

# Starting in Practice

Basic guide and considerations  
when starting in practice

May 2021



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# Introduction

The decision to go into practice, working for yourself and not for someone else, is a life-changing event that requires commitment and grit and is not for the faint-hearted. Although 'being your own boss' is an exciting opportunity and could bring with it many rewards, it is important to be aware of what's involved before making the leap. Often, the first steps are the most difficult.

This guide has been prepared to assist those contemplating going into practice to do so in an informed manner and with understanding of many of the areas needing to be considered before setting up in practice.

## *Disclaimer*

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# ICAS support for you

There are many areas when going into practice to consider. While this guide highlights many of the areas to be considered it is inevitable that you will have further questions. In addition, as with most regulated areas of work there are many hazards to navigate your way around.

Whether it is the need for further assistance, to help keep you on the right track or to support you during your time in practice, the ICAS Practice Support team is here for you. There is also a large range of resources and support programmes available to help you.

## *Contact Practice Support*

The ICAS Practice Support team are highly experienced individuals who have significant practice experience. There isn't much that they haven't come across in their time in practice and they know their way around the regulatory and commercial environment. If they don't know the answer they know who will have the answer! Whether it is guidance, a confidential ear, experienced counsel, or looking for the latest resources our expert team is here for you.

Contact details are available on [icas.com](https://www.icas.com)

## *Evolve*

Evolve is the ICAS practice support programme which provides tailor-made services and products designed to support you with your clients and grow your practice.

Evolve offers tailored services and products, including:

- Technical resources, knowledge and publications
- Access to expert advice and assistance when needed
- Preferential terms on products and services that matter
- Professional development - live and on demand webinars, courses and other events
- ICAS practice insights
- Confidential support at times when needed most
- Support and resources to promote the value of ICAS and CA practices

Further information at [icas.com/evolve](https://www.icas.com/evolve)

## *Other key resources*

[General Practice Manual](#) contains helpsheets, guidance and specimen documents to assist with the day-to-day work carried out by general practices.

[Technical Bulletin](#) is a free resource for members that provides comment on various topical practice matters and the most recent updates from HMRC and Companies House.

[ICAS Technical Helpdesk](#) if you have a query about accounting and audit, AML, practice support or tax for example.

# Are you ready to go into Practice?

It is important to realise that setting up in practice will require a diverse range of skills and the ability to wear many different 'hats'. It will require a mindset shift from being an 'employee' to a business owner, responsible for not only key decisions but for making the practice profitable.

Some of the first considerations should be:

## *Are you qualified to be in practice?*

When you decide to independently offer accountancy services to the public, or when you become a principal in an accountancy firm, you will need a practising certificate. You can obtain a practising certificate by evidencing that you have sufficient experience and knowledge to be offering services in your chosen area. Ordinarily a minimum of two years post qualification experience is required before a practising certificate will be granted. More information on obtaining a practising certificate can be found [here](#).

In most instances, you will need to have a sound knowledge of a range of taxes (income tax, capital gains tax, corporation tax and inheritance tax to name a few) as most people who employ a CA will require tax advice. In addition, up to date accounts preparation knowledge will be essential to ensure you are familiar with disclosure requirements, which need to be accurate.

## *Is practice right for you?*

You should be comfortable with the responsibilities and challenges that come with being in practice. It might be a steep learning curve if you are leaving the security of a job, with colleagues to learn from and departments that deal with IT, marketing, and HR issues. Once you go into practice, you will be responsible for all of the aforementioned tasks in addition to delivering a quality service to clients.

In the early days you will need to fulfil many roles including managing director, finance director, MLRO and marketer, for example. This will be alongside your client-facing day job, answering queries and preparing accounts and tax computations. Time management skills and being disciplined will therefore be imperative. If you have never done these roles before, they can of course be learnt over time. It is perhaps more important to know where your weaknesses, or perhaps gaps, lie and focus your energy on improving your knowledge in these areas so that they do not become bigger problems down the line.

Ultimately, being in practice is a people business, so you should be outgoing and good with people. The most important thing will be the quality of service you deliver to clients, the rest are all skills that can be learnt and improved upon over time.

## *Know why you want to do this*

As the landscape of accountancy continues to move online, with many seeking a better work-life balance, people might favour managing their own business and working on their own terms. Other factors such as having a young family or cutting down a long commute may also mean that accountants look for more flexible ways of working. Some may choose to work three days a week as a lifestyle preference. Whatever your reasons for starting in practice, a business plan should be created with a strong 'why' created to keep you on track when things start to get difficult.

Formulating a financial plan, including a cash flow, will allow you to assess from the outset your financial requirements based on a set of basic assumptions such as income, charge-out rates and recovery rates per day, for example. Thinking realistically about how much you could reasonably look to bill on a weekly/monthly basis. Could you survive the start-up months when you might not be fully utilised? Could you consider working as a sub-contractor or consider other short-term appointments until you build up regular income? Other things to consider will include time for training, marketing and potential illness.

It is important to also consider the end goal – are you happy being a sole practitioner or do you want to build up the practice and employ staff? It's crucial this is considered at an early stage so that your objectives and timeline are clear. Staffing considerations will need to be planned well in advance to allow time to search for the right people. It might be more appropriate to consider sub-contractors at first to avoid the responsibilities that come with being an employer which will also allow some degree of flexibility.

# First steps & considerations

## Formulating a business plan

Once you have decided to go into practice, you should write your ideas down in a business plan to identify the steps involved, including timelines. A business plan will be vital to sense check your ideas and ensure you are on track to achieving your goals. Writing a formal plan will also help you to interrogate your ideas – by looking at a timeline, the costings associated and a cashflow in its entirety might reveal a few roadblocks along the way. So perhaps a few assumptions might need to be reconsidered or delayed for example.

The key to a good business plan is to keep it simple, building and amending as you go. This could just be a one-pager but broadly, it should outline your vision, goals and a roadmap to achieving these. Begin to research the market and see what's working for other accountants. Find the ones you admire and check out their website and social channels to see how they are communicating with their clients and the services that they offer. Use this research along with the considerations above to start formulating your business plan.

Some sections might include:

- Your niche/ USP – detail the services you will offer and how you are different to others
- Target market – detail the clients you want to attract
- Marketing – how will you reach your target market and what will you say
- Budgets and cashflow projections – detail your expected monthly costs and map out predicted fees
- Milestones – identify key milestones and when they need to happen
- Resource – who will be required to deliver these services and outline their roles
- Funding – how will you afford the start-up phase and investment in any assets before fees build up
- Contingency plan – in case you don't achieve the expected level of sales.

Your business plan should evolve as your business does which is why a shorter business plan will be much easier to update as you go. Being agile will allow you to discover and solve problems, bounce ideas off others in the industry, look at finance options (should you need them) and make well thought out strategic decisions.

Set regular review days in your calendar every few months to review your accounts, cashflow and client leads to consider how you have progressed and how it measures up to your business plan. If you are not achieving the expected level of fee income or the number of new clients required, consider what the reasons for this are and whether there is anything you can change. It might be that your business plan was simply unrealistic in which case it can be revised. If you think it might be a pricing issue, now is a good time to reconsider the model being used as it is more difficult to change this further down the line once you become more established.

