

# Choosing an accountant

## A guide for SMEs



Appointing an accountant or accountancy firm represents a crucial decision for any small and medium-sized enterprise (SME). Accountants may be called on to support financial management and business planning in addition to preparing statutory financial accounts. Many SMEs also benefit from introductions – via their accountants' own networks – to potential clients or providers of specialist tax, financial planning or legal advice.

Your selection process should be about much more than driving a hard bargain. Asking the right questions – about a firm's people, services and fees – will enable you to make an informed choice.

### Consider these factors:

- **Qualifications:** All the accountants listed on the IFA's online searchable database are full members of the IFA, meaning they uphold high standards of conduct, confidentiality and ethics, with an annual obligation to undertake continual professional development (CPD) activity to stay up-to-date with issues such as tax legislation and advisory best practice
- **Specialist insight:** It's not essential for your accountants to have previously dealt with businesses like yours – but it certainly helps, if only to see if references from those clients back up their claims, or that they're familiar with any sector-specific quirks that impact on financial reporting or tax arrangements

- **Been there, done that:** Accountancy firms are businesses too; many of those you're considering will face challenges and constraints not dissimilar to your own. If your objectives include, say, whipping your record-keeping into shape, or creating a business plan, or building a case for raising finance, you might use your preliminary discussions to discover just how much first-hand experience they have (alongside the work they carry out for clients like you)
- **Chemistry:** For many entrepreneurs, business owners and company directors, a strong empathy with their personal goals – which might encompass work-life balance, succession planning or leaving a legacy – greatly informs the advice their accountants provide. If that's important to you, take note of how much attention prospective accountants pay to you as an individual, over and above your role as a businessperson
- **Account management:** Partners might routinely pitch for your business – but who will be your regular contacts? Ask to meet them, so that your decision is made with greater confidence and realistic expectations
- **Billing transparency and certainty:** Considering the nature and purpose of relationships between businesses and their accountants, fees and invoicing arrangements often take a surprising back seat during negotiations. Ask and agree up front about which work will be chargeable, and the basis on which fees are calculated, as well as what you might reasonably expect by way of service – such as brief advice over the phone or periodic reviews – that won't result in an invoice arriving out of the blue

**Search the IFA's member database at [www.IFA.org.uk/find-an-accountant](http://www.IFA.org.uk/find-an-accountant) for local accountants who'd welcome the chance to discuss helping your business.**