

17 Questions to ask a prospective new accountant

Overview

Choosing the right accountant can make all the difference to the success of your business. However large or small your business might be, the right accountant will do more than merely offer an accounting service – they will offer the right professional advice for your situation, will be responsive to your needs, and will be proactive in providing ideas. The right accountant should feel like part of your team, working together with you to develop your business to achieve its full potential.

However, there are a great many accountants, so making a choice can be extremely difficult and there are many factors to consider besides an accountant's hourly rates.

We suggest the following 17 questions to ask a prospective new accountant. These are relevant whether you are just starting up in business, or are considering changing your existing accountant.

Introduction

There are two types of questions to ask a prospective new accountant:

- The obvious questions
- The questions that really matter

Ten questions that really matter

1. Will you work with me to build my business?

Most accountants are technically proficient and offer a range of high-quality accountancy services. But will they work with you to create a different and better future?

2. Will you only ever charge me a guaranteed fixed fee?

Most accountants prefer to charge you by the hour because they are not confident in their ability to price in advance, and unwilling to share with you the risk of getting the price wrong. This is not in your best interests as it means that you cannot budget for their fees. Fixed fee accounting guarantees that you pay a pre-agreed fee regardless of the number of hours your accountant works. It's much better for you – and there are no nasty surprises when the bill comes in.

3. Can I pay the annual fixed fee by monthly instalments?

Paying an accountant's fee in one lump sum at the end of the year is not good for your cash flow. It is better to work with an accountant who allows you to pay the bill as a regular monthly fee. It is even better if you can pay by direct debit, as this means less paperwork.

4. Do you offer advice proactively – not only when asked?

Most accountants offer good advice when asked. But few actually consider their clients' best interest at all times and proactively offer advice when it is useful for the client.

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5. **Do you guarantee to return calls and emails within one working day?**

Many accountants call you back when it is convenient for them as they are very busy people! Wouldn't you prefer that your accountant guarantees to call you back within a fixed time frame so you can manage your time better?

6. **Do you nurture lifelong relationships with your clients?**

Many accountants want lifelong clients because that means they earn more fees. But what do they actually do to nurture these relationships?

7. **Are you passionate about what you do?**

If people do what they love and are passionate about it, they deliver better work.

8. **Are you interested in my health and well-being as well as my finances?**

Research shows that happy, healthy people are better equipped to run more profitable businesses. So why wouldn't your accountant take an interest in your health and wellbeing?

9. **What are your green credentials?**

For many accountants there is only one bottom line. For enlightened accountants there are three; ask prospective accountants about 'Triple Bottom Line' and note their reaction.

10. **How committed are you to understanding my needs and aspirations?**

A genuine desire to understand you and your business is a prerequisite for the delivery of a service that enhances your life and gets you closer to your goals.

Seven obvious questions

1. **What are your professional qualifications?**

Amazingly, anyone can call themselves an accountant and set up a practice: it's not like becoming a doctor, for which you need rigorous training. Only consider someone with a recognised professional qualification - for example, a member of the Institute of Chartered Accountants in England & Wales, the Institute of Chartered Accountants of Scotland, the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants or a Chartered Tax Adviser. This gives you some protection or at least an avenue of complaint if needed.

2. **Can you give me the names of some clients I can contact to ask about you?**

Ask if you can speak to someone whose position is similar to your own. You will want to know, for instance, how reliable, prompt and responsive your potential accountant is; whether he/she explains things clearly, provides value for money and has produced any good ideas. However, do bear in mind that you are only likely to get the names of friendly clients!

3. Will it be you who looks after me or someone else?

Make sure you meet the person who will actually deal with you on a day-to-day basis and not just a senior figure you will rarely if ever see again once you have been secured as a client. If more than one person will be involved with you, ask to meet the others.

4. Can I visit your office?

This should help you judge the quality, nature and scope of an accountant's practice. Beware of someone working from serviced offices or whose offices are very run-down. On the other hand, you might enquire closely about the fees of someone with conspicuously lavish premises.

5. How long have you been in business?

Unless your affairs are extremely simple, you need someone with experience. Don't just take their word for it; ask for evidence.

6. How many partners are there in your practice? And other employees?

If you employ a one-man band, there can be problems when illness strikes or a holiday is taken at a time when you need help. There can also be problems at the busiest times of the year, like January, when many tax returns have to be submitted. Check if there are other people around to help. Solo operators may also lack easy access to expertise in specialist areas such as Capital Gains Tax, VAT and Inheritance Tax planning.

7. Can I see a portfolio of your work for clients?

An accountant cannot give you detailed information on other clients for reasons of confidentiality. But it is not difficult to prepare some case studies with confidential details omitted. You are looking for someone who is accustomed to dealing with people like you and so has a good understanding of your kind of lifestyle. The more unusual your situation is, the more important this point becomes. There is a big difference, for instance, between someone who has a steady regular income and someone whose income is very irregular and fluctuating (like an actor); someone whose income comes wholly from the UK and someone whose income comes mainly from abroad; and someone who is working and someone who is retired and living off their investments. Finding an accountant who has worked with clients in a similar position will save you a lot of explanation and should avoid the expense of them having to learn at your expense.

I hope you've found these questions helpful - we wish you well in finding an accountant that is right for your needs. We would of course be delighted to discuss how we might be able to help you. Please contact me to arrange an initial telephone conversation.

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