

PCG Quality Accountant

An overview

Protecting and promoting the interests of freelance consultants and contractors

Choosing an accountant is an important decision for any freelance consultant or contractor. Whether the need is only for help with drawing up accounts and calculating corporation tax at year-end or for a full-blown accounting and bookkeeping service, the relationship is likely to be a long-term one that needs to be chosen carefully.

The Professional Contractors Group (PCG) is the trade association for freelance consultants and contractors in the UK. We consult our members regularly, and this is what respondents to two of our surveys in 2005 told us:

- Over 88 per cent seek business advice from their accountants (compared to 15 per cent seeking advice from their banks and 9 per cent from business advisers)
- Their choice of current accountant was influenced primarily by recommendations, followed by contractor experience and knowledge of IR35 and S660A, with price being only in third place
- When asked, members most wanted a scheme for identifying accountants who had received additional training on contractor-specific tax and accounting issues and had a good understanding of how freelance businesses operate; 70 per cent rated this as being important to them

Our accredited accountant scheme, PCG (QA), was developed in response to this clear and compelling demand.

What is PCG (QA)?

PCG (QA), for "Quality Accountant", is a scheme to help members choose their accountant by identifying and promoting those who have been given additional and specialist training in freelance-specific issues and have undertaken and passed our exacting training and assessment programme.

Developed and delivered in association with Accountax Consulting Limited, the PCG (QA) scheme involves:

- Strict entry criteria and rigorous application process
- Two-day training programme on:
 - IR35 (intermediaries legislation)
 - S660A (settlements legislation)
 - Customer service training
- Annual assessment, including feedback from PCG members

How does it work?

The PCG (QA) scheme is restricted to accounting practices with one or more qualified partners or practitioners and we envisage accrediting no more than one or two practices in a given geographical or postcode area.

To apply for the scheme, the practice needs to complete and submit a detailed application form for review by PCG and Accountax, with a non-refundable deposit. Subject to the application being accepted, the practice can then book places on the next training course.

Although accreditation is for the practice rather than the individual, it is important to have the minimum number of people trained – usually the partner responsible for contractor clients and the person who looks after the day-to-day matters.

The training course will cover:

IR35 (intermediaries legislation)

- How to interpret the IR35 legislation
- What decides whether your client is caught
- How to argue IR35 in practice
- How to negotiate with HM Revenue & Customs (HMRC)
- How to handle the initial PAYE review
- How to deal with follow-up enquiries
- How to deal with end-user questions
- How to deal with S20 notices
- How to lodge appeals and elect for the Special Commissioners
- How to liaise with the Clerk
- How to deal with Directions
- How to present a case at the Commissioners
- Issue of directors' liability and Reg 72 determinations

Section 660A (settlements legislation)

- How to interpret the legislation
- How to appraise a case
- Settlements in a non-spouse scenario
- Settlements and partnerships
- Arguments for the defence
- Minimising risk and exposure
- Discovery assessments
- The prevailing practice argument
- Defending appeals at the Commissioners
- Personal liability and negotiating with HMRC

Contractor-focused customer service

- What freelancers want and demand
- Fixed fees
- Guaranteed turnaround times
- Response times
- Multiple contacts
- The importance of a map, parking and hospitality
- Being proactive in tax
- Complaints procedures
- Putting things right
- Making customer service work for you

What does it cost?

The cost of the scheme is £500 plus VAT for the first partner from any practice and £400 plus VAT for each additional partner or manager from the same office going through the programme.

Except where the firm comprises a sole practitioner, the minimum number of qualified individuals should be two per office – usually the partner responsible for contractor clients and the person who looks after the day-to-day matters.

A non-refundable deposit of £150 per practice is payable on application, and the annual renewal fee is £500 per practice or office, provided that the individuals who qualified are still with the firm. Training for new participants will incur additional fees.

Benefits to members

PCG (QA) complements the other offerings in PCG's quality services portfolio and, in response to clear demand from members, the scheme provides the following benefits:

- Access to trusted and credible accountancy advice from a published list of all accredited accountants
 - Reassurance that PCG accredited accountants will have received relevant and up-to-date training in freelancer-specific issues and submitted a marked assignment
 - The ability to provide feedback to PCG which will be taken into account when performing annual reviews
 - An incentive for accountants to provide top-notch customer service geared towards freelance consultants' and contractors' needs
 - Potential to bring PCG into wider contact with accountants who are also key influencers of freelancers and potential introducers
- Up-to-date training from renowned experts in tax and accounting matters that affect freelance contractors
 - Continuing professional development (CPD) points for your designated participants who undertake the PCG (QA) structured training course
 - Differentiating yourselves from other practices that cannot claim specialist knowledge and experience of looking after contractor businesses
 - An alternative to your existing tax investigation insurance provision; it is almost certainly more cost-effective to give all your contractor clients the benefit of PCG's highly rated Abbey Tax Protection policy bundled as part of PCG membership
 - Having a certificate to confirm your accreditation and being able to display the PCG (QA) logo on your marketing materials
 - Having the opportunity to present your credentials to PCG members and the wider freelance community through publicity on PCG's website and marketing and PR collateral

Benefits to accountants

It is estimated that 40 per cent of the workforce will be freelance by 2010. This growing trend towards flexible working is likely to increase the demand for specialist accountants trained to handle issues that affect freelance consultants and contractors specifically, such as IR35, contract reviews, S660A and PAYE.

Feedback from PCG members suggests that the levels of capability and expertise currently offered by accountants varies considerably.

Through the PCG (QA) scheme, participating practices can benefit from:

Developed and delivered in association with



ACCOUNTAX CONSULTING LIMITED

Accountax Consulting Limited

Accountax is a firm of chartered tax advisers, based in Milton Keynes and run by former tax inspectors and legally qualified tax staff.

Its range of services includes:

- Negotiations and dispute resolution with HM Revenue & Customs and the Contributions Agency
- Representation at tax meetings and General and Special Commissioners' appeals
- Self-employed and employed health checks for freelance contractors on status and IR35, PAYE/NIC compliance advice
- Confidential advice and written reports on tax and NIC problems and disputes, including self-assessment enquiries, capital allowances, CGT and technical problems.

Accountax Consulting is a PCG Affiliate member with a formidable record of winning tax cases for PCG members.

PCG (QA) training courses will take place at Accountax Consulting's offices, close to junction 14 of the M1 motorway.

www.accountax-ltd.com

To find out more

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