

Creating Tomorrow's Practice, Today

– Check your progress

Use this checklist to help you set up your practice

This checklist is an interactive PDF – download it to your computer and save it before opening it in Adobe PDF to be able to save changes.

Most checklist items include a link to relevant information, much of which is contained within our hub on *Creating Tomorrow's Practice, Today*.

You can bookmark the link to the hub for easy access.

This checklist is for guidance purposes and contains a mix of:

- Essential steps
- Recommended steps
- Considerations

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Before you set up your practice

		✓	Notes
1	Do your research – speak to other accountants. Consider being mentored initially by an established practitioner – either from your network or via <u>ACCA's Mentoring Programme</u> .	<input type="checkbox"/>	
2	<u>Be clear about your aims and objectives, and your strengths and weaknesses.</u> It is also important to establish the core values for your firm – values are often mentioned in social media posts and will help prospects to resonate with you.	<input type="checkbox"/>	
3	<u>Decide on the services that your practice will offer</u> – this will involve a competency self-assessment as you determine who you are comfortable and able to advise, and who you're not. If you are coming from industry, or from a niche department of a larger practice, or have not practiced in some areas recently, you should undertake CPD before you consider offering those services. <u>Find technical CPD on ACCA's website.</u>	<input type="checkbox"/>	
4	<u>Decide on your fee structure</u> – there are many models and forum discussions for doing your research. The subscription model provides greater certainty over cashflow, and you don't spend time chasing money or issuing invoices. Value your services and do not feel the need to compete on price. A proposal software tool can help.	<input type="checkbox"/>	
5	<u>What type of practice do you want?</u> Do you want a small number of high value clients or a high volume of low value clients?	<input type="checkbox"/>	
6	<u>Identify your ideal client and only accept clients that fit into that category.</u>	<input type="checkbox"/>	
7	<u>Decide if you want to niche.</u> This can be by sector or client size (eg. micro) or geographical area or client persona. It can be a way to compete with larger practices and stand out.	<input type="checkbox"/>	
8	Prepare a realistic cash flow forecast – whether you are starting your practice with savings or debt, you need a realistic forecast of how long that will last before you become profitable.	<input type="checkbox"/>	
9	<u>Write a business plan</u> that pulls together all of the above and consider sharing it with someone to challenge it.	<input type="checkbox"/>	

Part 1 – Setting up

		✓	Notes
10	<u>Do you have your practising certificate?</u>	<input type="checkbox"/>	
11	<u>The business name</u> – if you are a limited company then check the availability of the company name at Companies House.	<input type="checkbox"/>	
12	Check whether the domain name is available for the company. <u>GoDaddy</u> , <u>Namecheap</u> , <u>Krystal</u> and <u>Google Domains</u> are just some of the domain name registrars that you can use to search.	<input type="checkbox"/>	
13	<u>Decide on the structure for your firm</u> – sole trader, partnership or limited company. If you have a partner then a partnership/shareholder agreement should be drawn up early in the process.	<input type="checkbox"/>	
14	Set up a bank account for the firm.	<input type="checkbox"/>	
15	<u>Get quotes for professional indemnity insurance</u> – business insurance is also recommended, and you may want to consider taking out cyber and data insurance and employer's liability insurance if you are employing staff.	<input type="checkbox"/>	
16	<u>Find a continuity of practice partner</u> – use your networks to find one or <u>ACCA's online directory of business advisers</u> .	<input type="checkbox"/>	
17	Once you have set up a new firm, you need to inform ACCA of this by completing and submitting either the <u>notification of new firm form</u> or the <u>incorporation notification form</u> if your new practice is incorporated. Allow up to 4 weeks for processing and once processed, you will be issued with an ID number for your firm and then you can apply to HMRC for your Agent Codes and start practising.	<input type="checkbox"/>	
18	<u>Register with HMRC as a tax agent</u> so that you can deal with HMRC on behalf of clients. Once you have registered, you must enrol for each service that you want to use. This can all be done online through the HMRC website but it can take up to six weeks to receive your Agent Codes with a further week to wait to receive your authentication codes through the post to activate the services you have chosen.	<input type="checkbox"/>	

