

The Accountant's Angle

Ask the right questions and you get the right answers, says Richard Hill

At the root of all we do at GSM is our desire to do the right thing for clients. By asking the right questions of charities we can determine whether they are correctly positioned from an accounting perspective, to make the most of funds raised.

There are four questions we continually ask:

How are resources used to meet the charity's objectives?

Are all necessary systems in place?

Is expenditure allocated correctly?

Are funds apportioned appropriately?

The answers given help identify what we and the charity must do to arrive at the optimum balance between the functionality and effectiveness of accounting systems. The aim being to ensure best stewardship of funds, corroborating their *raison d'être* and maintaining their integrity.

So, when it comes to commercial partnerships, the relationship must be of mutual benefit. There are vital questions to ask here too, to ensure the venture is in theory and practice a joint approach from the start, that it is one of open dialogue and is easy to monitor progress.

This mirrors the relationship that a charity and their accountant should have. We at GSM certainly adopt this stance. Transparency and accountability is central to an effective financial reporting framework and for meeting current and future needs, so the charity can readily take advantage of such opportunities.

The areas we consider range from the pragmatic to the operational, from strategic to tactical and all based on answers to questions that will better facilitate the charity's path for doing its good work:

Streamlining Systems

A charity's year-end accounts should be used as an effective communications tool. Your accountant's role should be to refine systems and information so that it is intelligible to all and can be trusted as a basis on which informed decisions can be made. The objective throughout should be to streamline systems so stakeholders are reassured, whether your accountant is conducting a full audit or an independent examination.

Outsourcing

The outsourcing of bookkeeping and in particular preparing management accounts, is often where we can add most value. Alternatively, once we have earned our spurs in carrying out year-end work, we may be asked to overhaul day-to-day accounting as performed by the client. While the onus is still on the charity to take control, through appropriate GSM training, clients can be guided as to how they better spend their time on accounting. The ideal is to develop a joint, yet comfortable plan to achieving accurate and available financial information.

Tax Education

Often misunderstandings and mistakes are made in interpreting and improving the tax position of a charity. Although registered charities are typically exempt from income and corporation tax on financial performance, frequently our expertise is sought to mitigate against potential VAT and employment tax issues. Better tax education for our clients is one of the key platforms we provide, so they are better guided through HMRC terrain.

So not only should your accountant do the right thing by asking the right questions, but talk your language too.

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