## What structure is right for me?

There are a few different structures that might be applicable when starting out in practice and will depend on your specific circumstances and risk profile. Many practitioners start as a sole practitioner with no staff, then might employ a few a staff and eventually become partners. A partnership is often used after a few successful years as a sole practitioner or perhaps if you are starting with another practitioner. A limited company or limited liability partnership may also be formed. See the '**Structuring a practice**' section for further considerations.

You should also consider who the other principals will be, bearing in mind that to be considered an ICAS member firm it should have more than 50% of the right to vote held by members.

Finally, it would be wise to appoint an alternate if you intend on starting as a sole practitioner so the management of your practice can continue should you fall ill.



### **Where will I work?**

It is becoming less important to have office space now as online methods of operation become increasingly popular and efficient. Saving time on a lengthy commute, travelling between client meetings and saving on office rent can result in increased client satisfaction as there is more time spent on responding to clients in real-time. It would make sense to work from home to begin with to keep any outgoings as low as possible. However, it is essential that you have a dedicated workspace and a clear routine so that work and home life do not become blurred and you are able to switch off in the evening. Boundaries should be established early on as although you will want to be accessible, there is a temptation to work longer hours when at home.

Office space could be considered further down the line, or if there is simply not room at your current home, you could operate from a serviced or shared office, which is beneficial if you intend on meeting clients regularly. Collaborative spaces can also have further benefits such as shared meeting rooms, shared secretarial and reception areas as well as providing a vital social connection with others with the opportunity to consult with others if they are in similar industries.

### **How will I charge?**

The way in which practices consider pricing also appears to be changing of late. Firms are increasingly turning away from more traditional methods, such as time-based billing since they focus on the costs not the outcomes or the results generated for clients. Whether you decide on a billing method based on time, a fixed fee or on performance, the way in which you price should always be to make a profit otherwise it will not be sustainable. This should be thought about in detail before starting in practice since if you begin pricing low it is very difficult to subsequently increase this.

See **Billing clients** for further information.

### **Who do I need to notify?**

HMRC – several registrations or notifications to HMRC may be required. You will firstly need to notify them of the commencement of your business for self-assessment purposes. It would also be advisable to [register as an agent online](#) so you have the authority to deal with HMRC on your clients' behalf. You might also want to consider [registering for VAT](#), if it is likely your business' taxable turnover might exceed the statutory limit, or if you intend to employ staff then you will need to [register as an employer](#).

Data Protection Registration – as it is highly likely that you will be obtaining and using client data you will need to pay a fee under the Data Protection Act (DPA) 2018. Registration for this is relatively simple and can be done on the [Information Commissioner's website](#).

### **What will I call my practice?**

One of the most important considerations will be what you intend to call your practice and the associated 'brand'. Will it be personal and associated with you as an individual or more general to facilitate future growth? Once the name is decided, branding can be considered for marketing your business that can be used more broadly on social media channels, invoices or business cards for example. The branding should project quality and reliability rather than being cheap and cheerful using generic templates. This can always be revisited once the firm is established but is usually wise to invest in this early on to aid marketing of your services.

You will need to inform ICAS of the intended name and details of the practice.



# Structuring a practice

There are a few different structures that might be applicable when starting out in practice that will depend on your specific circumstances and risk profile. The vast majority of practitioners start as a sole practitioner with no staff, they then might employ a few a staff and eventually become partners in a firm.

A partnership is often used after a few successful years as a sole practitioner or perhaps if there is scope to join another practitioner in business. A partnership agreement should always be drafted.

A corporate practice can take one of two forms, a limited company or limited liability partnership (LLP). It is a matter of personal choice as to whether to incorporate or not and again, will depend on your personal circumstances. As well as the commercial implications you may want to consider taxation and legal issues, practical matters and regulatory requirements. A limited company can have one director, whilst an LLP must have a minimum of two members.

Practising through a corporate structure is becoming increasingly popular with the main reasons often being to achieve tax efficiencies or to separate ownership from management. It also aids with succession and eventual retirement from practice.

## Use of description 'Chartered Accountant'

As a member of ICAS, it is important to distinguish yourself from unregulated accounts and be able to utilise the advantage of the CA brand – something you have worked hard for!

To protect the public interest and the reputation of the profession, it is important that ICAS is able to carefully control the use of the description 'Chartered Accountants' and the designatory letters 'CA' so that it is not adopted and used by anyone. There are strict rules governing its use, meaning that if you wish to adopt these terms you will need to apply for permission.

It is important to note that, when choosing a firm name, 'Chartered Accountants' may only be used a description and should not form part of the registered name of the Firm. As a prohibited name, Companies House should automatically reject registration.

It is also worth bearing in mind that as the practice grows, a firm in which less than 50% of the Principals (e.g., sole practitioners, partners, members of an LLP, directors of a limited company) are Chartered Accountants then the Firm will be prohibited from using the description 'Chartered Accountants'.

Please [refer to the guidance notes and application form](#) for more information.

## Appointing an Alternate

An alternate is a suitably qualified individual or firm appointed by a sole principal to continue the running of their practice in the event of their death or incapacity. While nobody likes to think or talk about an unexpected incapacity or even death, you could help avoid uncertainties that would cause further concern and stress at an already difficult time by ensuring you have an alternate agreement in place.

While alternate agreements are primarily to protect continuity of business where a 'serious' life situation has arisen, they can equally be appropriate to cover planned or extended periods of absence due to, a planned health treatment or extended time away travelling for example.

Appointing an alternate is not compulsory unless you are a sole practitioner who handles Clients' Money, including insolvency practitioners who handle estate monies. For practitioners who do not handle Clients' Monies, it is still considered best practice and is in the best interests of you, your family and clients, for an agreement to be in place with another practitioner or firm should something happen.

It is advisable to try and find a firm or practitioner that is comparable with your own procedures and whose fees structures and type of work are similar to your own. Any arrangement should then be made in writing, since the arrangements are contractual, with legal input sought on behalf of both parties.

For further information please refer to the [‘Appointing an Alternate and continuity of practice’ helpsheet](#).

## **Planned and Unplanned Absences**

Part of being in business is planning to be able to take holidays. This will not seem like a priority in the first few months, but a break is essential to recharge the batteries. Along with planned absences you should consider what procedures you have in place for unplanned absences, it is therefore essential to:

- Arrange back-up, especially to deal with cover for unexpected illness or urgent matters when on holiday. A formal arrangement with an alternate should be regarded as best practice and is as much in your own interests as that of your clients. Under the Clients’ Money Regulations, an alternate is compulsory if you intend in handling clients’ money. Access to specialist assistance, membership of training groups, etc, can also be very helpful.
- Holidays should be planned well in advance. Key people who may need to contact you at short notice should be informed since if their enquiry is not time critical, they will be willing to wait until your return.
- Long-term illness poses the greatest problem for a practitioner until quality staff and partners are around. Until that point consider making arrangements as outlined above. Insurance should also be considered.

