

Special Report

Six of the best questions to ask a prospective new accountant

These are the six most fundamental questions we are asked by current and prospective clients. In one form or another, they form the basis of the service that we offer. We recommend them as a starting point when you are selecting a new firm of accountants because the answers you get will point towards the ways in which your new accountant will help you.

We have supplied this report in two sections. One section contains the questions along with blank space for you to write the answers you get from other accountants.

Section two contains the questions plus the answers you will get from us.

We hope these questions (and answers) will help provide you with the information you need to select the accountant that's right for you.

Please feel free to contact us to discuss this report further. We look forward to being of service to you.

The Partners
Elliot, Woolfe and Rose



The Six Best Questions

1. How will you help me improve my profit margins?

2. How will you help me reduce my overheads?

3. How will you help me comply with regulations?

4. How will you help me reduce my tax bill?

5. What is the best way to pay myself?

6. How much will you charge me?

Our Answers

1. How will you help me improve my profit margins?

“You can’t manage what you can’t measure...”

First of all we would need to discuss what controls and systems of recording are in place. Maybe better systems are needed in order to monitor sales and related cost of sales? Good decisions can only be made based on good information, so we would want to ensure that high quality Management Accounts and relevant management information are available to the directors on a timely basis.

We could then advise on how the information should be interpreted and what courses of action are available to create improvement. The business owner is always in control but with us at their side as trusted adviser we find that many business owner managers make significant improvements in their profit margins.

2. How will you help me reduce my overheads?

“Drawing your attention to areas of concern...”

As an integral part of our audit/year-end accounts work, we carry out a detailed review of all overheads, highlighting issues that merit attention and then monitoring progress.

Examples include:

- reviewing contracts for items such as insurance, telephone or computer-related costs
- reviewing the policies for reimbursement of car, travel and subsistence expenses, especially in the light of new HMRC guidelines (April 2009) for subsistence allowances.

Many of our business owner manager clients have cut their overheads significantly without any reduction in their operational effectiveness.

3. How will you help me comply with regulations?

“Focus on the priorities: PAYE, NIC and VAT...”

We would want to ensure that there are no transactions processed that could cause a problem from a PAYE, NIC or VAT perspective, with the ultimate aim being that any visit from a PAYE/VAT inspector should be brief, without any matters arising. Other issues such as employment law or health and safety compliance are sometimes overlooked, and we work with specialists who can provide assistance in these areas. We would work with you to ensure compliance with any other laws and regulations that impact your business, or that may be specific to your particular industry.

Our Answers

4. How will you help me reduce my tax bill?

“Tax is a cost that can be controlled (to a certain extent)...”

In finalising a company’s Corporation Tax computation, we will ensure that all tax-deductible items have been taken into consideration, and advise on any further adjustments that could mitigate liability to Corporation Tax.

5. What is the best way to pay myself?

“Dont just pay yourself a salary...”

We would review your policy for profit extraction, based on the options available to you (and to other family members if applicable), including:

- Salary
- Dividends
- Other expenses that could be reimbursed
- Taxable benefits.

We would work with you to identify strategies for maximising personal wealth, but almost always simply paying yourself a salary is not the best way.

6. How much will you charge me?

“The cynic knows the price of everything and the value of nothing...” Oscar Wilde

If this is the case then it would appear that many business people are becoming more cynical - judging suppliers on their price alone. In truth, it is always best to look at both variables – getting a good price is important but getting good value is more important. That’s our philosophy.

Our fees are calculated on the basis of time spent on your affairs and on the seniority of our Partners/staff carrying out the work. Most importantly all our fees will be agreed in advance, before we undertake any work, based on our best estimates of the chargeable time that we expect to incur. Any unforeseen issues will be discussed with you before we undertake further work, and we would also try to identify tasks that you could carry out before we start our work to keep accountancy fees to a minimum.

Although the underlying calculation of fees does not lend itself to a fixed fee package, we would be pleased to discuss this possibility with you. We do recognise that fixed fees make budgeting easier for the business owner manager.

We hope this report has been of interest to you and has helped you in choosing the right accountant.

Please feel free to contact us to discuss this further.