

## BEAN COUNTER OR BUSINESS ADVISER? AN EXPLORATORY STUDY OF CHANGING TIMES FOR THE ACCOUNTING PRACTITIONER IN IRELAND

Mary Doran

*National University of Ireland, Galway*

### ABSTRACT

*The role of the accountant in practice has evolved over time in response to the client's need to comply with the regulatory and legislative process. The repetitive nature of compliance work (being the submission of annual tax returns, filing of company financial statements and completion of annual audit, where applicable) has resulted in a steady stream of income for practitioners and, in most cases, the development of a solid client base. However, the current competitive environment for the client and his/her accountant has prompted many of the professional accounting bodies to encourage their members to provide a broader range of advisory services to clients rather than concentrating on the traditional, but less profitable, compliance services. This paper reports the findings of exploratory research undertaken in 2003 to identify the accounting and advisory needs of a sample of small and medium sized enterprises (SMEs) in Ireland. The findings from this study support those of Marriott and Marriott (2000) and Kirby, Najak and Greene (1998) in that a number of respondents indicated that they would be willing to avail of non-compliance services from their accountant, if they were offered. Some respondents, however, questioned the ability of their current accountant to provide these services. These findings suggest that further research is required to establish the extent to which a market exists for the provision of non-compliance services to SMEs in Ireland and whether the accountant in practice is equipped with the skills to provide these services.*

### INTRODUCTION

Accounting practice has at varying times and rates, and to varying degrees been expanding in scope for a hundred years or more. We are engaged in a continuation of that historical pattern. The profile of the accountant as bean counter is becoming increasingly distanced from the work in which accountants are becoming engaged. (Parker, 2001, p. 447)

The role of the accountant in practice has evolved over time in response to client needs to comply with the regulatory and legislative process (Marriott and Marriott, 1999; Marriott and Marriott, 2000). The repetitive nature of compliance work<sup>1</sup> has resulted in a steady stream of income for practitioners and, in most cases, the

development of a solid client base (Kirby, Najak and Greene, 1998). The work practices of accountants have altered considerably in recent years with advances in the availability and capability of information technology which have transformed the process of recording and storing information and resulted in shorter lead times for preparation of financial statements. Simultaneously, the level of regulation and bureaucracy associated with compliance work has significantly increased, resulting in compliance work becoming less attractive for practitioners in terms of job satisfaction and profitability (ICAEW, 2003).

In January 2003, the Institute of Chartered Accountants in England and Wales (ICAEW) published a report aimed at small practices operating within the small and medium-sized enterprise (SME) sector entitled *The Profitable and Sustainable Practice* (ICAEW, 2003). The report discussed the issue of falling profit margins from compliance work due to additional regulatory requirements and the inability of many practitioners to successfully negotiate fee increases with their clients for fear of losing business. The professional body reiterated views expressed in its 1997 report entitled *Added Value Professionals – Chartered Accountants in 2005* (ICAEW, 1997), recommending that practitioners refocus their efforts towards value added services:

In order to address the needs of the marketplace in the 21st century, and retain profitability, it is necessary to build on that solid base of recurring work, but to shift the emphasis completely. You should aim for up to 60 per cent of income to come from consultancy work or other value added services. (ICAEW, 2003, p. 16)

This recommendation represents a major shift in emphasis for many small practitioners, no less in Ireland where the compliance work for the SME is considered the “bread and butter” of many firms. The Institute of Certified Public Accountants in Ireland (ICPAI) 2004 *Practitioners’ Survey in Ireland* shows that 91 per cent of practice income for partnerships and 92 per cent for sole practitioners is generated from audit, accounts preparation, taxation and book-keeping services (ICPAI, 2004). This being the case, one must question whether it is realistic to assume that the client base of these practices could sustain a shift in emphasis towards non-compliance services. In order to establish how realistic such suggestions are, one must refer to the advice of Maister (1993) who states (p. 62) that

the professional may form an opinion of the market’s need for an additional service, or speculate on how the market’s needs are changing. But these conclusions are useless until the client has been heard from.

The exploratory study reported here was undertaken during May and June of 2003 to identify the accounting and advisory needs of a sample of SMEs in Ireland. The research was conducted by way of postal questionnaire and interviews with owner-managers of businesses. The research method applied will be outlined in greater detail in further sections of this paper, the findings and analysis of the research will also be discussed and conclusions and recommendations will be outlined in the final section. The next section of this paper will outline the research

to date relating to the advisory requirements of SMEs in the UK and the evolution of the accountant from "bean counter" to "business adviser".

## THE SME AND BUSINESS ADVISORY REQUIREMENTS

Europe is dominated by the SME sector. In its 2003 *Observatory of European SMEs* report, the EU recognised that 99.8 per cent of enterprises in Europe were classified as SMEs (European Commission, 2003, p. 25), with 69.7 per cent of total employment provided by this sector (p. 26). The report also recognised that Ireland is dominated by the SME sector in terms of the largest share of total employment (p. 29).

This sector comprises many entrepreneurs who start their own business to 'exploit their personal technical expertise, but have no prior business knowledge or experience' (Hudson and Stanford, 2002, p. 10). With this lack of knowledge the owner-manager is in many cases "flying blind", which can have detrimental consequences for the success of their business. Nayak and Greenfield (1994) and Dunn and Cheatham (1993) believe that one of the main reasons for small business failure is the lack of understanding relating to finance and financial management. Berry, Sweeting, Goto and Taylor (2002) agree that owner managers will be knowledgeable about the product or service that they provide, but may be deficient in business management skills with financial management being simple and cash flow based:

The preoccupation with running the business may leave little time for the owner-manager to hear, learn about and be convinced on the worth-whileness of using any more than the most rudimentary business management tools. (Berry et al., 2002, p. 6)

The SME owner-manager may not have the skills or experience to deal with all business issues, but they may seek advice from external sources. The working paper of Berry et al. (2002), subsequently published as Berry, Sweeting and Goto (2006), found that 84 per cent of SME owner-managers surveyed sought advice always, usually or sometimes from external accountants. Hudson and Stanford (2002, p. 5) found that 'overall, accountants were viewed most favourably as sources of professional advice; this often reflected the development of a trusting, long term relationship'. Kirby et al. (1998) found that although accountants were seen as the most likely source of business advice and support, owner-managers viewed them as providers of a statutory service or as a source of emergency advice. They argued that the reason for this was that accountants had ultimately failed 'to take real steps to explain the ways in which their services can meet the business requirements of small business owner-managers' (p. 74).