## **Exit Strategy/ Succession Planning**

While the focus of starting in practice will be on the short and medium term, it is worth considering at an early stage your exit strategy or succession plans. Succession issues vary from firm to firm and having a strategy in place is imperative for the continuity of the practice. Planning for succession or exit can take many years. Issues such as ensuring the structure of the business is appropriate and taxation considerations and finding the right successor all takes significant time.

While it is unlikely that future plans will ever fall in place exactly as envisaged, some early thought and planning will assist in making any transition smoother and more effective. Having this in mind will ensure that you build a business can survive and thrive without you.

# Regulation

## ICAS Regulations

The [ICAS regulations](#) are mandatory for all members. The key areas to be aware of are as follows:

### Practising certificate

A member must hold a practising certificate in order to engage in practice. To obtain a practising certificate the applicant must evidence that they have the required level of competence and experience in all the areas of work that will be undertaken whilst in practice. The applicant should have at least two years appropriate experience to be eligible. For further information on applying for a [practising certificate](#).

### Professional Indemnity Insurance (PII)

In order to obtain a practising certificate an applicant must hold sufficient PII. PII helps protect you if claims are brought against you by a client due to a problem with the work you have done for them. Further information and details on the regulations in relation to PII can be found [here](#).

### Regulated activities

A member may want to provide services within certain 'regulated areas' such as audit, insolvency and corporate finance. This may not seem essential at first but might be required in the future. ICAS is authorised to license and monitor these areas if and when it is required.

### Training of CA students

If you intend to grow and train potential students, [authorisation will be required from the institute](#). This should be considered and planned ahead of time to allow expansion and succession.

### CPD requirements

Each member is required to undertake appropriate CPD records. The record should detail their current role/ future role, further training and development needs, record of each CPD activity and reflect on the learning outcome of the CPD activities for the year concerned. Further details on CPD requirements can be found [here](#).

### Clients' Monies Regulations

If you intend on holding money on behalf of your clients you will have to [adhere to the Clients' Money Regulations](#). You will also be required to conduct a review, at least annually, to consider whether the systems in place are adequate and comply with the regulations and complete a return to confirm compliance.

### Practice monitoring

[ICAS Practice Monitoring](#) is responsible for maintaining and enhancing the standards of registered PC holders, therefore ICAS members holding a Practising Certificate are subject to a Practising Monitoring review. The reviews are designed to be consultative and helpful as opposed to prescriptive to help Firms ensure they are complying with relevant legislation, ICAS rules and best practice. Audit and Insolvency are monitored separately.

### Code of ethics

The ICAS Code of Ethics ('the Code') is substantively based on the International Ethics Standards Board for Accountants (IESBA) Code of Ethics. The Code applies to all members of ICAS, affiliates, students and member firms and their employees – referred to as 'professional accountants' in the Code.

Professional accountants have a responsibility to take into consideration the public interest and to maintain the reputation of the accountancy profession. Personal self-interest must not prevail over those duties. The Code helps professional accountants to meet their obligations by providing them with ethical requirements and application material. Failure to follow the Code may lead to disciplinary action.

The Code establishes the five fundamental principles of professional ethics for all professional accountants:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

The Code provides a conceptual framework that professional accountants should apply to ensure adherence to these fundamental principles. The framework requires the ability to identify threats to compliance with the fundamental principles, evaluate the threats identified and address the threats by eliminating or reducing them to an acceptable level. Professional judgement should be exercised, remaining alert for new information or changes to the facts or circumstances and re-evaluate, as necessary.

The Code of Ethics is constantly evolving with new revisions released so please refer to the [Code of Ethics at ICAS.com](#) for further information.

## **Anti-Money Laundering**

The provision of audit, accountancy, taxation and insolvency services are among those activities that are regulated under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the Anti-Money Laundering Regulations).

Compliance with the Anti-Money Laundering Regulations and other financial crime legislation is not just a legal and professional obligation – it is an integral part of the fight against serious organised crime in the United Kingdom and beyond. As trusted advisers, of all the professionals who are covered by the Anti-Money Laundering Regulations, accountants are often best placed to identify the money earned from these victims.

Firms that provide audit, accountancy, taxation and insolvency services must be supervised under the Anti-Money Laundering Regulations by an AML supervisory authority. ICAS is an AML supervisory authority and will be the default AML supervisory authority for firms controlled by our members.

The Anti-Money Laundering Regulations require all Beneficial Owners, Officers and Managers (BOOMs) of firms to be approved by the firm's AML supervisory authority before becoming a BOOM. It is important therefore that not only does the firm register with ICAS for AML purposes prior to commencing but that all BOOMs are approved prior to them being appointed or acting in such a capacity. This may particularly be relevant for firms which are set up for example with a family member shareholding or 'silent partner'.

Firms are also required to establish and maintain a range of risk-sensitive policies and procedures in order to prevent activities related to money laundering and terrorist financing.

Compliance with the Anti-Money Laundering Regulations is a high risk area for any professional practice. It is therefore important that regular training is undertaken by all principals and employees operating within a firm to ensure that they are not only up to date with current requirements but also to act as a refresher and keep awareness high in their mind of priorities. It is therefore recommended that AML training is carried out on an annual basis.

For further information and resources to help you comply with legislative requirements [refer to the Anti-Money Laundering section](#) of the ICAS website.

# Working in Regulated Areas

## Audit

Whether statute or the rules of a trade organisation require an audit to be performed, the auditor will need to be registered, it is not enough simply to hold an audit qualification. In the UK, only firms who are Registered Auditors can accept an appointment as an auditor.

The range of businesses which require a Registered Auditor is quite wide. Apart from limited companies which are unable to take advantage of the audit exemptions, some other relatively obvious clients are charities, housing associations, pension funds, building societies, credit unions and businesses regulated by the Financial Services Authority for example.

In the case of charities, although smaller charities are generally exempt from the audit requirements, if the trust deed of a small charity specifically requires an audit to be carried out, it must be performed by a Registered Auditor.

If you are not registered, you may perform audits only for organisations which choose to have an audit, although they are not obliged to do so, by statute or under the rules of any trade or professional body. You may also perform audits for organisations where the rules do not require the audit to be performed by a Registered Auditor. However, in these cases you must comply fully with Auditing Standards and you must never sign a report as “Registered Auditor”. ICAS would also suggest that members avoid using the term “audit”, if possible, in these situations.

A Registered Auditor is therefore a firm that is registered with a Recognised Supervisory Body (RSB) and is eligible to be appointed as a Statutory Auditor. Each person responsible for audits and signing audit reports in the audit firm must be a Responsible Individual (RI).

Refer to [audit registration](#) for further information.

## Insolvency

Insolvency Practitioners (IPs) deal with individuals and businesses that are experiencing financial difficulties. ICAS members who act as IPs are required to hold an ICAS Insolvency Permit or, with the permission of the Council, an equivalent licence from another body. IPs who are not CAs can also hold an Insolvency Permit issued by ICAS.

