

# How to Improve your Accounting System

Keep updated records



Manage inventory

Develop internal controls



Understand cost behavior

Use accounting software



Use ratios and trend analysis

Understand accrual basis accounting



Make informed decisions about debt

Know your cashflow



Understand tax implications



## Keep updated records

One of the most important aspects of accounting is maintaining updated records of transactions. This helps to ensure accuracy and completeness in financial reporting.

## Develop internal controls

Internal controls help to prevent errors and fraud in accounting. They can also help to improve efficiency by establishing clear procedures for recording and reviewing transactions.

## Use accounting software

Accounting software can automate many of the tasks associated with accounting, such as record keeping, financial reporting, and tax preparation. This can save time and improve accuracy.

## Understand accrual basis accounting

Accrual basis accounting is the most common method used by businesses to record transactions. This method recognises revenue when it is earned, regardless of when it is received.

## Know your cashflow

It is important to understand your company's cashflow in order to make sound financial decisions. Cashflow is the movement of money into and out of a business.

## Manage inventory

If your business sells products, you will need to track inventory levels and reconcile them with sales data on a regular basis. This information is critical for making sound business decisions.

## Understand cost behaviour

Knowing how costs behave in relation to changes in activity level can help you make better decisions about pricing, production, and other areas of your business.

## Use ratios and trend analysis

Ratios and trend analysis are powerful tools that can be used to evaluate a company's financial performance over time. Ratios compare different aspects of financial data, while trend analysis looks at changes in financial data over time.

## Make informed decisions about debt

Debt can be a useful tool for financing a business, but it also comes with risks. It is important to understand these risks and make informed decisions about whether or not to use debt to finance your business.



## Understand tax implications

There are many tax implications associated with owning and operating a business. It is important to consult with a qualified tax advisor to ensure that you are aware of all relevant tax laws and regulations.

## Contact Expert Accounting and Finance

To find out more about working with Expert Accounting and Finance, or to book a meeting with a member of our team, call 0207 887 2437 or email [info@expertacc.com](mailto:info@expertacc.com) for more details.