Marriott and Marriott (1999) liken the provision of financial statements to that of a 'distress purchase', whereas Keasey and Short (1990) describe it as a *burden* to the smaller company. The owner-managers are forced to engage the services of an accountant because of regulation, not through choice. This does not bode well for the relationship between the accountant and client, and Kirby et al. (1998) point out

that this makes it difficult for accountants to market other services to these businesses.

Marriott and Marriott (2000, pp. 484-5) found that owner-managers were enthusiastic about the presentation of financial information with ratio analysis or graphs, but would not request it from their accountant for fear of spiralling costs. They suggest that a market exists for the accountant to provide a basic management accounting service to smaller companies: 'based around statutory reporting requirements, the owner-managers would understand the information produced and the performance of the business would improve' (p. 486). They further suggest that accountants market these services to their existing "loyal" clients. 'Such adoption would also benefit accountants through increasing or maintaining fee income from a market segment in which they are losing ground.' (Marriott and Marriott, 2000, p. 486)

Findings from the research outlined above indicate that a market for the provision of business advisory services to the SME sector appears to exist in the UK, but to date no such research has been undertaken from an Irish perspective. This exploratory study begins to address this gap in the literature and endeavours to understand the requirements of a sample of Irish SMEs in the twenty-first century.

## RESEARCH METHOD

This explorative field study follows an interpretive inductive approach to gain an insight into the accountant client relationship from the client perspective. A questionnaire (reproduced in the **Appendix**) was designed to collect data from a sample of SMEs and interviews were conducted with owner-managers of SMEs, representatives from a County Enterprise Board, the Small Firms Association (SFA) and members of the Practice Advisory Services of the Institute of Chartered Accountants in Ireland (ICAI) and the Institute of Certified Public Accountants in Ireland (ICPAI).

The questionnaire consisted of two sections: the first section sought to establish a profile of the respondent and the second section sought to provide a comprehensive examination of the accountant client relationship, exploring many of the issues raised in similar UK studies. Firstly, it attempted to establish the strength of the relationship between the accountant and client by assessing the length of the relationship and the degree to which the client seeks advice from the accounting practitioner (Kirby et al., 1998; Berry et al., 2002; Hudson and Stanford, 2002) or from other sources (Kirby and King, 1997; Hudson and Stanford, 2002). The questionnaire then tried to establish whether the advice is of a statutory (compliance)<sup>1</sup> or non-statutory (non-compliance) nature (Kirby et al., 1998). Respondents were asked to identify additional services that they would be willing to avail of, in order to establish how practitioners might meet their information needs. Respondents were also asked to identify the reasons for not availing of services provided by their accountant (Kirby et al., 1998; Marriott and Marriott, 1999, 2000). Finally, respondents were asked to assess the services being provided

by their accountant based on a number of criteria (**Appendix**) to establish service satisfaction levels and areas for possible improvement.

The questionnaire was pilot tested in University College Cork in April 2003 when nine participants in a Diploma in Family Business Management agreed to complete the survey. The unaltered questionnaire was subsequently distributed in May and June 2003 to 100 small businesses in the West of Ireland (where the researcher was resident at the time). The sample was identified by applying a stratified random selection process to two telephone code regions using the *Golden Pages*. The size and location of the sample limit the findings of this research due to potential sample bias. However, as this is an exploratory study, it was deemed an appropriate sample for this purpose as most businesses in this region would be classified as SMEs. The subsequent interviews conducted with the Director of the Small Firms Association (SFA) and the CEO of the Roscommon County Enterprise Board were undertaken as a method of triangulation, both parties deeming the findings of the questionnaire to be consistent with their experiences of dealing with SMEs.

In order to further understand the accountant/client relationship, interviews were conducted with five owner-managers of businesses. The owner-managers had previously completed the questionnaire and volunteered for interview. The interview approach was semi-structured, whereby questions posed in the questionnaire were discussed in more detail and additional open-ended conversation took place. This methodology is considered appropriate for an exploratory study of this kind (Robson, 2002; cited by Saunders, Lewis and Thornhill, 2003), particularly where further exploration is required regarding themes emerging from the questionnaire findings (Wass and Wells, 1994; cited by Saunders et al., 2003).

Finally, it was felt by the author that the professional accounting bodies should be consulted regarding the current issues facing accountants in practice, and also to take note of any specific issues that may affect the findings of the research undertaken above. To that end, members of the Practice Advisory Services of the ICAI and ICPAI were interviewed in light of the research findings.

## PRESENTATION OF RESEARCH FINDINGS

### *Sample characteristics*

The questionnaire survey described in the previous section was posted to 100 businesses in May and June 2003; the responses, combined with the earlier pilot, resulted in a usable response rate of 33 per cent. As the questionnaire does not identify the respondent, it is difficult to identify the cause of non-response or if the non-response in any way biases the results. No tests for differences between earlier and later responses, which might have indicated possible reasons for non-response, were undertaken.

The majority of respondents (72 per cent) who completed the questionnaire were owner-managers of businesses, and the age profile shows that 61 per cent of

respondents were between the ages of 36 and 55. The majority of respondent businesses (81 per cent) have been in operation for more than 10 years and all businesses have been in existence for more than two years. A broad range of business sectors were surveyed, but the retail sector was by far the largest segment, accounting for 44 per cent of responses. The responses have been separated into sub-samples of retail and non-retail, and also by age profile, to allow identification of any significant differences in responses to questions posed. The most common ownership structure of respondent businesses was the limited liability company which represented 67 per cent of all responses. An analysis of businesses in terms of size (represented by turnover and number of employees) shows a broad range. The largest proportion of the respondents (36 per cent) employ between five and nine employees, while only six per cent employ 50 or more. Turnover levels of respondent businesses ranged from €40,000 to €50,000,000, with the most common turnover level (accounting for 22 per cent of responses) being between €1,000,000 and €2,000,000.

The respondents rated the main issues facing their business today and obstacles to success. In order of importance based on the mean reply, the issues identified were: regulations; recruiting, training and keeping staff; the economic environment; cash flow and obtaining finance; sales and marketing; taxation; keeping up with technology; and availability of suitable premises.

#### *Relationship between accountant and client*

Many of the businesses surveyed have a long standing relationship with their accountant: eight per cent of respondents have been dealing with their accountant since their business was established, 33 per cent have a relationship of more than 20 years, 20 per cent have been dealing with them for between 10 and 20 years, 17 per cent for between five and 10 years, eight per cent from two to five years, eight per cent from one to two years, three per cent for less than one year, and three per cent do not use the services of an accountant at all. No distinction is made in the questionnaire between accountant and auditor as it is considered unlikely that the SME would see a distinction between the accountant and auditor.