Insolvency practice cover the following appointments in relation to companies:

- Company liquidators, including liquidators in members’ voluntary winding up
- Company administrators and receivers and
- Supervisors of compositions or schemes for companies under Part I of the Act.
- Interim trustee or trustees in sequestrations, trustees in bankruptcy or interim receivers of property
- Trustees under trust deeds for creditors or under deeds of arrangement for the benefit of creditors
- Supervisors of compositions or schemes under Part VIII of the Act and
- Administrators of insolvent estates of deceased individuals.

Refer to [who can become an IP and how to obtain a license](#) for further information.

## Investment Business/ General Insurance

Since financial services first became regulated with the Financial Services Act 1986, the trend towards consumer protection has continued to grow and the current legislation is now contained in The Financial Services and Markets Act 2000 (FSMA). Offering investment business or general insurance services without a DPB licence or direct authorisation by the Financial Conduct Authority (FCA) is a criminal offence.

ICAS is a Designated Professional Body (DPB) under FSMA. The DPB status allows ICAS to license accounting firms to carry out certain restricted 'exempt regulated activities' without the need to be authorised by the Financial Conduct Authority. Examples include advising on private company shares, commenting on advice given to a client by an authorised third party or attending meetings between the client and the third party. However, what a DPB licensed firm can and cannot do is complicated so is always best to seek advice first by contacting ICAS.

Refer to the [ICAS website](#) for further information including the [DPB Handbook](#) that provides guidance on the activities that a DPB licensed firm can undertake and what activities are not regulated and can be conducted by any firm.



# Client Management and Day-to-Day Running of a Practice

## Finding new clients

If you're leaving the safety of full-time employment and starting up in practice it will be daunting making the leap with no clients. The good news is that it has never been an easier time to win clients. With the rise of social media and virtually ran practices, it is now perceived to be easier than ever to move accountants and many clients have realised that they may have been receiving a poor service for years. As business owners turn to social media and other online platforms to research their needs, perceived geographical barriers have been broken down. All of this means clients are more likely than ever to be more open to trying a new accountant.

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### *Pointers for creating a client base*

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- Make a list of all of your existing personal and business contacts, however unlikely they may appear as a source of new business.
- Contact each one personally to make sure they know that you are now in business and keen to take on new work. A phone call to ask how they are can go a long way. Simply asking general questions about their business will create an impact since many accountants neglect this.
- Follow up with contacts if they have not borne fruit after the first approach. There is a clear dividing line between a simple follow up and harassing people, but your aim is to make sure that they remember you whenever a business opportunity arises.
- Identify the most likely useful contacts and arrange to see them personally. Have something positive to offer them.
- Maintain links with fellow practitioners in your area through discussion groups, social meetings, Area Committee events and social media groups.
- Traditional sources of new business such as banks, solicitors and enterprise agencies are still important as generally the skills of each are complementary to the others.
- Differentiate yourself. Identify your unique selling points (USP) and find ways of communicating them to your ideal audience. Remember the selling points should be truly unique and not just "personal service from a partner" or "business start-up specialist". Lots of firms say such things so you risk being lost in the marketplace.
- Offer a free initial meeting to potential new client to discuss their needs and how you might be able to help them.
- Educate and help potential clients – run webinars or write/share useful articles to share on various platforms so you are seen as 'go-to' expert that can add value to their business. If a business owner is consistently seeing you share good advice and is not getting the same from their accountant then they may consider moving.

Whilst marketing and growing organically is usually the best way to grow your practice you might consider purchasing a block of fees to kick start the practice. This is a complex subject and there are many things to consider. You will need to establish if there is a fit with your own practice philosophy and profile. Further considerations will be – the quality of the clients, the age of the clients (are they approaching retirement for example) and current fee level (are they compatible with your charging structure – unlikely you will be able to increase fee level easily).

This can be a risky strategy as clients can of course leave, especially if they had a personal relationship with the previous vendor. Usually you will be introduced to clients in face-to-face meetings and it is common practice to include a 'clawback' provision in the purchase agreement so that any

client who leave are not paid for. Newly acquired clients will require a high level of personal involvement which will need to be taken into account since it will leave less time to undertake the 'work'.

## **Retaining clients**

Keeping existing clients is easier than gaining new ones so it is essential to focus enough attention on your existing client base. Accountants are in a fortunate position in that they have guaranteed recurring revenue, so it makes sense to invest in retaining and growing your existing client relationships (once you have them). Making sure you have a seamless onboarding process and multiple touch points in the early months that will maximise your opportunities for further work and generate referrals. Investing in client excellence will ensure that you build a key base of core loyal clients and minimise client turnover.

Ways of providing a good service include:

- A seamless and automated onboarding process to create a good first impression
- Multiple touch points with the client to check-in on how they are
- Prompt exploration of client dissatisfaction
- Opportunities for regular feedback so you can ascertain what is working and what is not
- Regular review of fee levels
- Ensure you have a dedicated person in charge of each client so they know who to contact (more important as the practice grows)
- Manage client expectations – communicate what is included/excluded from the fee, the ways in which you work, your expectations of them, timescales etc.
- Provide regular up to date content via your website and social channels on the latest accountancy news to add value.

## **Client records**

Records can be maintained either in a hard format or electronically – this will depend largely on the IT you implement. You should consider ease of access to information and bear in mind that as well as your own staff requiring access to client records there will also be occasions when other persons shall require access. This will include, for example, ICAS reviewers and third parties with rights to inspect records under legislative provisions.

File structures should also be considered. It is recommended that there is a consistent file structure which will assist with familiarity and efficiency of filing and information retrieval. The more you can systemise and simplify your processes, replication will be easier so that when growth occurs you can focus on business development. Using IT solutions will improve efficiency and enable you to better systemise your processes.

## **Engagement letters**

The engagement letter is, in many ways, the foundation of a successful and mutually rewarding engagement. Although it may provide valuable reassurance to the client, for the practitioner, it is an essential document, as it clarifies obligations and the client's expectations.

Agreeing an engagement letter with a client helps avoid misunderstandings over the scope of the work to be done. It can provide a firm with protection in case of any dispute and is important for professional indemnity insurance purposes. You should agree an engagement letter with the client for every professional assignment you undertake and when the scope of your engagement changes.

Documenting and agreeing engagement terms in writing is compulsory for statutory audit and may be a requirement in other engagements. It is a sensible practice for other work too, and a practice that ICAS endorses.

Refer to the [ICAS General Practice Manual](#) for the engagement letter helpsheet and specimen documents.

## Time records

Thought should be given to whether time records will be maintained as the practice grows. Software linked to case management or practice management software can assist with this. Disbursements and outlays can also be recorded through many time recording systems as part of 'work in progress'.

## Billing clients

Expectations should be managed from the outset, clearly outlining both your responsibilities and what you expect from your clients so that the level of fee is clearly understood. This extends to paying fees on a timely basis and should be addressed early in the relationship. Making sure you are paid for the work as soon as possible after the work is finalised will ensure you are not funding 'lock-up' (debtors and work in progress) at an unacceptable level. Clients do not appreciate one large bill at the end of an engagement, so it is mutually beneficial to consider the best way of payment upfront for both parties.

