



PRACTITIONERS' & PROFESSIONAL FIRMS GROWTH FORUM WEBINAR

Date: 12th to 13th Aug 2020

Time: 08:00 – 17:00 Hours

Vision: A world class Professional Accountancy Institute



Starting Audit & Assurance Practice, Tax Practice, Accounting, Controls and Consulting Practice

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Agenda



- Licensing statistics
- Professional Services
- Key considerations in starting a practice
- Growth drivers
- Challenges
- Way forward
- Plenary

Licensed Firms Statistics



Statistics: 13th August 2020

Firm category	Number of partners	Number of firm 15.03.2016	Number of firm 13.08.2020 Appr. 5yrs trend (%)
Large	5 and above	11	22- 100%
Medium	2-4	87	124- 43%
Small	1	523	635- 21%
Total		621	781- 26%

Licensed Firms Statistics



Statistics: 13th August 2020

Year	Practising Members Registered
2015	43
2016	79
2017	72
2018	78
2019	87
2020	39

Planning to Set up a practice



- ☐ The essential ingredient for success is for every firm to **know its own strategy**—the path that the partners and employees wish to travel.
- ☐ There is not necessarily a single **right or wrong** direction for a public accounting firm.
- ☐ Successful firms can be **highly specialized** or **general**, focusing **on transaction** or **traditional accounting services** or **high-end advisory services**

Key Considerations in Starting a Practice



Recognize that a practice is a business and therefore you need a plan before starting.

Plan considerations.

1. **Your Strengths:** personal, opportunities, segmentation.
2. **Capital:** Source, use, for how long?
3. **People:** Employ, outsource, partnerships
4. **Target Market:** General, sectoral
5. **Niche:** Services to be provided

Professional Services



Audit &
Assurance

Accounting
Controls/
Book Keeping

Tax
Practice

Other
Consulting
Services

Audit & Assurance



Do you have necessary Frameworks
e.g. Quality Control Manuals, HR Policies

Financial Audits

Statutory Audits

Compliance
Audits

Inventory Audits

Value for Money
Audits

Grant Audits

Tax Advisory: Where is your Strength



Tax Health
checks

Internal Tax
structuring

Transfer pricing

Mergers and
Acquisitions

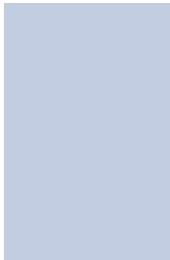
Tax Agency
Services

Tax Compliance
Audits

Accounting and Controls



Book keeping



Reconstruction of
books of accounts



Outsourced
Accounting

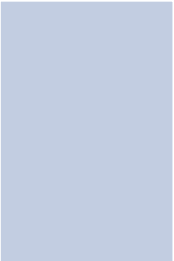


Project
Accounting

Specialized Consultancy Services



Do you have the skills?
Can you outsource?
Can you partner?



Internal Systems
Review/ Audits



Forensic &
Investigative Audits



Financial and
Management
Advisory Services



Corporate
Governance

Approach and Process of Engaging Clients



Ensure you have a signed letter of engagement / contract

Preliminary Client Meeting

Establishment & Understanding of the Scope

Planning

Work Schedule / Plan

Execution

Reporting

Ensure you sign off after completing the assignment.

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Growth Drivers



Internal Growth Drivers: “Are all our clients using all our services?”

- Increase the use of your existing services by your existing clients.
- Introduce a new service to your existing clients.
- Increase your firm’s charge-out rates or introduce a value pricing model.

Growth Drivers



External Growth Drivers:

1. Networking
2. ***Referrals***
3. Acquisitions and consolidation
4. Advertising, Seminars, Sponsorship; Newsletters (email/printed)
5. Telemarketing
6. Open bidding

Pricing of Professional Services



Size &
Complexity

Quality of
Record
keeping

Industry

Managements
Attitude

Risk Factor

Speed of
execution &
Information
Provision

Resources
Required

Reporting
Requirements

Time to be
spend

Remuneration Order Guidelines

...Audit & Assurance Services...



Key Staff

Chargeable Scale Fees Per Hour

Principal Partner

Engagement Partner

Audit Manager

Audit Senior

Audit Assistant

Emerging Opportunities for SMPs



- ❑ Installation and training on accounting packages or softwares
- ❑ Training on corporate governance
- ❑ Mentorship and Coaching
- ❑ Wealth Management

Challenges- IFAC SMP Survey



- Recent IFAC Global SMP Surveys ([Giancarlo Attolini](#), [Paul Thompson](#) / *April 19, 2016*) have stated the most pressing challenges facing SMPs include:
 1. Attracting new clients
 2. Keeping up with new standards and regulations
 3. Differentiating from the competition.
 4. The regulatory environment
 5. Competition
 - 6. Technology developments.**

Other Challenges



- ☐ Attracting and retaining talent
- ☐ Competing with unregulated service providers
- ☐ Cost of running the firm
- ☐ Succession planning
- ☐ Lack of financial planning: **No reserves**
- ☐ ***Undercutting through pricing***

Way Forward



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Food for Thought



“Success is not final; failure is not fatal, it is part of the process: it is the courage to continue that counts.” – Winston Churchill

“There are no secrets to success. It is the result of preparation, hard work and learning from failure.” – Colin Powell

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Interactive Session