Part 1 – Setting up

		✓	Notes
19	Register for VAT and register for PAYE (if appropriate). Even if you have not yet reached the VAT threshold, clients will expect you to be VAT registered and it will allow you to reclaim VAT on some of your costs (where applicable) and avoid you having to add 20% to the total costs to clients at a later date.	<input type="checkbox"/>	
20	Set up a Companies House account so that you can file accounts online.	<input type="checkbox"/>	
21	Set up email and IT, choose software etc – likely to be a wait time, so get in early. Go to events like Accountex and speak to vendors to decide which cloud accounting software and apps will work best for you and your ideal clients. You'll need to make decisions on whether you go for Microsoft 365 or G-Suite, how to communicate with clients and staff (emails versus online collaborative tools), virtual meeting tools like Teams and Zoom, IT equipment, IT security and backups, document storage, practice management, onboarding software, etc. Don't forget to set up the practice's bookkeeping.	<input type="checkbox"/>	
22	Find office space if required – dedicated office space or shared workspaces	<input type="checkbox"/>	

Part 2 – Marketing

		✓	Notes
23	You may be comfortable doing your own marketing or you can consider outsourcing it. Our resources can help you decide what approach to take.	<input type="checkbox"/>	
24	Design your logo – either by using an app or have it designed for you. This will feed into all your stationary, social media templates and email footer.	<input type="checkbox"/>	
25	Get your website designed – every business is expected to have one these days.	<input type="checkbox"/>	
26	Social media set up – an online presence is vital for a business but with social media, start with one channel and do that one well or else prospects will be put off you. LinkedIn is probably more suitable for accountants, but it depends on what type of client you are trying to reach. Put out useful content regularly – consider doing a blog.	<input type="checkbox"/>	
27	Networking is important – join your local Chamber of Commerce and other networking groups, go to accounting exhibitions like Accountex, and build your online community by connecting with other ACCA members on platforms like LinkedIn.	<input type="checkbox"/>	

Part 3 – Compliance

		✓	Notes
28	As you will be processing personal information, you need to get Information Commissioner's Office (ICO) data protection registration . There is an online application form, and the fee depends on the size and turnover of the business.	<input type="checkbox"/>	
29	Set up New Client Form Template with risk assessments , etc	<input type="checkbox"/>	
30	Engagement letters are mandatory – complete these when you take on a new client and it will detail the work that you will complete for them and the fee. You can purchase engagement letter software to reduce your admin tasks – but ACCA also has free factsheets.	<input type="checkbox"/>	
31	If you hold an ACCA practising certificate then you are automatically supervised for AML by ACCA – if your firm is controlled by ACCA members or holds an ACCA auditing certificate, then you and your firm are automatically supervised by ACCA. ACCA does not provide a separate letter of proof of AML supervision or an individual AML supervision number. In order to obtain your Agent Code you should provide HMRC with your firm's ACCA ID number together with your firm's practising certificate and/or a copy of the firm's OPBAS levy invoice if you have one already. HMRC will contact ACCA should they require anything additional in exceptional circumstances.	<input type="checkbox"/>	
32	Draft firms risk assessment – ACCA has lots of information to help you. When you register your firm with ACCA, you'll be sent an email with a link to the AML Risk Assessment Questionnaire which all firms must complete, and this is then processed by ACCA. Work through ACCA's guidance and ensure that your AML training is up to date for you and your team. You can opt to subscribe with an organisation to assist you with AML compliance and risk management – they'll guide you through the process and you can conduct verification checks through them. Alternatively, there are online tools to allow you to undertake AML checks on clients.	<input type="checkbox"/>	
33	If you are going to do audit work, sort out all the audit compliance.	<input type="checkbox"/>	
34	Write the following policies – AML, Bribery, Data Protection, IT security, internal complaints.	<input type="checkbox"/>	

Part 4 – If you're taking on staff

		✓	Notes
35	<p>Consider whether you will build an HR department from scratch or outsource the HR function. Considerations when taking on staff:</p> <ul style="list-style-type: none">– <u>Contract of employment</u>– <u>Employers' liability insurance</u>– <u>Set up a pension scheme</u>– Policy and procedures manual– Working from home policy– Induction checklist– Holiday– Pay day– Expenses claim form– Fit and proper forms	<input type="checkbox"/>	