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### *Billing options*

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- **End of service** – a bill raised on completion of the agreed service for example, at the end of accounts preparation or at the end of the corporation tax computation. This can have the benefit of spreading the total amount payable into less chunky bills with each service easily identifiable.
- **Monthly** – billing whatever time is on the ledger at the end of each month. This tends to be an uncommon method but might suit the client. This option has more of administrative burden and the client might question work that they perceive has not led to a tangible output.
- **Annual** – clearing the ledger annually will involve the client being billed for all services at one time, following completion of tangible work. The client might prefer this, but it will delay recovery of fees and will not help cash flow.
- **Direct debit** – an increasingly popular option is to set up a direct debit for an agreed monthly amount. This is a benefit for both parties as it spreads the cost of the usual annual 'lump' sum and provides cashflow for the accountant. This is increasingly common with practices offering monthly services such as bookkeeping, VAT and payroll.
- **Fixed fee** – an amount agreed upfront for the provision of services clearly outlined in an engagement letter to ensure any additional services are separately billed. Often this is billed in monthly instalments or in stages.
- **Ad-hoc** – sometimes clients will request one-off additional services which are usually easier to identify and should be billed on completion.

You should aim to bill immediately after you have completed the work – not only for cashflow reasons but for client management reasons. Billing promptly, when the client is most happy with the service they have been provided, will result in prompt payment and will allow any issues to be discussed in a timely manner. Delaying the fee note might send a message to your client that it is not important and ultimately sets a bad example. In the case of direct debits, you should aim to start this early enough so that you have full payment by the time the work is completed.

Keeping on top of billing and work-in-progress will also be essential where client inefficiencies have led to a timely and difficult job. Such issues should be communicated quickly and before completion of the job in order to discuss the possibility of raising an additional fee for the additional work undertaken, over and above the original scope. It might be that you don't raise an additional bill on the first occasion such a problem arises, by way of goodwill, but it should be made clear to the client how much has been written off and that you reiterate to the client what is expected of them.

You should adopt and communicate a clear policy of increasing fees in line with inflation. Just like other costs rise in line with inflation it is reasonable for your fees to do so too to cover staff costs and other expenses.

It will be important to consider billing in detail in the first weeks and months to set a precedent, but remember you are in a unique position and can set the basis of fee expectations from the outset when starting in practice.

### **Banking arrangements**

Consideration should be given to the banking arrangements you require which may be required for a firm current account, working capital facilities, client bank accounts, disbursement account, credit card processing and direct debit facilities.

# Information Technology

One of the most important considerations, is the IT you are considering implementing in your practice. If you have already worked for a practice, 'IT' will usually have been taken care of with hardware and software automatically appearing at your desk. It is usually a completely new consideration and one that, if done right, can be a real competitive advantage by increasing productivity and delivering significant efficiencies.

You should think about the type of practice you want to be and where you consider yourself in five years. The accountancy profession is moving at a rapid rate due to the adoption of technology so you will need to decide whether you want to be ahead of the curve. Think about what systems will be relevant as you expand and the associated cost and adaptability of these as you add more users and licences for example.

New systems will require a rigorous testing process to ensure it is right for your practice before you commit to purchasing, so ensure you factor this time into any business plan. As well as the hardware required, software costs and user licences will also need to be considered.

## First considerations

The world of IT can be overwhelming; however, it is important to be considered from the outset to aid business efficiency and growth. The choices you make early on in your business are likely to stay with the practice for years to come so it is worth devoting the time upfront. A few things to consider might be:

- Whether the practice will be fully cloud-based, partially or not at all
- Which technical software will be required and consider how these will integrate with other software
- License cost structure and support and what you would be comfortable to spend
- Training – do you have the adequate skills? If not, ensure you upskill yourself
- Seek professional advice and talk to fellow practitioners on hardware and software recommendations
- Ensure good maintenance and support is available to prevent any disruption
- Consider the future to allow for easy expansion
- Security should be considered to ensure encryption of sensitive information and that the risk of virus infection is managed.

## Cloud considerations

In order to minimise disruption to your business it may be most beneficial to explore cloud-based tools. Those that have been utilising such technology have been able to adapt to the events of 2020/21 with little disruption to their working methods. In the early stages of building a practice you are more likely to have the time to devote to exploring these tools and implementing working practices for the future, so it is worth investing the time upfront and protecting your business.

Simply, cloud accounting is using internet-based software to access, process and manage financial accounts. The accounting software and its data are therefore hosted in the 'cloud', which is a secure network of remote servers from around the world. If you are using internet banking for example, when you access this data you are using the cloud. The cloud makes data and software accessible online anytime, anywhere and from any device.

In thinking about the software you are likely to use, consideration should also be given to your clients – what are they likely to use? Would they handle sophisticated computer software? Obviously if you are just starting in practice and do not have a bank of clients already you should use this opportunity to your advantage and design the software around the way you want your practice to run. The benefits of using the cloud should be communicated to your clients such as the ability to access information from anywhere and to review their finances in real-time.

Using the cloud can often result in reduced IT costs up front as many of the software providers bill monthly meaning costs can be more easily budgeted. It can therefore improve your profitability and flexibility since you will be able to work remotely and potentially save office rental costs in the start-up phase.

### **IT Security**

In recent years, many high-profile examples of cyber security incidents have shown that the damage can be significant, not only in terms of operational disruption and actual cost, but also reputational harm. Unfortunately, a general lack of knowledge and awareness amongst decision makers and a lack of dedicated IT support often leads to smaller companies being most susceptible to being victim to security breaches. Important things to consider are as follows:

- Assess the level of risk facing you
- Ensure you have appropriate policies in place
- Implement an approved list of software
- Employee education
- Multi-factor authentication (MFA).

For further tips on [boosting your cyber resilience refer to this article](#) on ICAS.com.

# Insurance

Insurance will be an essential requirement of starting in practice. The following types will need to be considered:

## **Professional indemnity insurance**

A requirement for Practising Certificate holders is that you have appropriate professional indemnity insurance (PII), and you will be asked for the details of your firm's insurance policy. Professional indemnity insurance will help to protect you if claims are brought against you by a client due to a problem with the work you have done for them. Further information and details on the regulations in relation to PII can be found [here](#).

## **Health Insurance**

To protect yourself against accident or illness you should consider health insurance in which a monthly income would be provided, if required.

## **Critical or Serious Illness Insurance**

In this instance the provider will pay out a lump sum on diagnosis of serious illness, disability or an accident that leaves you permanently disabled. Funds can be used for replacement income or to repay outstanding debts such as mortgage or loan.

## **Interruption of business**

To protect you against fire, for example. The cover can be extended to include malicious damage.

## **Specialist IT cover**

Practices are now heavily reliant on computers and would be hard hit if something goes wrong, as evidenced by the recent pandemic. Consider cover for hardware (including those away from the premises), software and cyber insurance to protect your business from data breaches or malicious cyber attacks.

## **Employer's liability**

This insurance is compulsory and is necessary to cover potential claims from staff who may have accidents at work.

## **Public liability cover**

For protection of members of the public visiting your premises.

## **Personal Pension Plans**

It is not uncommon for sole practitioners or partners in small firms to have made inadequate provision for their retirement. Personal Pension Plans are well known to practitioners as a tax-efficient means of making a provision.