#### *Services offered by accountant and availed of by clients*

The respondents were asked to identify which statutory (compliance) and non-statutory (non-compliance) services they had been offered by their accountant, and which they availed of. The distinction between statutory and non-statutory follows the categorisation of services by Kirby et al. (1998)<sup>1</sup>. The responses outlined in Table 1 show that the level of services currently being availed of by clients are predominantly of a compliance/statutory nature with business advice, tax consultancy and financing advice being the top three non-compliance services availed of.

When analysing the uptake of services by clients, it is interesting to note that business advice has a 90 per cent uptake and financing advice has a 91 per cent uptake, when offered. These levels of uptake are similar to those for compliance services, but are only offered by 51 per cent and 34 per cent of accountants

respectively, according to their clients. The respondents were then asked to identify how often they met with their accountant; it is assumed that the greater the number of meetings a year, the greater the opportunity for the practitioner to sell additional services. A large proportion of clients met with their accountant annually (56 per cent), 35 per cent met quarterly and nine per cent met on a monthly basis. The age analysis shows that 70 per cent of the 46 to 55 age bracket only met their accountant annually. This contrasts with the 26 to 35 age bracket where 50 per cent met annually, 25 per cent quarterly and 25 per cent monthly.

**TABLE 1: SERVICES OFFERED BY ACCOUNTANT AND AVAILD OF BY CLIENT**

	<b>Offered</b>	<b>Availed</b>	<b>Uptake</b>
	<b>%</b>	<b>%</b>	<b>%</b>
<b>Statutory</b>			
Statutory accounts preparation	86	77	90
Tax compliance	83	77	93
Company secretarial	77	69	90
Statutory audit	69	63	91
Payroll and PAYE	40	20	50
<b>Non-statutory</b>			
Business advice	51	46	90
Tax consultancy	51	43	84
Financing advice	34	31	91
Non-statutory audit	20	17	85
Management accounting	17	9	53
Succession planning	17	11	65
Management consultancy	14	11	79
IT consultancy	14	9	64

Respondents to the survey were asked to assess their own understanding of accounting information and the findings indicate a broad spread from poor to excellent. The analysis of age profiles suggests that there is a greater understanding of accounting information among older respondents, with younger respondents indicating that their understanding is poor.

#### *Value of services provided by accountant*

When asked if the services of an accountant were of benefit to their business, a large majority (74 per cent) said yes, while 26 per cent said no. The age profile shows that those in the 26 to 35 age bracket were most positive regarding the benefit of accounting services at 88 per cent, while the 46 to 55 age bracket were the most negative with 40 per cent saying that the accounting services were not of benefit to their business.

*Services not currently provided but required*

The respondents were then asked to identify any services that were not currently provided by their accountant, but which they would be willing to avail of. Only 26 per cent of respondents replied to this question, with varying suggestions for additional services. The respondent suggestions indicate a forward looking focus and a need for advisory services to assist planning within the respondent organisations.

Those interviewed explained their requirements for additional services in more detail:

I think my accountant could provide more information on business systems and succession issues which would be a major issue in my business at the moment. My accountant actually knows that we have a succession problem but he stays clear of that. (Interviewee No. 5)

I definitely think I would bring somebody in to perhaps look at the way we handle everything, money, the whole lot. And I would seek the best advice for the business. (Interviewee No. 2)

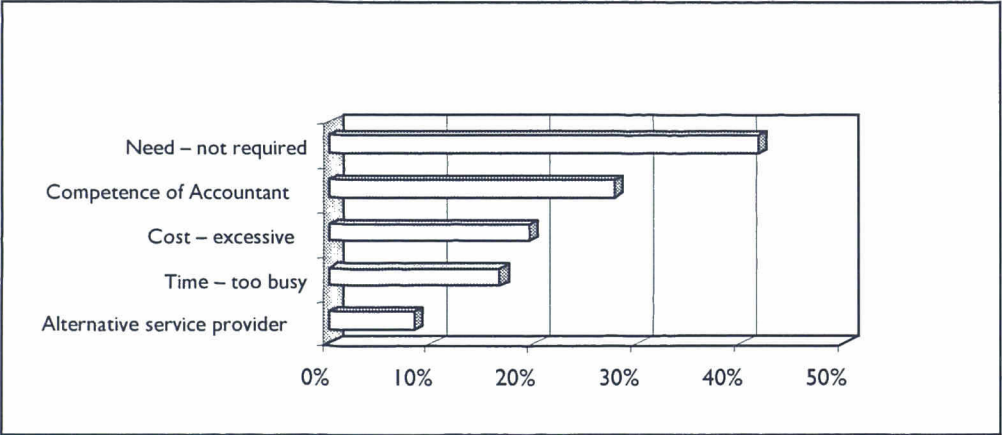
Pat Delaney of the SFA suggests that SMEs are now willing to spend more on value-added services:

There is a shift in emphasis in terms of when companies become more successful; when the owner-manager becomes more skilled and more adept at understanding all of these things, they do not reduce the amount of money they spend with their accountant, a shift takes place and in successful companies the shift goes seeking tax advice. (Pat Delaney, SFA)

*Reason for not availing of services*

In some cases, accounting practices are offering non-compliance services but are not successful in selling them. The respondents were asked why they did not avail of all the services offered by their accountant (Figure 1).

**Figure 1: Reasons for not Availing of Services**



The most common reason for not availing of services offered was the perception by the client that they did not require all of the services on offer (42 per cent). The ability of their current accountant to provide these services adequately is called into question by 28 per cent of respondents. The retail sector raised the highest level of concerns; 44 per cent did not feel their accountant was competent enough to provide some of the services, while only 15 per cent of the non-retail sector expressed this opinion. The cost of accounting services is an issue for 19 per cent of the total sample and, in particular, for the non-retail sector, where it was ranked as the second largest barrier to the purchase of accounting services with 25 per cent citing costs as excessive; 13 per cent of the retail sector expressed this opinion. Time is still an issue for many small businesses and can have an affect on their ability to plan and invest: 17 per cent of the total sample respondents were too busy to seek accountants' assistance; 20 per cent of the non-retail sample cited time as an issue compared with 13 per cent of the retail sample. Finally, eight per cent of the total sample did not avail of the services from their accountant as they received them from an alternative service provider.

