

Helping You to Develop Your Business with Free Hints and Tips

In This Issue:

*Preparing For Your
Accountant....Saving
Time and Money*

Preparing For Your Accountant

⇒ Strengthening your business's financial performance

Overview

Whether your accountant produces your accounts or carries out your annual audit, being prepared for your accountant will ensure the work is carried out smoothly and efficiently and with the minimum disruption to yourselves.

You may also be able to help by preparing some of the routine schedules...this will mean time can be better spent advising you on the running of your business.

Hints And Tips To Get The Most From Your Accountant:

Keeping The Accountant Informed:

Your accountant should be better prepared if they know of any changes within your business which could affect their work. These could include changes in your:

- Product or market
- Business strategy e.g. pricing policy
- Bookkeeping system
- Key personnel.

Preparation:

If you know what information is needed by your accountant to complete their work, do your best to make it available. As with all business relationships better communication will help to minimise misunderstandings and avoid unnecessary work.

Timetable:

Agree a suitable timetable in advance. This will give both parties a chance to be properly prepared. If you find yourself behind schedule let your accountant know as soon as possible so that the timetable can be rearranged if necessary.

Books And Records:

Setting up and maintaining your books in an organised manner will help your accountant to extract quickly and easily the information needed to prepare or audit your accounts. It will also enable you to see at a glance the state of your business.

Consider the following points which may improve the organisation of your records:

- Totalling and balancing your books at regular intervals will help you spot and correct any mistakes
- Analysing your payments and receipts so that information can be easily extracted
- Filing your invoices in a logical order (numerical, alphabetical or date) to make it easy to find any one of them.

Procedures:

By establishing and maintaining certain procedures you will be able to keep a better control over your records and your business. It will also mean your accountant can cut down on the work they need to do which will save you money.

Your accountant should be able to help you set up these procedures initially and once established you will be able to carry them out yourself. These procedures should include control accounts, reconciliations and stocktaking.

Set Up Control Accounts:

Control accounts record the movements of cash, debtors and creditors by using the monthly totals from your cash book and sales and purchases summaries.

The cash control account will show how much cash the business has at the end of each month.

The debtors or sales ledger control account will show how much your customers owe you at the end of each month.

The creditors or purchase ledger control account will show how much you owe your suppliers at the end of each month.

Reconciliations:

Reconciliations help to ensure that the figures in your books are complete and accurate. Therefore, if produced on a regular basis they will help you spot any errors which can then be corrected before your accountant examines your records.

Some of the records which will need reconciling are

- Bank accounts
- Control accounts
- Suppliers' statements.

Stock take:

If your business carries any stock you will need to count it at least once a year. To ensure that the count is carried out efficiently and accurately you should consider the following points:

- Stock items should be stored neatly and logically to make counting easier
- All staff involved in counting should be given clear instructions
- Try to minimise the movement of stock during the count. If possible deliveries in and out should be withheld until the counting has finished
- Spot checks should be performed during the count.

If you hold large amounts of stock your accountant may need to attend the stocktake and perform their own checks.

Schedules:

There are a number of schedules which have to be produced in order that your accounts can be prepared and/or audited. Your accountant will be able to prepare all of these schedules but obviously if you produce them it will save time and money.

You may wish to consider the preparation of some of the following schedules:

- A detailed list of additions and disposals of fixed assets with a copy of the appropriate sales and purchase invoices attached
- Schedules showing each item of stock held, the quantity, unit value and total value. Indicate any stock items which are old or damaged
- A list of your debtors at the year end including how much they owe you and how long they have been outstanding. Indicate any which are unlikely to pay you
- A schedule of all bank and cash balances at the year end, together with all the bank statements for each bank account
- A list of creditors which should include HM Revenue & Customs as well as the usual business suppliers.

Not all of these schedules will be applicable to your business and therefore before doing anything you should check with your accountant.

Summary:

There are many advantages to be gained if you are better prepared before your accountant commences work.....they will be able to complete their work in less time and this in turn will mean less disruption to you and your staff. In addition your accountant should then be better placed to provide you with useful and constructive advice regarding the development of your business.

Perhaps the most rewarding of all these advantages will be the fact that your books and records will provide you with more useful information which will help you make better informed business decisions.

*For Further Information or to
Arrange a Consultation
Call: 01543 897820
enquiries@at-accountancy.co.uk*