## **Employee Pension Arrangements**

Every employer with at least one member of staff has a duty to put those employees who meet certain criteria into a workplace pension scheme and contribute towards it, called automatic enrolment ('auto-enrolment'). It is therefore automatic for your staff as they do not have to do anything to be enrolled in the pension scheme. It is not, however, automatic for you, the employer. Steps need to be taken to ensure employees are enrolled correctly. Further information and guidance is available from [the Pension Regulator](#).



# Complaints Procedures

Complaints should be regarded as any significant expression of dissatisfaction about the manner in which a person has been dealt with or the way in which a situation was handled. The disaffected party may not say “I wish to complain about...” or put their position in writing and therefore all staff should be encouraged to listen carefully and identify possible complaints at an early stage and discuss these with their manager/partner.

## Internal complaints process

If a complaint is received or identified, you should immediately investigate it. If the investigation finds that the complaint is wholly or partially justified, then appropriate action should be taken to resolve the complaint. This may be by way of apology, provision of information or whatever other action is appropriate.

The duty to investigate complaints does not require a formal complaints procedure however, it might be advisable to have one in place. A good complaints procedure should include:

- Review of the complaint by a partner within the firm other than the individual about whom the complaint may have been about;
- Reference to the complainant where the facts are not clearly established;
- Prompt rectification of the error, with apology where appropriate;
- Full explanation to complainant if complaint unjustified. This may best be achieved face to face, but in any case the explanation should be sent to the complainant in writing;
- If the complainant remains dissatisfied, notify them of their right to make a complaint to the Complaints Gateway;
- Drawing serious complaints to the attention of the senior partner in the firm.

It is important that consideration of a formal complaints procedure is made and that the procedures adopted are evidenced in writing. In the event of a complaint being made against you, in order for ICAS to consider as part of a referral from the Complaints Gateway, it is essential that such a complaint be documented and the processes followed to investigate the complaint are also fully documented, including file notes of conversations with the complainant.

You should always consider at the earliest possible opportunity whether the complaint should be notified to your PI insurers.

## Disciplinary process

The firm should have a disciplinary process in place to deal with minor and serious breaches of conduct which may be identified during a complaint. A disciplinary policy in relation to staff should be set out in the staff handbook. It is recommended that appropriate provisions are contained within the partnership agreement, shareholders agreement or similar to deal with the conduct of firm principals.

# Resourcing your Practice

In the early stages of your business you might not need to think about additional resource. However, as the practice grows, additional members of staff may be required to ensure a quality delivery of service, allowing you to devote more time to develop the practice, win more business or simply ensure a more cost-efficient way of delivering the work.

It might be useful to start thinking about specialists you know to call upon in areas you are not experienced in, for example, if a client was seeking investment or legal advice. Knowing your limitations and who you can call on for various technical advice is important to ensure a good client experience.

Finding the right accounting staff is often one of the most common pain points for accounting firms. Ideal employees need to have the right combination of technical skills, competencies and accounting software experience. In order to find the right candidate you need to have complete clarity about the role and have a rigorous hire process. It will also be important to not only consider the roles you need right now, but what you will need to grow the firm in the direction you want and how the role would fit with any existing team.

It will be your responsibility to ensure all principals, staff and subcontractors are competent to carry out their job so it will be essential to have procedures in place to ensure a consistent approach.

## Contracts

All staff, including sub-contractors and consultants, will need to have up to date contracts of employment or agreements. These contracts and agreements should include a clear statement that the individual should, at all times, operate within the ICAS Code of Ethics and that failure to do so is a disciplinary matter or can lead to termination of the agreement. This brings the matters in the fit and proper form within the contract of employment and ensures that the practice has the appropriate sanction available in the event of a gross breach of the Code of Ethics.

Every employer has a legal obligation to provide employees with a written statement of the terms and conditions of employment. This applies to all employees, irrespective of the hours they work. The written terms and conditions must be provided within eight weeks of the start of employment.

You must ensure that employees receive the [National Minimum Wage](#). You may wish to consider adopting the [National Living Wage](#) and becoming a [Living Wage Accredited Employer](#).

## Staff handbook

A staff handbook is a useful document to collate all policies and procedures which an employee requires to be aware of. It can be a useful resource for staff during the course of their employment as well as during their staff induction programme.

The handbook may cover such areas as:

- Introduction to the firm – background, values, etc.
- Definitions – terms used through the handbook.
- Payroll information – when payment is made, overtime cut off arrangements, other benefits, etc.
- Holiday policy – entitlement, approval procedures, etc.
- Work life balance policies – flexible working requests, working from home, maternity/ paternity/ adoption leave, etc.
- Expectations about behaviour – standards of conduct (including computer acceptable use), absence reporting, performance review etc.
- Disciplinary, complaints and grievance procedures.
- Office procedures – mail, e-mail, internet usage, signing protocols, telephone, expense approval, etc.
- Health and safety policies.
- Resignation procedure.

Employees should sign a statement acknowledging that they have read, understood and agree to adhere to the policies and procedures within the staff handbook.

## **Staff evaluation and training**

Training is of the utmost importance for your practice to ensure staff are competent enough to carry out the work. As a professional firm, you must ensure that you have the technical capabilities to carry out the work which you are requested to perform. The level of training you will require will depend on your work base, the areas in which you are authorised to carry out specialist work, and what work you are being asked to do.

You will need to ensure that there are processes in place to evaluate staff performance, identify any gaps that exist in knowledge or identify areas for improvement and follow up with appropriate training or development opportunities.

Staff may also have specific Continuing Professional Development (CPD) requirements if they are members of professional bodies. Your training doesn't stop when you qualify. As a professional, you have a responsibility to keep up to date with all relevant developments within the profession. The nature of your work as a Chartered Accountant is evolutionary with many changes including regular introductions of new standards, you must therefore keep up to date with these developments to give the best possible service.

ICAS aims to [make CPD relevant and focussed](#) by supporting employees in their lifelong learning, helping them to remain effective in their chosen careers and continually updating their professional expertise (and can be used as a method for all staff). The process involves 4 steps:

- Step 1: Define current and future role(s)
- Step 2: Decide on training and development needs
- Step 3: Develop and undertake a personal development or CPD programme.
- Step 4: Reflect and record

Training might include face to face course such as an annual technical update course, industry specific courses or soft skills courses covering IT, management and interpersonal skills. There is also a large range of free resources such as business newspapers, magazines and online material such as the [ICAS webinars](#) available on catch up.

# Other legislative requirements

## General Data Protection Regulation (“GDPR”)

GDPR came into force on 25 May 2018 and represented the biggest shake-up of data protection law in almost 25 years. It represented an overhaul of existing EU legislation on data protection and changed how personal data about identifiable living individuals must be handled, with a greater emphasis on transparency, backed up with much tougher sanctions for breaches (with possible administrative fines of 4% of annual worldwide turnover).

ICAS members enjoy a reputation of trust with clients and others, based in part on confidence that all personal data will be handled responsibly. Any failure to deal with personal data appropriately could lead to an erosion of trust, reputational damage and a subsequent loss of business. Data protection has become a hot topic with many high profile cases of misuse of personal data, it is therefore imperative to demonstrate that client’s information is being processed appropriately.

