- pretty well. And the demand for goods in the United States increased along with- as the pandemic kind of unfolded. There was a higher demand for household consumables, which is something that they ship, so there was an increase in demand for those things to come in. And then as the pandemic kind of continued to go, people were- the economy as a whole- people were spending a lot, so just overall the demand for goods was continued to be fairly high. So their- their businesses actually performed pretty well.

Nicholas Harvey 34:11

And this, all of this knowledge about clients, this direct knowledge from auditing. And just to talk about have you gone through all your clients yet?

Brian Harvey 34:27

No, but I'm, I've got- you probably don't want me to go through every single client that I work with.

Nicholas Harvey 34:34

Okay. I will ask you a few more questions about your shipping client and then about how many clients you have other than- that you haven't mentioned yet?

Brian Harvey 35:44

I'm- all total I probably work with 20 clients.

Nicholas Harvey 34:50

Okay. I think we might have enough time to go through all of them or ask you a few questions about shipping first. So you mentioned the shipping or at least your client that's involved with shipping recovered. About what time did that happen?

Brian Harvey 35:11

Sorry, repeat that.

Nicholas Harvey 35:13

So you talked about how in the first month or so of the pandemic, the- your shipping client was negatively impacted. But then you said that over time, your- the shipping business gradually recovered. Can you just sort of talk about what timeframe that happened in?

Brian Harvey 35:34

Yeah. IT was- it was relatively quickly. They,-so in particular part of their business is shipping goods from Asia to the Pacific United States. When the pandemic first shut things down in the very early part of the year, I think in China, for example, I think things started to shut down in beginning of February, I'm just guessing, but it was somewhere around that timeframe. So as- as manufacturing shut down, there was less goods available to be shipped here. So there just wasn't the cargo to bring. But once things started to reopen, which I think- which feels like it was about the April timeframe, manufacturing started to get back online at least enough to supply what the household goods that the that the U.S. wanted. The available cargo to ship increased enough where my client's business was- started to see a positive impact in like the May timeframe.

Nicholas Harvey 37:01

To clarify, just to make clear, when talking about reopening in April and restarting manufacturing, you're talking about within China?

Brian Harvey 37:12

Yes.

Nicholas Harvey 37:13

Thank you. So my last question about shipping, we have sort of seen over the past few months, backups especially on the Pacific Coast of the United States, in how- in shipping, specifically in the port of Oakland. Is there any knowledge you have of that, or any sort of aspect of that, that you maybe can talk about in your working with your client?

Brian Harvey 37:48

Not really.

Nicholas Harvey 37:51

So, all right. So then you can continue to talk about your clients and the- in different fields and the impact that's occurred as a result of the pandemic.

Brian Harvey 38:04

So there's another client that- that I work with that is involved in coffee production as well as retail coffee. So there was a noticeable shift in in their business. So if you think about the- the things we talked about before where people were at home, and they were consuming things at home, part of their business is selling- being through grocery stores will that aspect to their business increased significantly

because people were buying more coffee along with everything else to consume at home. But their cafes were- a lot of them had to be closed down. So- so that portion of the business was negatively impacted. And over the last year and a half, those have started to reopen. Most of them are- are reopened at this point. But- but you saw a shift in the source of revenue for the company shift into grocery distribution or you know, other channels where people were- were making their own as opposed to going and- going to a cafe and getting a cup of coffee or something.

Nicholas Harvey 39:30

Okay, so before you continue on to your other clients, you're talking about the positive and negative impact on these different fields or these different areas as the pandemic occurred- [audio stops]