

# Concepts and features in bookkeeping



**ASSIGN  
BUSTER**

### 1. Name two (2) business needs relating to bookkeeping

Business needs will vary according to what type of business it is. Accurate recording and maintenance of transactions is a business need relating to bookkeeping another is compliance with legal requirements. As a bookkeeper you are required to be up to date with legislation related with bookkeeping to make sure you are able to do certain tasks and if the business owner is being ethical.

### 2. Why is clarifying business needs and expectations important?

It makes it easier for you to understand and fulfil your role efficiently and effectively within the business. You need to have a clear understanding on what the owner of the business expects of you and whether you are able to fulfil your role.

### 3. Name four (4) customary roles and responsibilities of a bookkeeper

1. Accounts payable: Receive and record invoices from suppliers
2. Accounts receivable: Prepare and send invoices to debtors
3. Accounts to trial balance:
4. Petty cash reconciliation and processing.

### 4. Why is it important for a bookkeeper to define their roles and responsibilities with the business owner?

The business owner will already have thought about what they require from the bookkeeper. So to make sure you are suitable for the job you need to have your role defined. Do you know the software or do you need a refresher course, do you need any additional training. Do you have the certification or

are there any licensing requirements. To have an understanding of what the owner expects of the bookkeeper is crucial to doing your job effectively.

5. Name two (2) consequences that may occur when a bookkeeper completes activities that fall outside their roles and responsibilities.

They may incur penalties through breaches of certain acts for instance if they were to lodge a tax form when they are not a registered tax agent.

You may be unsure of how to complete that job efficiently and have the risk of making a mistake. For instance you are asked to analyse a report and you are not really sure of what the report means but you go ahead and give the owner advice. This can give the owner incorrect information of where his business is going which could lead him to make bad decisions for the business.

6. Provide an example of an activity that falls outside the responsibilities of a bookkeeper. Identify an alternative provider for that activity.

Installing certain software on the computer for example anti-virus software that you know nothing about. In this instance you would use an I. T professional.

7. Explain what networks are and give an example of a networking group that you would advise your client to join.

Networks are about a group of people coming together to exchange ideas which can be valuable to the business. Networks are established and maintained with the purpose of promoting business needs. Informal networks

are contacts that have their own business contacts that they may refer you to give unbiased advice. It is good business practice to refer the business owner to relevant networks for further input some such instances may be an I. T specialist that you know who comes highly recommended or an accountant that you have heard is very good. You may refer these contacts when the client is looking for accounting software. The accountant you know may have worked with this software before and he recommended the I. T specialist who installed it. You may add the software suppliers to that network as well.

8. Outline a strategy a bookkeeper could implement in order to ensure their ongoing professional development. Explain in your answer how this professional development can be implemented.

You will need to establish a strategy, planning and documenting as you go. Determine learning objectives and outcomes required and maintain your existing skills. Identify the pathways you have as an option to achieve these strategy's then plan and implement your strategy. For example your employer wants to change over to a new accounting software. You would then have to research where, when and how you are going to learn this new software and what all the options are to suit your working lifestyle. Are you going to have to train new staff and how can you implement this. What networks are available to help you along the way. What resources are required and what pre-requisites' if any are there? After making a plan you would have to sit down with your employer to establish how this plan is going to be implemented. Is he going to pay for the course if there is one?

Will this be done on your own time or will he compensate for the time required to learn the new software?

9. Briefly explain how a bookkeeper can establish and maintain an effective working relationship with clients.

To maintain an effective working relationship with your employer you need to be aware of your role they have set out for you with in the business. They will have a clear financial goal for their business and as a bookkeeper you will aid in developing that plan, you will need to continue your professional development to support the desired outcome and priorities of the business. By doing this you are maintaining a good working relationship with your client. It is good practice to ask for feedback from your clients to ensure they are happy with your services and make changes to your service, to provide a service that your clients will be happy with. To think that no feedback is good feedback is not a good way to achieve personal development. Feedback allows you to identify and act on opportunities to improve your development. This will encourage growth by allowing you to approach new tasks or existing tasks in a different manner, improve communication between yourself and the relevant parties and lead to expanding the range of services you offer. You also need to be adaptable to change, develop your ability to apply the skills and knowledge gained, implement change, keep your knowledge up to date and monitor the relevant business needs.

10. If a bookkeeper has a problem with a client not handing over their payroll records, what strategies can they implement to ensure that correct records are received and compliance requirements are met?

You need to set up a bookkeeping system to ensure compliance requirements of the business are being met at all times. For example confidentiality of financial information is protected. Financial information is easily accessible for relevant parties, financial information is stored and maintained in an organised and secure manner, non-compliance is identified and dealt with in a timely and effective manner, roles and responsibilities are clear, the business stays up to date with changes to laws as they are introduced and transactions are recorded accurately and in an efficient and timely manner. Establishing a system that is clear to your client and yourself will eliminate confusion of compliance on all bookkeeping matters.