### Since the UK has left the EU

Following the UK’s departure from the European Union, GDPR has been retained in UK law and will continue to be read alongside the Data Protection Act 2018, but with some technical amendments to ensure it can function in UK law. The Information Commissioner (ICO) remains the UK’s independent supervisory authority on data protection.

The UK is now deemed a ‘third country’ by the EU and so will require an adequacy decision to continue personal data transfers from the EU/EEA. However, the EU-UK Trade and Cooperation Agreement contains a bridging mechanism that allows the continued free flow of personal data from the EU/EEA to the UK after the transition period until adequacy decisions come into effect, for up to six months.

There are currently no changes to the way you send personal data to the EU.

For more detailed information in relation to this [visit the ICO’s website](#).

### Getting started with data protection

Things to consider to ensure you comply with GDPR:

- Designated person to oversee or lead GDPR effort – it’s an essential part of your firm so ensuring you, or another member of the team, takes responsibility for keeping up to date and allocating resources is key.
- Review information regularly – ensure that existing information relating to GDPR and cyber security is updated on a regular basis so your firm is as resilient as it can be.
- Know your data – ensure you have a good understanding of all the different ways in which personal data is handled by your firm as this will inform an action plan on how to improve processing activities that align with GDPR principles. Ensure you can justify the legal basis for processing said data.
- Review existing contracts – with key stakeholders (employees, clients, stakeholders) to ensure they are GDPR compliant. GDPR imposes obligations on data controllers and processors so it is important to understand your responsibilities in relation to client data and firm data.
- Governance and records – outline your data protection policies and procedures to ensure you are compliant and everyone in the firm has access.
- Training – all staff will at least need to be aware of the firm’s responsibilities in relation to data protection.
- Know what to do if the worst happens – if you lose personal data (in a cyber attack, flood, fire or theft for example) then it could be a potential personal data breach. By law you will need to report this to the ICO within 72 hours and [follow a number of further steps](#) to ascertain the cause and contain the breach.

To access the full checklist and further information on GDPR [visit the guide to preparing for GDPR on ICAS.com](#).

## Data Protection Principles

Every company or business that holds paper or electronic data relating to living individuals has an obligation to safeguard personal and other data and must meet seven key principles of good information handling:

- Lawfulness, fairness and transparency – individuals should be told what their data will be used for and how it will be processed.
- Purpose limitation - there should be a specific reason for processing personal information e.g. records required to send out invoices, quotations, marketing literature, services/products etc.
- Data minimisation – only information that is necessary for the purpose for which it was obtained should be held. E.g. banking details should not be held if no banking transactions take place.
- Accuracy – personal data should be accurate and kept up to date and where inaccurate data is held every reasonable step should be taken to erase or rectify without delay.
- Storage limitation – data should be kept for no longer that is necessary.
- Integrity and confidentiality – ensuring data is appropriately secured and protected against unauthorised or unlawful processing.
- Accountability – the controller is responsible for and can demonstrate compliance with the above principles.

## Subject Access Requests

Individuals have the right to access and receive a copy of their personal data and other supplementary information – commonly referred to as a subject access request or 'SAR'. It helps individuals to understand how and why your firm is using their data and check if you are doing it lawfully.

A SAR can be made verbally or in writing and but does not need to use a specific wording or refer to legislation or a specific contact (can therefore be informal). You must comply with a SAR without delay, and at the latest, within one month of receiving the request. This can be extended to two months if the request is complex. It is good practice to confirm the format that the individual would prefer the data to be provided in prior to fulfilling the request.

It is worth bearing in mind that in most cases you cannot charge a fee to comply with a SAR. You can however charge a 'reasonable fee' for the administrative costs of complying with a request if it is deemed excessive.

In limited circumstances, it may be possible to claim an exemption from subject access requests as detailed in the Data Protection Act 2018. Further information on exemptions available can be found on [the Information Commissioner's Office website](#).

## Anti-Bribery

Bribery involves the provision of money or a gift to effect a change in the behaviour of the recipient of that money or gift. Prior to the Bribery Act 2010 being introduced, bribery was recorded within UK legislation as a common law offence. The introduction of the Act and its application from 1 July 2011 onwards has formalised the law around bribery and made it clearer to businesses what constitutes an offence and what they should be doing to address the risk of bribery within their organisations.

International enforcement agencies such as the Serious Fraud Office are collaborating on cross border cases, increasing the chance of detection of bribery and successful prosecution. Companies should review their existing procedures, processes, controls, governance and culture, their risk profile and anti-bribery programmes.

The Bribery Act 2010 came into law on 1 July 2011 and includes:

- A general bribery offence of offering a bribe
- A specific offence relating to the bribery of foreign public officials and
- A new crime of "failure to prevent" bribery.

The "failure to prevent" crime means that commercial organisations unable to demonstrate that they have implemented "adequate procedures" to prevent corrupt practices within their organisation or by

third parties on their behalf, could be exposed to unlimited fines as well as other consequences, such as prevention from tendering for government business.

Punishments under the law:

- The offences of bribing another person, being bribed and bribing a foreign public official are punishable either by an unlimited fine, imprisonment of up to 10 years or both.
- The new corporate offence of failure to prevent bribery is punishable by an unlimited fine.

To assist with implementing “adequate procedures” that prevent corrupt practices, you should establish and document an anti-bribery policy. This should cover:

- Reporting responsibilities within the firm.
- A risk assessment covering the firm’s potential exposure to bribery.
- A code of conduct for all employees (including details of what you consider to be reasonable and proportionate limits for corporate hospitality and gifts).

Should you become aware, or suspect, that an act of bribery has occurred you must bear in mind your responsibilities under the Money Laundering Regulations and report this to your MLRO.

## **Health & Safety**

Protecting the health and safety of employees or members of the public who interact with you is a key obligation as breaches of health and safety legislation can have a catastrophic effect. In addition to reputational issues, penalties under the legislation will be personal and can include fines, imprisonment and director disqualification.

### **Duties**

Health and safety is primarily governed by the Health and Safety at Work Act 1974 (HSWA) and supporting regulations. In summary, employers have a duty to conduct their business in such a way as to ensure, so far as is reasonable practicable, that employees and the public alike are not exposed to reasonably foreseeable risks of injury which can be attributed to a way in which the business was conducted.

### **Health and safety policy**

While it is a legal obligation to provide a written health and safety policy where you have 5 or more employees, ICAS recommends that in all instances a health and safety policy should be developed. This should cover your approach to health and safety encompassing your responsibilities directly in relation to the practice and also responsibilities in relation to appointments.

The Institute of Directors and Health and Safety Executive have published a useful [guide](#) which can assist you with meeting your legal obligations. Further information can also be obtained from the [Health and Safety Executive website](#).

# Marketing

In the early days of your practice, your marketing strategy will be key to attracting new clients. It may not come naturally to accountants so you may require to look for external advisors that can help you to market the business, for a fee. You might want to consider a marketing agency for branding, advertising and social media services or a website designer for example. Being creative with your marketing in the early days and ensuring you are investing in the right areas will pay dividends long term. The marketing landscape has changed considerably and the use of social media is increasingly important as clients often look online for recommendations and reviews.

