



OPUS ACCOUNTING

What should you expect from your Accountant?

**Opus Accounting Limited
15a Kingfisher Court
Newbury
RG14 5SJ**

t: +44 (0) 1635 884270

e: info@opusaccounting.co.uk

w: www.opusaccounting.co.uk

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Introduction.

Let's be honest, the first time you appoint an Accountant do you really know what you want, what you need, and what would be helpful to you, and your business? In truth, probably not, more importantly the Accountant that you chose when you started out, may not be the best option now that you are established.

At Opus Accounting, we put our Clients very firmly on the top of our agenda. Not surprisingly we would love the opportunity to discuss your particular business and your plans for the future.

If however this document alone helps you to select an appropriate advisor that adds cost effective value to your business **all year round** then we would be delighted!

What should I expect from my Accountant?

You may be asking yourself.... What should an accountant do for my business? Aren't they all the same? Upon what criteria should I base my decision? Do I want an accountant to just do my end of year accounts, or one who will help me on an on-going basis with my business? What will happen if I need advice and my Accountant is on holiday?

To answer these questions, let's take a little look at why people start off in business. There are clearly many reasons, but the overriding ones are:

- a) They are good at what they do and they want to do it for themselves.
- b) They want to become wealthy.
- c) They want to reduce their working hours.
- d) They want to stop working for someone else.
- e) They enjoy doing what they do and they want to do it even more. (usually this involves turning a hobby into a business)

The mistake many business owners make is they believe that, because they are good at doing the work 'of the business', they can run a business that actually does that type of work....unfortunately that is not always the case.

So, the company starts off with the business owner undertaking the operational side of the business and doing the accounts themselves, together with Marketing, Sales and Recruitment, Health & Safety etc.

Typically between 6 and 12 months later they realise that things are just **NOT WORKING!** The owners realise that they are working longer hours than when they were employed and their personal stress levels are rising!

At this stage one of two things happens:

- They either cease trading (over half of all business started 5 years ago are no longer trading),

or

- They struggle along with few, if any financial controls in place, trying hard to keep the ship afloat. In consequence their impressive plans to expand the business are put on hold – often indefinitely.

How can you avoid this common situation? Ask yourself the following questions, being brutally honest with your answers. Remember this is your livelihood at stake:

- Do I really have the time to keep a really close watch on the finances myself?
- Do I really have the expertise to do so, confident in making the right financial decisions?
- Do I know, in measurable terms, what aspects of my business are working effectively and what areas could be improved?
- Am I up to speed with current legislation and the complexities of the UK tax system to avoid penalties etc?
- Am I confident that I know sufficient detail about employment law, including tax and national insurance issues etc. to appropriately employ staff?

So, assuming there are one or two areas that you are not comfortable about, what options exist to improve matters:

- a) You could employ a full or part time person to undertake the work on your behalf. You do, however, need to ensure that the person can keep up to date with changing legislation and can provide cover in the case of holidays or sickness.
- b) You could outsource the work to a suitable Accountancy practice who could provide all the services you and your business require.

One thing for certain is that keeping a close eye on your accounts is crucial to the success of any company. To some extent it depends upon the type of entity through which you trade, for example Sole Trader, Limited Company, Limited Liability Partnership (LLP) etc. Certainly there are obligations under the Companies Act with respect to maintaining and submitting accurate financial accounts for Limited Companies and LLP's.

So if the outsourcing route is the preferred option you need to find a firm of accountants who are going to support you on an on-going basis and one that will help you to keep a close eye on your income and expenditure, debtors and creditors and ensure your compliance with legislation.

The company should be proactive and close enough to your business operations to effectively add value. They should be able to swiftly bring to your attention any concerns they may have, so that the situation does not become critical.

We believe there are five essential things you need from an accountancy firm:

1. A measurable improvement in the company's financial management and awareness so you can relax in the knowledge that your position is secure.
2. Confidence in the knowledge that all tax and legal compliance issues are dealt with properly, thereby protecting you personally.
3. That your working practices maximise profitability and minimise wastage and that your quarterly and annual obligations such as VAT returns, filing of returns at Companies House, Corporation Tax returns etc. are scheduled in advance.
4. Continual support and advice on growing your business, not just looking back at the previous year, preparing accounts and telling you how well you did or didn't do last year.
5. A meeting approximately two months prior to the yearend to review potential tax liabilities and to discuss and plan the implementation of any mitigation **before** the year end. (i.e. *Before* it is too late!)

How to choose an Accountant:

Having established what you want – let's see how to achieve it. Opus Accounting suggests that you ask yourself these **15 questions** when you are considering engaging an accountant to look after your company accounts:

1. **Do they have an understanding of our industry?** Although helpful, this is not essential. Don't dismiss a great firm just because they have not worked in your particular industry or sector.
2. **Do they employ specialists?** The company may need to employ people with specialist skills in things like Payroll, Tax, Construction Industry Scheme, Business Development etc.
3. **Will I get an individual assigned to our business who is directly responsible for our company?** Really valuable! You need to know who is looking after you, but you also need to ensure the firm has sufficient staff to cover absences etc.
4. **How much training do their team undertake in order to keep up to date with the latest thinking in tax and accountancy?** What you know today bears no reflection on what you need to know tomorrow. You need to know that the firm has a well trained team.
5. **Can I speak to other clients?** Any company can portray itself as being fantastic, speaking to their clients is perhaps the best way of measuring their performance and respect in the market place.
6. **What is their philosophy on how to build a business?** It's an interesting question and the important thing is that it links in with yours.
7. **What are their customer service commitments?** Are they committed to customer services and are their core values and commitments documented in the form of a Client Charter, if not remove them from your short list.
8. **What systems do they operate that will ensure continuity of service (e.g. in the event of our main point of contact being incapacitated)?** If you are thinking of employing a self employed accountant or bookkeeper, what happens if for some reason they cannot maintain their level of service to you?
9. **Will they provide monthly or quarterly updates of our financial position?** You need a report and an action plan so that you can monitor how well you are doing.
10. **Are they insured and if so how much cover is provided?** It should be at least a £550,000 professional indemnity package.
11. **How will they communicate with us?** Do they have a written policy regarding communication, and are they prepared to meet with you outside of normal business hours?

12. **Do they have any testimonials from other satisfied customers?** Once again getting someone else's comment is very useful.
13. **Will they take time to learn about your business?** Preferably by spending time with you and also through questionnaires etc.
14. **How much input do they expect from us?** Do not expect a good accountant to work in isolation; the best results will come from a joint effort.
15. **What do they believe makes them unique?** Watch for vague clichés like, quality, value, commitment and service. You want to hear something meaningful like Promise or Guarantee

So there you have it! Fifteen questions you might find useful in selecting the best accountancy firm for you to work with. We hope you have found this enlightening, if you are reviewing your requirements you can use these questions face to face with prospective accountancy firms.

At Opus Accounting we provide a customer focussed service where we really get to know our clients and their business. Our services are competitively priced and we can tailor our services to suit individual requirements. Opus Accounting has a complement of staff with generalist and specialist business knowledge. We have a great reputation evidenced by the numerous testimonials on our website www.opusaccounting.co.uk

We do **'as much or as little as our clients require'** and provide **'Year Round Contact and Support – Guaranteed'**

If you would like to talk to us about how we can help you and your business achieve the success you deserve, **CALL US NOW ON 01635 884 270** and arrange to meet the team. There will be no charge for the first meeting and you will be under no obligation to take the discussion further.



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