Those interviewed, once again, represented a range of views on this issue:

I actually find that they're slow to give business advice. They seem to get a bit more cagey on that. I find that dealing with my own clients, they'd ask questions about tax affairs and I'd say 'well what does your accountant say' and they'd say 'well, he doesn't say a whole lot'. (Interviewee No. 1)

One interviewee referred to the difficulties facing the small practitioner trying to be all things to all people and suggested that a larger practice with specialist departments provided a more comprehensive list of services and greater benefits to his business:

Have they the ability? Yes. Have they the ability for a company my size (not that my company is really big)? No. It's easier to deal with a firm where they'll have experts in specific areas, for example, an expert in taxation. Any company that is sizeable at least, will rather have an accountant that is managing their situation as opposed to being caught up in the technicalities of calculating and taking home the books and trying to prepare trial balances. (Interviewee No. 3)

The excessive workload of the accountant in practice is becoming increasingly clear to the client; many cite the fact that the accountant is too busy as a difficulty in availing of services:

I think they are probably too busy. I know that the accountants I know are just snowed under. (Interviewee No. 1)

Pat Delaney of the SFA cites the inability of the accountant in practice to reduce their client base to a manageable size as the cause for the pressure experienced as opposed to such workload pressure being due to regulatory or taxation changes:

I get a feedback which would suggest to me that many small accountancy firms have too many clients... and I think their ability to deal with them efficiently and effectively is reduced. (Pat Delaney, SFA)

This time pressure, he suggests, eliminates the possibility of the accountant and client working together on a partnership basis, and will lead the client to question whether or not they are getting value for money.

### *Pricing of services*

This value for money concept is further examined when the respondents are asked whether they would avail of more services if offered on a fixed cost basis. Half of the respondents indicated that they would prefer to be charged on a fixed cost basis while 25 per cent said they would not and 25 per cent did not reply to this question.

One interviewee suggests that the issue of cost is not necessarily whether it is fixed or variable, but whether it is transparent:

I think if the charges were a little bit more transparent and if I could see what they were for. If an accountant said 'look I'm prepared to do x and the maximum charge is going be y for the year', then yes, that would be better. I would say people get a lot of unhappy and unpleasant bills from accountants, and lawyers for that matter, that they do not understand. (Interviewee No. 5)

### *Accountant as adviser*

The respondents were then asked if they sought advice from their accountant when making critical business decisions; 71 per cent of the sample said that they did, while 29 per cent did not. Where respondents did seek advice, eight per cent rarely acted on it, 37 per cent sometimes acted on it, 33 per cent often acted on it and 20 per cent always acted on it. These findings are consistent with Berry et al. (2002) in showing that the accountant is the main business adviser to SMEs.

### *Alternative advisers*

The respondents were then asked to rate alternative sources of advice on a scale of 1 to 12, where 1 was the most important and 12 the least important. The findings are displayed in **Table 2**. The most popular sources of advice in order of importance were: other business people I know; personal friend or family member; solicitor; bank or lending institution; trade or industry association; management consultant; mentor; business membership association; state agency; alternative accounting firm; and third level institution. Fourteen per cent of respondents stated that they would not seek advice from any external sources to their business. These findings are consistent with Hudson and Stanford (2002) in placing "other business people I know" at the top of the source of advice list. Family and friends ranked higher in this sample than in Kirby et al. (1998) but the solicitor and banking institution were placed in third and fourth position respectively when establishing the frequency of support and advice being offered. It is interesting to note that support agencies and third level institutions are not considered highly as sources of advice by the respondents. This may be due to the fact that 81 per cent of respondents have been in existence for more than 10 years and the services of these institutions may be geared more towards start-up companies. The findings with regard to these institutions are, once again, consistent with Kirby et al. (1998).

**TABLE 2: ALTERNATIVE SOURCES OF ADVICE**

Other business people I know	4.06
Personal friend or family member	5.42
Solicitor	6.45
Bank or lending institution	6.61
Trade or industry association	7.65
Management consultant	8.77
Mentor	9.10
Business membership organisation (Chamber of Commerce, SFA)	9.23
State agency – Enterprise Ireland etc	9.42
Alternative accounting firm	9.58
Third level institution	11.32
Other: please specify	11.71

*Assessment of services of accountant*

Finally, the respondents were asked to assess the services of the accountant on a satisfaction scale of one to five, where one was poor and five was excellent. The results are displayed in Table 3.

**TABLE 3: ASSESSMENT OF SERVICES OF ACCOUNTANT**

Quality of work produced	4.00
Ability to communicate information or advice	3.62
Availability	3.44
Timeliness of completion	3.15
Value for money	3.15
Competitiveness of pricing	3.09
Industry knowledge	3.00

These findings show that, with an overall satisfaction rating of 67 per cent, there are some concerns regarding accounting practitioners' ability to meet the expectations of their clients. The area of greatest concern for this sample was the lack of industry knowledge where interviewees suggested that the accountant should be in a position to provide a benchmarking facility in order for the client to assess their performance.

**ANALYSIS OF FINDINGS**

*Communication: a key contributor to the accountant / client relationship*

The research undertaken reaffirms the importance of the relationship between the accountant and client and the level of trust and communication that is necessary to maintain that relationship. It has long been advocated by professional accounting bodies that accountants need to communicate effectively with their clients in order to assess their requirements and successfully market accounting services. The

results from this exploratory study indicate that it may be necessary for accountants in practice in Ireland to reassess their client relationships with a particular focus on effective communication. The findings from the questionnaire survey highlight concerns regarding the accountants' ability to communicate effectively with their clients, where 56 per cent of respondents met with their accountant only once a year, 26 per cent of the sample did not believe that accounting services were of any benefit to their business and 28 per cent did not feel that their accountant was competent enough to provide the additional services required. Those interviewed have suggested that the level of information imparted by the accountant in the period after accounts preparation is minimal and meetings are often very procedural with little discussion or analysis of the financial information, and no suggestions for improving future performance. The professional accounting bodies would agree that accountants need to move away from traditional practices:

The trouble is, too many accountants spend too much of their time looking at the past because they are compliance driven and compliance driven is all about the past. But if they were more future driven, then that's really what clients want from their accountant. (John McCarthy, Practice Advisory Services, ICAI)

#### *The advisory role of the accountant*

The findings from this sample indicate that the accountant is ideally placed as the main business adviser, where 71 per cent of respondents would seek advice from their accountant before making a critical business decision and the accountant's ability to communicate information or advice received a 72 per cent satisfaction rating. Accountants cannot be expected to have expertise relating to each industry, but for many respondents it is the lack of industry knowledge that weakens the accountant's advisory capacity, with a 60 per cent satisfaction rating.

