

## How to change your accountant

### Introduction

When contracting you might decide to wish to change your accountant.

This article explains what you need to do to ensure a smooth transition of your accounting services to another firm.

### Why change accountant?

The following reasons might be why you wish to change accountant:

- o You are unhappy with the service.
- o You can get a cheaper service elsewhere.
- o You can get a better service elsewhere.
- o Your current supplier is closing their business.
- o Your company has grown and the current accountant cannot cater for your expanded needs.

### Steps to change accountant

Find yourself a new accountant, and notify your existing accountant of your intention to change. They will deal with any matters arising and hand over to your newly appointed accountant.

If your existing accountant is a Chartered, Certified or other professionally qualified accountant, they will be bound by their regulatory body to fully co-operate with handing over your case and any papers belonging to you within a reasonable time.

Your new accountant will, as a matter of professional ethics and routine, write to your previous accountant to request professional clearance and all relevant information and documents which they will require to fully take over your case.

An example of a typical letter which would be sent from your new accountant to your existing accountant is shown below.

Dear Sirs

COMPANY NAME

We have been approached by the above to act as accountant, and we are therefore writing to confirm whether or not there are any professional reasons why we should not accept the appointment.

Assuming there are none, we would appreciate providing us with the following information / documents:

- o Letter of resignation.
- o Latest set of accounts prepared and submitted to HMRC.
- o Trial balance as at the last balance sheet date.
- o Bank reconciliation statement as at the last balance sheet date.
- o Breakdown of company fixed assets.
- o Detailed breakdown of debtors and creditors as at the last balance sheet date.
- o Reconciliation of Corporation Tax creditor.
- o Last copies of Corporation Tax computation and CT600 prepared and agreed by HMRC and any agreed and amended assessments.
- o Corporation Tax District and reference number if CT600 not yet submitted.
- o Outstanding Correspondence with HMRC
- o Photocopy of the last Annual Return.
- o Statutory books and records including copies of forms 88(2), 288 and 287, Memorandum and Articles of Association and Certificate of Incorporation.

- o Photocopies of the last tax return and supporting documentation submitted on behalf of the directors.
- o Latest income tax assessments and any outstanding appeals or correspondence
- o PAYE Inspector and reference.
- o Copies of the last P35 and P11D
- o Copies of VAT returns
- o Any other relevant information which may be helpful to us in taking over this case.

If you are holding any records belonging to the company, for example VAT returns/summaries and payroll documents, we would appreciate your ensuring that they are sent either directly to the company or to ourselves, in order that they may be available in the event of a future HMRC enquiry.

We hope to receive an early response and thank you in anticipation of your assistance.

Yours faithfully

BLOGGS  
CHARTERED ACCOUNTANTS

### What are the handover Fees?

It would be very unusual for your existing accountant to make a charge for handing over, since it does not take very long to compile the information and documents from their files.

However, they would be entitled to charge a small fee for about half an hour of their time. In practice, very few accountants would actually make a charge, as long as all outstanding fees had been paid.

### Potential Problems and Issues on a transfer

The most common problem when transferring accountants is a fee dispute. Your accountant may be seeking to charge a fee which, for whatever reason, you may think is not appropriate and refuse to pay. In such circumstances, your existing accountant may refuse to co-operate in dealing with the handover.

They should not refuse "Professional Clearance" on the basis of a fee dispute alone, although they are entitled to advise your new accountant of the circumstances and it will then be up to your new accountant to consider whether or not they should take on your case in the circumstances.

Your new accountant may be able to assist in resolving the problem but should all else fail and you believe your existing accountant is behaving in an unreasonable manner, you could always file a complaint against him with his professional body.

Most accountants would wish to avoid such a complaint being made against them, unless the fee dispute is for a material amount of money (unlikely in the case of a freelance consultant) and your suggestion that a complaint might be made, may well encourage them to settle the matter with you.


Another problem may be that your existing accountant does not respond, perhaps because they are no longer in business, have disappeared or are unqualified or simply refuse to answer correspondence. This would be unusual from a qualified accountant. If it becomes impossible to obtain any response from your existing accountant, your new accountant will be able to take on your case, having made a reasonable attempt to contact them and obtain a response.

Obviously it may be inconvenient for them to take on a case without an opening position and standard information required for takeover but in the case of a small consultancy company, should not be too much of a problem.

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