

Mistakes to Avoid when Choosing an Accountant

7 common & costly mistakes to avoid when choosing your accountant

Introduction

This article has been prepared to help anyone looking for an accountant, either starting up in business for the first time, or because they are dissatisfied with their current arrangements.

If all business people were experts in accounts, business and taxes like corporation tax, PAYE and VAT then choosing an accountant would be easy, because they would know what to look out for.

We have prepared this guide, based on the experience from the host of clients we welcome each year who are dissatisfied with the quality of service they have received from their previous accountants.

We appreciate how much time and effort has gone in building up your business from our own experiences and how important it is to find an accountant that is "easy to do business with".

Mistake 1: Unqualified Accountants

Unfortunately the term "accountant" is not protected at all; regardless of the harm caused to you the public, and us as a profession.

If you think about it, how safe do you feel going to a medical practitioner you know isn't trained, and who has not undergone a gruelling set of professional exams much harder than a university degree and has had the relevant experience before attaining his qualification. Would you be confident in the diagnosis received and treatment proposed?

The same goes for when you want legal advice in a tricky case. You would find it unthinkable to get sound legal advice from someone off the street and not a member of the law society.

However in accountancy, anyone can call themselves an accountant. They do not even have to do a GSCE in accountancy. Therefore it is up to you to really check on the credentials of this so called "accountant".

You may be thinking by now, so what if they are qualified?

Well as a member of the Association of Chartered Certified Accountants (ACCA), one of the only two members of the CCAB bodies in England and Wales; it's been hard to attain this qualification. Members have taken three years of professional exams that even university graduates with 1st class honours have been known to commonly fail on their first attempt. That's not all, they have had to have three years of supervised work experience to attain membership. To gain a practicing certificate, from my body, we have to have a further two years work experience in that field and suitably provide evidence of this. Members are expected to continue their professional development annually and throughout their career, with 125 hours of reading case studies, keeping up to date with technology, the law and tax changes.

You may ask why do this?

It's because our professional body thinks it's important to really understand our clients, what they are going through and how it's important to help clients develop their business.

Our firm is not a typical set of number crunchers, we take pride in understanding your business and personal needs from marketing and increasing sales to being able to save you tax and provide the right business advice to help you grow.

Mistake 2: No systems in place

Many accountants treat you as a customer and not a client, just one more to add to their portfolio. They don't care what your needs are and how you operate.

For example, you may have no financial background or training, and when you need a system in place. They automatically recommend Sage to you and tell you to implement the software, without any offer of training and explanation, why it should suit you. You may have preferred to look at other bespoke software available to your industry or consider outsourcing.

Some accountants take on customers when they are already struggling with their existing ones. As a result, deadlines get missed and penalties get issued from HMRC and other regulatory bodies.

We take a different approach and offer a more personalised service, giving you lots of choices, allowing you to decide a more *simple* financial system that works for you.

We tailor a personalised plan of action that means you know what you are getting and when. We have internal procedures and checklists in place to ensure the accounts are prepared correctly and when forms & financial statements need to be filed with the HMRC, Charity Commission and Companies House.

This means you stop getting concerned when you get reminders in the post, because you have already been made aware of it and it's being done already. That way we help fulfil your expectations of being a value client.

We have many more internal systems in place to treat you with Professionalism, Confidentiality and Integrity.

Mistake 3: Accountants talking Jargon

Let's face it, most people think of accountants as boring, because they feel the accountant is going to use technical terminology and go into far too much detail. Stuff that can fly over your head.

We feel that in order to act as accountants and business advisors, we have a duty of care, guidance and protection. In order to provide this, we have to be able to communicate with our clients effectively and at their level of understanding.

Our client reviews show us to be, " very friendly, honest, sincere, approachable and knowledgeable".

Mistake 4: No written guarantees and fast turnaround time

We have recently been approached by a client, whose previous accountant had taken his fees, but not filed his accounts and tax return to the HMRC. As result, they were writing nasty letters and sending penalties in the post. Sadly, this is not the first such instance. Sometimes the accountant had died and there was no system in place to get the client books back.

As a member of a professional body, we provide all clients with an engagement letter that provide written guarantees of a quality service. Members of our professional body are required to have pre-existing plans in place; in case of a disaster like death. Thus giving our clients more reassurance then even the Institute of Chartered Accountants.

Moreover, the vast majority of our clients get their annual accounts and tax return done in three weeks. One of our clients said it best; "Would recommend Dhruv to anyone. Friendly, helpful and great to have face to face contact at home. Tax return completed in less than 3 weeks!"

We ensure that all our clients know when they will get their books back and therefore are guaranteed to meet their expectations.

Mistake 5: No offer of any marketing and sales growth tips

Many accountants are number crunchers and that's it. Don't get me wrong it is very important to have a knowledge of your finances, but that's not all you need in business.

We realise as business advisors you need an accountant who understands business strategies and how to grow your business. We regularly help business start ups make a one year plan using a template and constantly remind clients to refer back to it on a weekly basis.

We look at the business structure, how to market it, how to set reporting structures, how to grow it, how to recruit for it, and how to manage your time effectively. All done in a bid to allow growth.

Its important to have an accountant who is approachable and knowledgeable to go over important business decisions before taking disastrous ones.

Mistake 6: No proven tax reduction strategies

Many accountants cannot demonstrate that they have a tax reduction strategy for you. We will happily accept that this is the business structure you have and quote you for it. You need an accountant who has the knowledge to understand where you are, how a simple change in business structure can easily save you some tax.

We regularly get approached by clients who are starting up and not sure what suits them or heard about something that they should do. We discuss the options available to them and can clearly demonstrate why we would advise them to go with our advice.

Just as you don't stop going to a doctor after a baby is born and continue throughout its life, it's important to revisit your tax reduction strategies. We do this by scheduling regular business health checkups.

Mistake 7: No written guarantee of Fixed fee quote

Many people are hesitant to approach an accountant because of concerns over high fees. Most people are conscious of getting value for money and knowing what they will pay is important to them.

Often they prefer to choose the accountant with the lowest quote and get disappointed at the quality of service received, because they were not explained what they would be given. Even worse is when they get billed for more than they expected. It becomes harder to dispute fees at that point based on verbal conversations a year down the line.

We provide a written fixed fee quote that is reasonable. We fully explain what we do for it and what we expect you do to keep it that way, at the time. We have no clients who did not get billed what they were not expecting and as quoted.

That's why we believe it is key to managing our client expectations by providing fixed quotes. That means, by both sides doing what we say we will, we build a strong trust in the client/accountant relationship.

Conclusion

We hope you found our advise very useful in choosing the right accountant. If you have any further questions or want to know more on how we can help, please contact me on 0116 216 1374.

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