#### *Effect of regulatory obligations on advisory capacity of accountant*

In order to improve the services provided to the client, the accountant should be aware of the main issues and obstacles to success for the SME or family business. As a facilitator to the regulatory process, the accountant will not be surprised that regulation is rated as the most important issue and obstacle to success. The research undertaken finds that the majority of accounting services offered to and availed of by SMEs in this sample are in the area of compliance. These findings are consistent with the CPA 2004 *Practice Comparison Survey in Ireland* which suggests that 92 per cent and 91 per cent of practice income for sole practitioners and partnerships respectively is generated from audit, accounts preparation, taxation and book-keeping services (ICPAI, 2004). The change in the tax year for 2001 and the introduction of the Company Law Enforcement Act, 2001, led to significant increases in the workload of the accountant in practice, which, according to the professional bodies, has rendered compliance work less profitable and more time consuming.

The level of profitability may not make compliance work as attractive to the accountant in practice as it once was, but now more than ever it is most important

in the eyes of the client, whether or not they perceive it as beneficial. The professional accounting bodies are not happy with the level of compliance necessary since the introduction of the Company Law Enforcement Act, 2001. This legislation requires auditors to report officers or agents of companies to the Office of the Director of Corporate Enforcement (ODCE) if they come across any information during the audit process that suggests an indictable offence has been committed (ODCE, 2002). The Consultative Committee of Accounting Bodies in Ireland (CCAB-I) feels that much of the legislation is too onerous for small companies. John McCarthy of the ICAI suggests that the legislation is flawed in that it does not allow the auditor as much flexibility to exercise professional judgement:

Since the ODCE regime has come on board, a husband and wife don't have an AGM at the kitchen sink, that's an indictable offence. They can go to jail for that. OK, whereas if Cement Roadstone don't have an AGM, well that's more serious, and the ODCE regime now doesn't allow the auditor to exercise any judgement. (John McCarthy, ICAI)

The reporting obligations of the auditor have put a significant strain on the accountant/client relationship. John McCarthy of the ICAI suggests that it is more difficult to maintain a partnership relationship as advocated by Pat Delaney of the SFA if the auditor is now the "watchdog" for the ODCE or the "whistle blower":

The company's auditor is generally the only business adviser that the company has got. On the one hand, that adviser is giving them advice that they need to make their business prosper, to let them make the best use of the laws of the land but at the same time that adviser has to say "well sorry you broke that rule there. It doesn't matter that nobody suffered a loss as a result of that rule but I'm afraid the law of the land says that I have to report you to the ODCE". (John McCarthy, ICAI)

Since this research was undertaken, the professional accounting bodies have successfully lobbied the Irish government to raise the audit exemption threshold from the previous turnover thresholds of approximately €317,000 to €1,500,000. The Minister for Trade and Commerce has recently announced his intention to further increase this turnover threshold to €7,300,000, the maximum allowed within the European Union (Department of Enterprise, Trade and Employment, 2006). The ICAI believes that this provision will reduce the burden of compliance for smaller companies and their accountants allowing the accountant/client relationship to return to one of trust and partnership, with more time being spent on value-added activities.

### *Insufficient product mix*

Those interviewed for this study implied that their accountant often seems too busy to deal with non-compliance requirements of the client and is somewhat passive in terms of furnishing their needs. They expressed an opinion that suggests they would like their accountant to tell them what services they offer and what benefit those would be to their business. This finding supports the views expressed by Kirby et al. (1998) that 'in general accountants are failing to take real steps to

explain the ways in which their services can meet the business requirements of small business owner-managers' (p. 74), and indicates that, were it to apply to the larger population, there are three major issues for accountants in practice to address.

The first issue relates to the client base and the perception that many practitioners, particularly the smaller practices, take on too many clients and are then too busy with compliance work to deal with additional client requirements. Fletcher and Gilchrist (2002) suggest that accountants should refer to the 80:20 rule (20 per cent of clients cause 80 per cent of problems), and that the successful practice should 'start by ditching unprofitable clients' (p. 8).

The second issue is that the accountant appears to be badly organised and that the process of compliance should be systemised:

There will always be compliance work to do and the only way to cope with that is to be computerised, to be mechanised, to be the McDonalds. How are they a successful franchise? It's because everything, right down to the hygiene, right down to the manufacture of the burger, is systemised. You walk into any McDonalds and it will be the same product you get no matter where you go, and so accountants need to get themselves organised like that. (John McCarthy, ICAI)

The third issue is the inability of accountants to market their services and communicate the benefits of them to their clients:

If there was a fault in accountancy training I would see it in the whole area of marketing and selling. Accountants don't have a clue... Yes, they can sit down with the figures and work out any plan they want with the figures, but they don't always see how to draw up a marketing plan – how to go about winning business, that element of it is difficult for them. (Cait Carmody, ICPAI)

#### *Need to market non-compliance services*

For those accountants in practice who are already offering clients non-compliance services, but are finding it difficult to "make the sale", it may be worthwhile looking closely at the findings of this exploratory research. Forty-two per cent of the respondents suggested that the main reason for not availing of services offered was that they did not require these services. The next most common reason (at 28 per cent of respondents) for not availing of the services was the perception of the lack of competence of the accountant. These reasons alone indicate that accountants in practice may need to reassess how they market their services and themselves. Two of the five owner-manager interviewees who contributed to this research had already changed accountants as they were not happy with the service they were receiving. Another interviewee said that he had already sought the assistance of an outside accountant and planned to leave his current accountant in the near future as he did not possess the skills to meet his requirements. All five interviewees felt that they would get a better range of services from a larger practice. This raises a serious question for the future of the small practitioner. Can they possibly provide the range of consulting services required by all their clients effectively? Or will they lose business to larger practices because their clients will defect? John McCarthy of ICAI suggests that the small practitioner does not have

to be an expert in all areas to service their clients' needs properly. He suggests that accountants need to adopt the approach, as advocated by the ICAEW in its *Profitable and Sustainable Practice* report (ICAEW, 2003), whereby small practitioners accept that they are not experts in all fields but use their network of contacts to attend to their clients' needs.