You would need to carry out some research this may include speaking to the accounting association and payroll experts and other relevant contacts within your networks. The aim here is to identify the legal requirements and how they relate to this particular business. During this analysis you will need to identify any existing related policies, obstacles and implementation issues foreseen. Does the business have policies and procedures related to payroll? If so what are they and are the legal requirements up to date? If there are changes or introductions to new payroll laws then you would need to identify the relevant parties that may be affected and whose support is necessary to develop a policy change. Once the policy is approved by the appropriate person it will then need to be communicated to all payroll staff and any training if necessary to implement the procedures that relate to payroll policy to ensure compliance with the policy and legislation. It is important to have good communication with the business owner and accountant to

ensure the business needs are met. Planning, gathering information, documentation and testing are important functions in the process.

11. Identify at least two (2) bookkeeping associations that a bookkeeper would find useful and explain the benefits of belonging to that association. List the criteria for membership.

The Australian Bookkeepers Association is governed by bookkeepers, is 100% Australian. The governance structure allows for greater involvement from members. Voting ABA members receive a reduction in the required hours of relevant experience when applying for or renewing a BAS agent registration with the Tax Practitioners Board from 1400 to 1000 hours. Representation in more arenas that affect you as a bookkeeper. They focus on training and learning. You are given the opportunity to become more involved in your profession. You have a chance to have your voice heard and ideas presented to appropriate bodies, organisations and government departments. Membership is open to bookkeepers at all stages of business for \$462 per year which is tax deductible. You will have access to a library of technical publications and be able to network with the bookkeeping community. You can get one on one support from a team of experts and get a members only deal on Indemnity insurance for bookkeepers.

At the Institute of Certified Bookkeepers you can gain certified bookkeeper status through accredited prior learning, work experience or ICB examinations. ICB member benefits are all about resources, items, benefits that directly add value to the ICB Member. In some cases they are commercial advantage but most are related to the Bookkeeper being better

at what they do. As a member you have Practical, usable, everyday help. An extensive knowledge base, information library, how to guides, checklists and templates. Phone, email and web-based support for all bookkeepers provided by bookkeepers. Accessing a network of experts when required. Updates & News, from the website or from social media, stay right up to date with developments in the bookkeeping community. ICB generated and monitored access to the most appropriate education and training for bookkeepers. Enhance your professional image by adopting a your. name@MICB. com. au email. Template newsletters provided to you for tailoring, personalising and providing to your clients. Access the newsletter information by podcast allowing you to listen at your leisure, along with many more member benefits. There are different levels of membership that require different prices for example where membership is sought based on qualifications: The Certificate IV must have been awarded within the past two years in order to stand alone, otherwise a bookkeeper knowledge assessment will be required.

<http://www.icb.org.au/> accessed 15/02/2017

<http://www.austbook.net/aba/> accessed 15/02/2017

12. Search 'bookkeeper engagement letter' to find sample engagement letters. Engagement letters outline the terms and conditions under which the bookkeeper will provide services and the limit of those services. List 4 matters covered in an engagement letter and explain why it is important that both the bookkeeper and potential client, before signing, seek feedback on any matter covered in this document.

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One term in the engagement letter is the services you agree to provide to the business. This is important so that the client understands what your role will be in their business and what services you are able to provide and what you cannot provide. For example you may not be a registered Tax agent so therefore the client cannot expect you to lodge their tax. You will have in detail the services you can provide.

Another term would be the client/business owner responsibilities, which may include paperwork relating to the transactions for the month or quarter, ongoing access to the business software, bank statements, credit card statements etc. You may also have something stating the client is to answer queries as required and that ABNs of suppliers be checked at least once a year to ensure they are valid. A signed authority by the business owner to enable you as a bookkeeper to contact the tax agent via phone or email as required. Other signed authorisations enabling you to make payments on their behalf.

Terms of Engagement will have your service fees that the client will sign to say they agree with your fee and when it will be paid, any late fees and other additional terms if payment is not met.

Confidentiality will be a term regarding all matters connected with and relating to the business, where you agree to not disclose any information to anyone without being authorised to do so in writing or unless legally required.

After you and your client have both read and agreed to the terms and conditions of your employment you will both sign the engagement letter.

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This is important to formalise your business relationship. This letter seals the deal, articulates and solidifies expectations of both contractor and client. This will stand as a contract between you and your client and can protect your interests as you move forward in your business. It is important to discuss the letter before signing in case there is anything you have missed or neglected to include in the letter, this will avoid misunderstanding as to what you have agreed to do. It will provide your client with the opportunity to ask for any additional services upfront if necessary, and it protects you from doing work you had not originally planned to.