



# INNOVATIVE ENTREPRENEURSHIP



## Choosing an Accountant



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# Choosing an Accountant

*This factsheet explains the services offered by accountants, what to look for when choosing an accountant and how to find and appoint one.*

## ACCOUNTANTS SERVICES

For many small businesses using an Accountant is a vital source of support and advice, especially around complex issues such as taxation. There are several business issues that an accountant can help with, including:

- **Start-up advice.** An accountant can provide advice about the best legal status for a business (such as sole trader, partnership, limited company) and can help with other legal and taxation issues such as registering your business.
- **Bookkeeping.** An accountant can offer a bookkeeping service. Even if a business owner takes care of day-to-day bookkeeping themselves, an accountant can help by advising about which records should be kept for accounting and tax purposes.
- **VAT (Value Added Tax).** It is likely that your business is VAT-registered, therefore it will be necessary to prepare VAT returns. An accountant can provide advice about the best VAT accounting scheme for the business and outline the VAT rules that apply.
- **Preparing annual accounts.** Business owners should use an accountant to produce key annual financial statements, such as the profit and loss account and balance sheet. Limited companies and limited liability partnerships must file accounts annually with Companies House and accountants can help with this too. This is a legal requirement by the tax office and also it helps to build your relationship with your bank. These statements may also be required by other grant schemes or support services.
- **Preparing tax returns.** Accountants are typically able to provide advice about tax rules, regulations, exemptions and case law that apply to a particular business sector. Accountants can also provide advice about achieving tax savings and presenting a case to the Tax office in the event of an investigation or dispute.
- **Business advice/management accounting.** Once a business is up and running, an accountant can set up systems to monitor performance and budgets, and improve efficiency. They can also provide specialist advice about financial planning and assist in applying to incentive certificates and to other governmental support services like Development Bank.





## FINDING AN ACCOUNTANT

It is worthwhile seeking advice from an accountant before starting up in business and a good place to start is with existing business contacts who may be able to make recommendations. Other local entrepreneurs or a business relationship manager at a bank may also be able to offer advice about finding an accountant.

There are several issues to consider before choosing an accountant:

- Check the accountant is suitably qualified and belongs to a professional body. A chartered management accountant will mean the accountant has passed numerous examinations in order to qualify and has several years' practical experience.
- An accountant who is not a member of an approved professional body may offer cheaper rates, but they could cost a business more in the long run if the quality of their work or advice is poor. Members of leading accountancy bodies must also ensure that their technical knowledge is kept up to date by attending regular courses and seminars, as well as following a programme of continuing professional development throughout their careers.
- It is crucial that the accountant understands the business and the sector it operates in. It is also worth making sure the accountant has experience of working with smaller businesses.
- It is advisable to contact more than one accountancy firm and have face-to-face meetings before deciding about which firm to choose. It is important to find an accountant who not only has the appropriate qualifications and experience but is also empathetic. Some accountancy firms waive the fee for an initial meeting unless specific advice is given at that meeting. Check in advance whether the first consultation will be free.
- It is advisable to source an accountant located in the same region as you may need to visit often. A local accountant may also have a better know-how when it comes to regional issues (regarding municipal tax charges etc.)

It is important to meet regularly – e.g. every 3 months and have additional meetings when critical business issues arise, such as cash flow problems. Adequate records should be kept of any correspondence, and information must be supplied to the accountant well in advance of any deadlines for filing accounts, payroll information or VAT returns.





## ACCOUNTANTS' FEES

Charges will vary according to the location, size and complexity of the business and the size of the accountancy firm. Fees are likely to start from around 5,000TL for preparation of annual accounts and tax calculations for a sole trader. A larger, more complex business that deals in cash and is registered for VAT should expect to pay at least 8,000TL for the preparation of annual accounts in a format that can be submitted to the Tax Office.

Some accountants offer services under a fixed monthly fee, for example to complete business tax calculations and file documents. Fixed fees for a package of standard accountancy services are typically from around 300TL to around 1,200TL per month for small businesses.