He describes the relationship of the accountant in practice as similar to that of the general practitioner doctor and their patient:

You go to your GP doctor and God forbid you might have cancer or whatever. He is going to send you to a cancer specialist. You don't think any less of that doctor. In fact you will think less of him if they don't spot it and if they don't send you. So that's the very thing, it's for accountants I think to be tuned in to what their clients want and to be tuned in to when they need to send the client to the specialist. It doesn't mean that everybody has to specialise. (John McCarthy, ICAI)

The message for small practitioners, of course, is that they must communicate with their client, because if they seek advice independently elsewhere it is likely that clients will move their business to the new adviser.

The next most common reason for respondents not to avail of the services of the accountant was cost (at 19 per cent). When assessing the competitiveness of pricing the respondents showed a 62 per cent satisfaction rating. The findings of Kirby et al. (1998) suggest that cost was the highest ranking disadvantage of using accountants for non-statutory work; in this sample it is ranked third, thus demonstrating that the respondents to this survey are not as price sensitive as their UK counterparts. The main finding from interviewees in terms of cost was that there is a need for greater transparency in pricing by accountants and that the advisory services would be more favoured if offered on a fixed cost basis.

Seventeen per cent of respondents cite time as a factor when it comes to availing of accounting services: they are too busy with the day to day running of their business to consider meeting the accountant to discuss performance. It has been suggested that the accountant in practice in the future will have to spend less time in the office and more time meeting with clients at their place of business to be successful:

Call around to their office, their factory. Have a look at their machinery for a change instead of looking at their books. Go around and talk to their staff, find out about the nuts and bolts of the business and actually do that for free. Go and visit them for half an hour and tell them "well hey guys, the clock isn't ticking". The client will probably fall down and get a heart attack if the accountant was ever to do that. But that's being proactive and during that meeting the accountant is looking for further work of course, but he is looking to be helpful to his clients, and it will inoculate the client against being cold called by somebody else. (John McCarthy, ICAI)

### *Satisfaction rating of clients*

The services provided by the accountant in practice have been assessed by the respondents to this survey on the basis of quality of work produced, timeliness of completion, competitiveness of pricing, ability to communicate information and advice, availability, industry knowledge and value for money. The findings from

this research show that while some clients are very happy with the level of services that they are getting from their accountant, there are others who feel that the services require much improvement. The average satisfaction rating of 67 per cent for these services indicates that accountants in practice may need to make renewed efforts to establish their clients' needs and commit to meeting them at more than just a "satisfactory" level. The small practitioners may find that if they do not adopt this policy, their clients will find an alternative service provider that will:

The clients that they have, the clients of the past that would have accepted that type of service, they are changing... They expect more from any professional that they deal with and the whole nature of all the professions is changing. I think the general public expect more from all the professions. If you are dealing with a barrister or lawyer or doctor, everybody expects more from them. So the pressure on the professions generally is heightened and the professions have got to perform if they want to exist. (John McCarthy, ICAI)

### *A promising future*

Finally, it is important to note that the age profile analysis provides an interesting insight into the mindset of the younger respondents. The responses received in this survey show that the respondents in the 26 to 35 age bracket view accountants and the services they provide in a very positive light. When asked if the services provided by the accountant were of benefit to their business, these respondents gave the most positive response with 88 per cent saying yes; only 13 per cent cited the competence of the accountant as a reason for not availing of additional services and the overall satisfaction rating was higher among this age bracket than any other (75 per cent). This younger generation of entrepreneurs gave the highest response to the question asked for suggestions for additional services required, met with their accountant more often than any other age bracket and were most in favour of fixed cost billing. These responses would suggest that future (younger) clients of the small accounting practitioner do see benefit to the services on offer and would be willing to purchase additional services that would add value to their businesses.

## CONCLUSION

You should aim for up to 60 per cent of income to other value added services. (ICAEW, 2003, p. 16)

The purpose of this research was to provide accounting and advisory needs of a sample of findings from this exploratory study support the and Kirby et al. (1998) in that they suggest that a non-compliance services by accounting practitioners yet, underdeveloped. The relationship between more than ever an important alliance. The age generation of respondents want to meet with

from consultancy work or

initial exploration of the in Ireland in 2003. The Harriott and Harriott (2000) exists for the provision of SMEs, a market which is, as accountant and client is now shows that the younger accountant more often to

discuss their business performance and plan for future undertakings. Such clients are more willing to ask for outside advice in order to improve their business performance, and the accountant is in an ideal position as the main business adviser to provide this assistance.

The difficulty for the small practitioner is in trying to be all things to all people. One would not expect accountants to be experts in every field, but they should have sufficient knowledge in all areas to provide preliminary advice and have access to specialist knowledge when required. This specialist knowledge could be sourced from their network of contacts or from alliances with other practices (ICAEW, 2003). It is important that the accountant maintains the relationship by dealing with issues as they arise rather than ignoring them when they do not feel qualified in the subject area. Should they fail to address issues raised by the client, it will be likely that the client will resolve the problem independently and move business to an alternative firm.

#### *Limitations of this study and recommendations for further research*

The sample size in this exploratory study limits its generalisability, but the findings do indicate that the provision of non-compliance services to SMEs in Ireland is a subject area that requires further research. It is recommended that a similar study be undertaken on a larger scale within the Irish SME sector to establish the extent to which the market for these services exists.

The research undertaken has examined the relationship between the accountant and client from one point of view, that of the client. One could suggest that, in many cases, additional non-compliance services are being provided by the practitioner but not recognised by the client, as they are not being billed for them or because they do not fully understand the range of services being offered and provided. In order to address this weakness in the research approach, further research should be undertaken to gain an insight into the practitioners' perspective of the accountant/client relationship.

The findings of this research have noted the views of the professional accounting bodies regarding the burdensome nature of compliance and the effect the "whistleblower" legislation introduced in 2001 has had on the advisory capacity of the accountant. Many accountants and professional accounting bodies believe that an increase in the turnover threshold level of the SME Audit Exemption will relieve some of the burden for smaller companies and strengthen the accountant-client relationship. Future research could investigate whether this increase in the audit exemption threshold is likely to have any real effect on the workload of the accountant in practice, or merely on their reporting obligations.

