What makes a great accountant?

By Fordham

3 June 2021



Whether you are a business owner, an employee, a parent, or all of the above, one thing is bound to be true: there just aren't enough hours in the day to do it all. That's why many of us put our trust in others to look after our affairs and provide much needed advice.

When I meet a new client, I often ask them why they want to move on from their current accountant. The most common reasons I hear are:

“They do my tax return, but I need more.”

“I’m not getting enough proactive advice.”

“I don’t think they’re telling me everything I need to know.”

For what it’s worth, these are very good reasons.

A simple analogy can be used to distinguish a good accountant from a great accountant. If you have a bowl of apples, a good accountant will tell you how many apples are in the bowl. A great accountant will challenge you and ask you questions like...

Do you need more apples?

How fresh are your apples?

Do you want different fruit?

Do you need a bigger bowl?

Who is eating the fruit?

It might sound silly, but these questions (when we put them in the context of your personal affairs) can be the difference between surviving and thriving.

Over the course of a year, there are a few magic windows of opportunity where us accountants like to take the time to review our clients bowl of fruit. One such window is tax planning time. This is the busy and important couple of months in the lead up to the end of the financial year.

During tax planning, we direct our attention to some common issues, including:

1. What is your expected profit or earnings for the year?
2. What is your expected tax bill?
3. Are there effective ways to maximise deductions and minimise your tax?
4. If you have a trust in your structure, do you understand what your trust requirements are?

Whilst ticking off the basics is important, why not reflect on the bigger picture and ask some harder questions:

1. Do you have idle cash sitting around that could be better invested?

2. Are your assets and investments performing as you had hoped?
3. Do you have unnecessary debt? Or alternatively, should you take on more debt?
4. What is your current risk exposure?
5. Do you have the right insurance in place?
6. Are you taking advantage of opportunities to contribute into superannuation?
7. When was the last time you reviewed your current structure? Is it still right for you?
8. Is it time to clean up old entities or is it beneficial to open new ones?
9. Are your assets held in the right place and by the right people?
10. Is your structure set up in the right way for control and succession purposes?

It's surprising just how many of these important questions aren't being asked or aren't getting the attention they deserve.

So maybe it's time to ask yourself... do you need to find someone new to count your apples?

For further information please contact your Fordham Partner.

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