You should know who your ideal client is so you can consider how to reach them. Identifying and detailing your target audience, avoids time being wasted on the wrong marketing tools that does not have the intended impact. It will therefore be incredibly important for you to narrow down your target audience thinking about who they are, what challenges they face, how they like to receive information and what technologies they use for example. Once you have narrowed this down you can consider how to reach them and generate content that speaks directly to them.

## Working out your niche or USP

When you start out it might be tempting to say 'yes' to every client that comes your way. Whilst this might seem attractive you will inevitably end up with a core of low fee, low recovery clients by trying to be all things to everyone.

Increasingly, firms are now looking to niche as early as possible by narrowing down their area of focus to a particular group of clients. It might be that you have an interest in a particular business so you can become the 'go to' firm, not only in your specialist area but across the country.

It is important to decide on the practice philosophy from the outset so you have a strong brand identity and a clear goal of the practice you wish to develop. Narrowing down your client market can ensure your practice grows in the right way. The choice to niche is of course a personal one and sometimes will come about organically over time.

Building up expertise in one specific area leads to higher quality referrals and means your marketing activity can be far more effective by generating content for a very defined group of clients.

Differentiating in this way means you can stand out from the crowd. Internal procedures can also be simplified and more efficient when they are tailored for a specific group of clients.

## Marketing tools

Some areas you might want to consider addressing are as follows:

**Referrals** – will be an important source of business as you grow. Referrals may come from existing clients, fellow professionals (bank managers, lawyers, financial advisors etc.) or from other accountants referring work which might be specialist or better suit your size of firm for example. Capture great client testimonials you receive at the start of your journey and ensure these are on your website/social channels.

**Networking** – will be crucial to generating referrals and raise your profile in your local area. Networking is about establishing connections, expanding your network and putting yourself out there.

Relationships in business are often the most important area to develop. The networking landscape has changed considerably due to recent events, with a rise in online networking on social media channels, however there is still a place for in person events. Local groups, in particular, can help you expand your network and are often cheaper and more relaxed.

Ensure you are attending events that fit with your desired client market, consider who you want to meet so that your business growth is aligned with your business goals. Determine the people that you want in your network that would increase your odds of success or whose expertise would benefit you. Make a list and keep adding to it. Remember networking is about people, so learn to listen, be



interested in them and they will reveal their passions and concerns. Once you know what matters to them you can ask questions and develop productive conversations. Keep track of these conversations and develop a log to look back on.

Online networks have become increasingly popular as accountants reach out to each other for support and guidance. If you are starting out on your own it might be very beneficial to have an online support network who share ideas and ways of working. Identify key 'influencers', add them as a connection and immediately follow up to get a conversation started or potential meeting scheduled.

*Website* – a website will often be the first exposure of the brand/practice by prospective clients it is therefore really important to make a good first impression. A professional, clear and concise layout that considers the journey of your client will go a long way. Ensure you describe the services on offer, or any specialisms, and that the website reflects your brand philosophy as well as a reflection of who you are as an individual with a professional photo. Client testimonials are a common feature of business pages and show you are a trusted advisor.

Your website should show that you are credible and provide support and guidance when it matters most, you might want to link to other social media channels where you provide more 'live' content. Ensuring your website is up to date with comment on current issues will ensure you are seen as the 'go-to' expert.

*Social Media* – this increasingly important media can be an incredibly powerful tool for attracting new clients. There has been a notable rise in accountants using LinkedIn, as their main form of marketing as business owners turn to social media to research their needs. Running webinars, sharing insights and useful tips, as well as live videos, can serve as a good way to add value to your audience and build up referrals to new clients.

It is worth noting that this is often a slow burner which will take time to build up a rapport and a following that requires consistent effort. Twitter and Facebook are other useful platforms to consider, but the most appropriate tool will depend on your target audience. Ensure that time spent on these platforms is productive, as it can quite quickly become a drain on your time and not add any value to your practice. Setting clear boundaries or time limits might be a strategy to overcome time wasting.

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### *Top marketing tips*

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- Activity should be monitored and measured – it is vital to know whether your efforts are paying off so any plan can be adapted.
- Avoid going overboard – it is better to do a few things well rather than many things half-hearted. Try and figure out where your strengths lie and focus on these tools first.
- Referrals and networking will be instrumental in your success in the early days.
- Ensure your website is up to date - reflect the practice and offer up to date guidance and support.
- Monitor your time on social media – whilst it can be an incredibly powerful tool it can also be a drain on your time so ensure you block off time to dedicate to it and set clear boundaries.

### **Ethics**

The Code of Ethics sets out a number of specific considerations in relation to marketing and the obtaining of appointments. Any advertising or other form of marketing must:

- Be fair and not misleading
- Avoid unsubstantiated or disparaging statements and
- Comply with relevant codes of practice and guidance in relation to advertising.

Advertisements and other forms of marketing should be clearly distinguishable as such and be legal, decent, honest and truthful.

If reference is made to fees or to the cost of the services to be provided in any advertisement or other form of marketing, the basis of calculation and the range of services that the reference is intended to

cover should be provided. Care should be taken to ensure that such references do not mislead as to the precise range of services and the time commitment that the reference is intended to cover.

### **Advertising Standards Authority**

The Advertising Standards Authority is the UK's regulator of advertising across all media. They apply the Advertising Codes, which are written by the Committee of Advertising Practice. They will act on complaints and proactively check the media to take action against misleading, harmful or offensive advertisements, sales promotions or direct marketing.

Further information on general advertising requirements is obtainable on the [ASA website](#).

# Useful Links and Resources

## ICAS Related

[ICAS Professional Resources](#) – provides a host of resources covering a number of specialisms and sectors including tax, audit and assurance, pensions, practice, insolvency and charities.

[ICAS Technical Helpdesk](#) if you have a query about accounting and audit, AML, practice support or tax for example.

[General Practice Manual](#) contains helpsheets, guidance and specimen documents to assist with the day-to-day work carried out by general practices.

[Evolve](#) provides tailor-made services and products for firms.

[Technical Bulletin](#) is a free resource for members that provides comment on various topical practice matters and the most recent updates from HMRC and Companies House.

[ICAS webinars](#) run weekly on various topics. All are available on catch up.

[ICAS Rules & Regulations](#) must be adhered to by all members and are useful to refer to.

[ICAS Code of Ethics](#) applies to all members and provides ethical requirements and application material.

[ICAS Professional Development hub](#) provides information on CPD requirements, training courses, specialist qualifications and links to further free resources.

[CA Magazine](#) is a monthly publication with useful articles and news from members.

[CA Wellbeing](#) provides useful resources and links to information and assistance to help you with your mental health.

[SCABA](#) is a charity which supports CAs, their dependents and prospective CAS who are in need.

## External links

[HM Revenue & Customs](#)

[Companies House](#)

[The Pension Regulator](#)

[Information Commissioners Office](#)

[Advertising Standards Authority](#)

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