APPENDIX - QUESTIONNAIRE

You and Your Business

1. What best describes your position in the business?

- Owner/ manager ☐
- Spouse of owner/ manager ☐
- Manager (but not owner) ☐
- Member of staff ☐
- Other: please specify \_\_\_\_\_ ☐

2. Which of these ownership structures apply to your business?

- Sole trader ☐
- Partnership ☐
- Limited liability company ☐

3. What Age bracket applies to you?

- <=25 ☐
- 26 to 35 ☐
- 36 to 45 ☐
- 46 to 55 ☐
- >=56 ☐

4. What is the final level of education undertaken by you?

- Primary school ☐
- Inter/Junior/Group Certificate ☐
- Leaving Certificate ☐
- Post Leaving Cert course ☐
- National Certificate ☐
- National Diploma ☐
- Undergraduate Degree ☐
- Graduate Degree ☐
- Professional qualification ☐
- Other: please specify \_\_\_\_\_ ☐

5. How many people work in the business?

- Just myself ☐
- Less than 5 ☐
- 5 to 9 ☐
- 10 to 19 ☐
- 20 to 49 ☐
- 50 or more ☐

6. In which of the following industries would you place your business?

- Manufacturing ☐
- Wholesaling ☐
- Retail ☐
- Industrial supplies ☐
- Agriculture ☐
- Construction ☐
- Restaurant/ food service ☐
- Financial services ☐
- Property management/ realty ☐

- Personal services ☐  
Photography/printing ☐  
Professional services ☐  
Hotels and restaurants ☐  
Transport and communication ☐  
Recreational and other services ☐  
IT ☐  
Other: please specify \_\_\_\_\_ ☐

**7. How long has your business been operating?**

- Less than a year ☐  
One year but less than 2 ☐  
2 years but less than 5 ☐  
5 years but less than 10 ☐  
10 years or more ☐

**8. Please specify your average annual turnover  
(approximate figure will be sufficient).**

Euro \_\_\_\_\_

**9. Has your business experienced growth in turnover in recent years?**

- Yes ☐  
No ☐

**10. If Yes, please specify the average percentage level of growth.** \_\_\_\_\_ %

**11. Are you a member of any of the following organisations?**

- Local Chamber of Commerce ☐  
Small business membership organisation ☐  
Trade or industry association ☐  
Other business organisation: please specify \_\_\_\_\_ ☐  
No, I am not a member of any business organisation ☐

**12. Does your business use a computerised accounting package?**

- Yes ☐  
No ☐  
(please specify the name of the package)

**13. If yes, to what degree is this accounting package utilised within your business?**

- The package is used for invoicing and VAT returns only ☐  
The package is used for invoicing, VAT returns, sales/purchase ledger, payroll, profit and loss accounts ☐  
The accounting package is fully integrated with the running of the business ☐

**14. From whom did you seek advice when choosing the accounting package?**

- Accountant ☐  
Alternative source: please specify \_\_\_\_\_ ☐

15. What would you say are the main issues facing your business today?  
(please rate in order of importance, where 1 is most and 9 is least important)

- |                                       |                          |
|---------------------------------------|--------------------------|
| Cash flow and obtaining finance       | <input type="checkbox"/> |
| Sales and marketing                   | <input type="checkbox"/> |
| Regulations                           | <input type="checkbox"/> |
| Taxation                              | <input type="checkbox"/> |
| Employing, training and keeping staff | <input type="checkbox"/> |
| The economic environment              | <input type="checkbox"/> |
| Keeping up with new technology        | <input type="checkbox"/> |
| Availability of suitable premises     | <input type="checkbox"/> |
| Other: please specify _____           | <input type="checkbox"/> |

16. Which of these issues represent obstacles to the success of your business?  
(please rate in order of importance where 1 is most and 9 is least important)

- |                                       |                          |
|---------------------------------------|--------------------------|
| Cash flow and obtaining finance       | <input type="checkbox"/> |
| Sales and marketing                   | <input type="checkbox"/> |
| Regulations                           | <input type="checkbox"/> |
| Taxation                              | <input type="checkbox"/> |
| Employing, training and keeping staff | <input type="checkbox"/> |
| The economic environment              | <input type="checkbox"/> |
| Keeping up with new technology        | <input type="checkbox"/> |
| Availability of suitable premises     | <input type="checkbox"/> |
| Other: please specify _____           | <input type="checkbox"/> |

*Relationship with your accountant*

17. How long have you been dealing with your current accountant?

- |                                    |                          |
|------------------------------------|--------------------------|
| Since the business was established | <input type="checkbox"/> |
| Less than 1 year                   | <input type="checkbox"/> |
| 1 to 2 years                       | <input type="checkbox"/> |
| 2 to 5 years                       | <input type="checkbox"/> |
| 5 to 10 years                      | <input type="checkbox"/> |
| 10 to 20 years                     | <input type="checkbox"/> |
| More than 20 years                 | <input type="checkbox"/> |

18. Which of the following services have you been offered by your accountant, and which do you avail of?

	Offer	Avail
<b>Statutory Accounting services:</b>		
Company secretarial (e.g. submission of annual return to Companies Office)	<input type="checkbox"/>	<input type="checkbox"/>
Tax compliance (corporate tax, VAT returns, personal tax)	<input type="checkbox"/>	<input type="checkbox"/>
Payroll and PAYE	<input type="checkbox"/>	<input type="checkbox"/>
Statutory audit	<input type="checkbox"/>	<input type="checkbox"/>
Statutory accounts preparation	<input type="checkbox"/>	<input type="checkbox"/>
<b>Non-Statutory services:</b>		
Non-statutory audit i.e. examination of internal control systems	<input type="checkbox"/>	<input type="checkbox"/>
Tax consultancy	<input type="checkbox"/>	<input type="checkbox"/>
Business advice	<input type="checkbox"/>	<input type="checkbox"/>
Management accounting e.g. product costing	<input type="checkbox"/>	<input type="checkbox"/>

Management consultancy		
(e.g. strategy formulation and long term planning)	<input type="checkbox"/>	<input type="checkbox"/>
Information technology consultancy	<input type="checkbox"/>	<input type="checkbox"/>
Financing advice e.g. banking or lending	<input type="checkbox"/>	<input type="checkbox"/>
Succession planning	<input type="checkbox"/>	<input type="checkbox"/>

Other services: please specify \_\_\_\_\_

**19. If you operate as a limited liability company, do you avail of the SME audit exemption?**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>
Not applicable	<input type="checkbox"/>

**20. Do you feel that the services provided by the accountant are of benefit to your business?**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**21. Please specify any services that your accountant does not currently provide but you would be willing to avail of.**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**22. Why do you not avail of all the services offered by your accountant?**

