

 AdChoices
MANAGING YOUR BUSINESS

Ten tips for picking the perfect accountant

MARLENE HABIB

Special to The Globe and Mail

Published Monday, Oct. 03, 2011 5:00AM EDT

Last updated Thursday, Sep. 06, 2012 10:38AM EDT

Hiring an accountant for your business is no longer just about finding someone good at number-crunching and getting the maximum returns come tax-filing time.

Registered professional accountant Fernando Renna, for one, has seen the role change dramatically since he began his business 28 years ago in Cambridge, Ont.

“We’re not just bean counters any more,” says Mr. Renna, a spokesman for the board of directors of the Society of Professional Accountants of Canada. “Thirty or 40 years ago, business owners may have said, ‘Here are my books, do my taxes, goodbye and I’ll see you next year.’ Now, accountants are expected to do a lot more.”

There is more demanded of accountants as businesses emphasize risk management – one of the repercussions of the global economic downturn, according to a recent report by the Association of Chartered Certified Accountants, which is based in London, England.

“Business success depends on the ability to make sound decisions in a risky, uncertain world,” says the report titled *Accountancy: The Future Outlook*, based on interviews with 750 chief financial officers, partners and senior finance executives. “Qualified accountants can help management teams to make those decisions, based on information drawn from accurate data and informed by broad business knowledge.”

Stan Swartz, of Sloan Partners LLP Chartered Accountants in Toronto, sees accountants as business sleuths.

“We look below the surface to see what helps business owners, or what’s causing [their business] not to do well, or give advice on how to turn it around or help them determine if it’s time to pack it in,” says Mr. Swartz, who is also a certified management consultant and financial planner.

When just starting out, business owners may be inclined to use a buddy from school who does some accounting, but that strategy just won’t do as the business grows and becomes more complex, stresses Frank Fazzari, a managing partner of Fazzari & Partners LLP Chartered Accountants in Vaughan, Ont.

So how do you go about finding a great accountant?

Here are 10 tips, including questions to ask in an interview:

1. **Get referrals:** Mr. Renna, Mr. Swartz and Mr. Fazzari say they get 90 per cent of their clients through word of mouth. “When someone has been referred to me by a friend, I feel a double obligation to do my job well,” stresses Mr. Fazzari. You can also get referrals from professional associations.
2. **Determine your business needs:** Do you want an accountant to just handle the books and file your taxes, or someone who can give advice, and who will be there as your business grows? Most business owners want someone to advise them on a range of things. “A lot of people go to their accountants before they go to a lawyer, because [we] can help them deal with leases, franchise agreements – we have that well-rounded knowledge,” says Mr. Fazzari, adding it’s also important to ask if the accountant has the credentials to sign financial statements and do statutory compliance work.
3. **Get licensed candidates:** There are three professional accountancy designations, each with different educational requirements and duties. Chartered accountants (CA) have global recognition and their services range from startup counselling to acting as a trustee for receivership, insolvency or bankruptcy. Certified management accountants (CMA) integrate accounting expertise with advanced management skills, and certified general accountants (CGA) have a range of duties, from providing insights into financial statements and reports to overseeing internal accounting processes. “You have to get a certain degree of education and a certain amount of experience before you get these designations, and there are ethical rules that have to be met,” says Mr. Swartz.
4. **Determine accessibility:** If just starting out, you may need to be in touch with your accountant more often at first. While some accountants are sole proprietors, like Mr. Renna, who says he’s available pretty much round-the-clock for clients, many work in firms and have someone covering for them when they’re away. Mr. Fazzari adds: “If you have a bigger business, more employees, more complex issues, you need to gauge accessibility; is this [accountant] a one-man show, do they have staff – is another staff member assigned to your file?” It’s important to feel comfortable with whomever you talk to, he says.
5. **Ask what they charge for services:** Most charge by the hour (usually anywhere from \$150 to \$400 an hour, depending on their duties). Ask what those fees include – for instance, do they charge every time you call for advice? “Find out the hourly rate – will they be flexible in billing, especially if your business is just getting off the ground?” Mr. Fazzari says. Bring a copy of your tax returns to accountants you’re thinking of hiring, to see if they can give you an idea of the cost of their services.
6. **Get names of other clients and references:** Accountants who handle other companies are more likely to have insight into the relevant business laws. Mr. Renna says references and professional associations can tell you if there have ever been any issues, complaints or disciplinary action taken against an accountant.
7. **Ask if they have ever owned a business:** It’s not vital that an accountant has been a business owner, but it can be a plus. “An accountant has to give you lots of advice, but is it based on what they learned in school or from reading a book, or did the accountant actually get their own hands dirty and have their own failures and rewards?” says Mr. Swartz.

8. **Talk about technology:** Spreadsheets and other accounting paperwork are giving way to computers and digital filing. Mr. Fazzari says paperless accounting saves time and money: “I got a call from a client who was refinancing, and needed his financial statements to go out to his new banker while he was on the phone with me. I sent him an e-mail with his financial statement within a minute; four years ago, that would have taken us four hours.” He also suggests asking the accountant how computer literate he or she is, whether the firm has a website, and if they use social networks such as Facebook and Twitter.
9. **Gauge risk tolerance:** Look for someone who is not overly aggressive, yet can be creative while working within the rules. Ask how they would treat certain kinds of deductions, income or strategies. “Some accountants may be aggressive in terms of tax compliance, which can put the client at risk,” says Mr. Swartz. “There may be good aggressiveness working within the rules as you interpret them and knowing what [does] and doesn’t work while keeping the client out of trouble.”
10. **Ask to be kept in the loop:** Some accountants have newsletters or blogs that keep their clients informed. Mr. Swartz says. “Look for an accountant who will provide you with information when [they] comes across an idea, concept, article, etc. that could be of interest or benefit to you.”

Follow us on Twitter: @GlobeSmallBiz [<https://twitter.com/@GlobeSmallBiz>]

More related to this story

- [Turn your expertise into a product](#)
- [Dog trainer makes money in his sleep](#)
- [Sell what you know instead of your time](#)

Share this selection

- [Tweet](#)
- [Tweet](#)
-