Time - I am too busy running my business to meet with accountant	<input type="checkbox"/>
Cost - The additional services are too expensive	<input type="checkbox"/>
Need - I do not feel that I require these services	<input type="checkbox"/>
Competence of accountant - I do not feel that the accountant is knowledgeable enough to provide some of the services offered	<input type="checkbox"/>
Alternative service provider - I receive these services from an alternative source (please specify) _____	<input type="checkbox"/>

**23. Would you avail of more of the non-statutory services if you were charged on a fixed cost basis? (see question 18)**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**24. Please specify which services currently offered by your accountant you would be most interested in receiving, if the cost was not excessive.**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

25. How often do you meet with your accountant to discuss your business?
- Annually – when the accounts have been finalised ☐
- Quarterly ☐
- Monthly ☐
- Never ☐

26. How would you rate your understanding of the information produced by your accountant?
- 

27. Do you ask your accountant for advice when making critical business decisions?
- Yes ☐
- No ☐

28. If so, how often do you act on their advice?
- Rarely ☐
- Sometimes ☐
- Often ☐
- Always ☐

29. Which of the following alternative sources are you likely to take advice from? (please rate in order of importance, where 1 is most and 12 is least important)
- Personal friend or family member ☐
- Other business people I know ☐
- Mentor ☐
- Bank or other lending institution ☐
- Solicitor ☐
- Management consultant ☐
- Alternative accounting firm ☐
- State agency e.g. Enterprise Ireland or County Enterprise Board etc. ☐
- Business membership organisation (e.g. Chamber of Commerce, Small Firms Association ☐
- Trade or industry association ☐
- Third level institution ☐
- Other: please specify ☐
- We would not seek advice from sources external to our business ☐

30. Please assess the services provided by your accountant, on the following bases? (Likert scale, 1=poor, 5=excellent)

	1	2	3	4	5
Quality of work produced	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Timeliness of completion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competitiveness of pricing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to communicate information or advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## NOTES

- <sup>1</sup> Compliance has been defined as the submission of annual tax returns, filing of company financial statements and completion of annual audit, where applicable. The classification of compliance and non-compliance activities follows the categorisation of statutory and non-statutory services by Kirby et al. (1998).

## REFERENCES

- Berry, A.J., Sweeting, R. and Goto, J. (2006). The Effect of Business Advisers on the Performance of SMEs, *Journal of Small Business and Enterprise Development*, Vol. 13, No. 1, pp. 33-47.
- Berry, T., Sweeting, B., Goto, J. and Taylor, M. (2002). Financial Management Practice Amongst SMEs, *Manchester Metropolitan University Business School Working Paper Series*, <http://citeseer.ist.psu.edu/589103.html>
- Department of Enterprise, Trade and Employment (2006). [www.entemp.ie/press/2006/20060511a.htm](http://www.entemp.ie/press/2006/20060511a.htm)
- Dunn, P. and Cheatham, L. (1993). Fundamentals of Small Business Financial Management for Start-up, Survival, Growth and Changing Economic Circumstance, *Managerial Finance*, Vol. 19, No. 8, pp. 1-13.
- European Commission (2003). *2003 Observatory of European SMEs*, Chapter 7, [http://europa.eu.int/comm/enterprise/library/lib-entrepreneurship/series\\_observatory.htm](http://europa.eu.int/comm/enterprise/library/lib-entrepreneurship/series_observatory.htm)
- Fletcher, I. and Gilchrist, G. (2002). *SME Consulting – A Business Consulting Guide for Accountants*, Glasgow: Bell and Bain.
- Hudson, N. and Stanford, K. (2002). Testing the New Opportunity for Small Businesses, *Final Report for the Department for Education and Skills by the Small Firms Development Institute (SFEDI)*.
- Institute of Certified Accountants in England and Wales (ICAEW) (1997). *Added Value Professionals – Chartered Accountants in 2005*, [http://www.icaew.co.uk/viewer/index.cfm?AUB=TB2I\\_2999](http://www.icaew.co.uk/viewer/index.cfm?AUB=TB2I_2999)
- Institute of Certified Accountants in England and Wales (ICAEW) (2003). *The Profitable and Sustainable Practice*. <http://www.accountingnet.ie/downloads/profitablepractice.pdf>
- Institute of Certified Public Accountants in Ireland (ICPAI) (2004). *Practitioners' Survey*, [www.cpaireland.ie](http://www.cpaireland.ie)
- Keasey, K. and Short, H. (1990). The Accounting Burdens Facing Small Firms: An Empirical Research Note, *Accounting and Business Research*, Vol. 20, No. 80, pp. 307-313.
- Kirby, D., Najak, B. and Greene, F. (1998). Accounting for Growth: Ways Accountants Can Add Value to Small Businesses, *A Report to the Research Board of the Institute of Chartered Accountants in England and Wales*.
- Kirby, D.A. and King, S.H. (1997). Accountants and Small Firm Development: Filling the Expectation Gap, *The Service Industries Journal*, Vol. 17, No. 2, pp. 294-304.
- Maister, D.H. (1993). *Managing the Professional Service Firm*, New York: Simon and Schuster.
- Marriott, N. and Marriott, P. (1999). The Provision of Financial Information to Smaller Companies by Small Accounting Practitioners: A Survey, *Centre for Business Performance*, ICAEW.
- Marriott, N. and Marriott, P. (2000). Professional/Accountants and the Development of a Management Accounting Service for the Small Firm: Barriers and Possibilities, *Management Accounting Research*, Vol. 11, No. 4, pp. 475-492.
- Nayak, A. and Greenfield, S. (1994). The Use of Management Accounting Information for Managing Micro-Business, in Hughes, A. and Storey, D.J. (eds.), *Finance and the Small Firm in Storey*, Routledge: London.

- Office of the Director of Corporate Enforcement (ODCE) (2002). The Principal Duties and Powers of Auditors under the Companies Acts 1963–2001, *Decision Notice D/2002/1 Information Book 5*.
- Parker, L.D. (2001). Back to the Future: The Broadening Accounting Trajectory, *British Accounting Review*, Vol. 33, No. 4, pp. 421–453.
- Robson, C. (2002). *Real World Research*, (2nd edn), Oxford: Blackwell.
- Saunders, M., Lewis, P. and Thornhill, A. (2003). *Research Methods for Business Students*, FT Prentice Hall: London.
- Wass, V. and Wells, P. (1994). Research Methods in Action: An Introduction, in Wass, V.J. and Wells, P.T. (eds.), *Principles and Practice in Business and Management Research*, Aldershot, Dartmouth, pp.1–34