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systems + planning + monitoring

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business
solutions
that
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add up

Almost Time for a Break

Well that time of year is almost upon us again and I hope you will all be able to get a break and enjoy a safe and happy Christmas. This is our final newsletter for 2010 and focuses on accounting systems.

Hidden Risks

Many businesses now run their own accounting systems such as MYOB, Xero, Accredo, Moneyworks or Quickbooks.

Most of these businesses fail to control the data adequately and thereby unwittingly create risks to their business through accidental or intentional errors in data. Last year one Hastings business was reported as losing \$460,000 to employee fraud over an 18 month period (an average of \$25,555 per month).



Basic financial control disciplines can help to prevent such losses as well as losses caused through simple human error. Did you know that you could face a 20% to 40% penalty for unintentional errors on your GST, PAYE or other returns? On top of that you would be charged interest.

What are the risks?

- Tax penalties of 20% to 40% plus interest
- Poor decision making resulting in financial loss
- Failure to secure finance
- Failure to bill all costs to customers
- Theft or "shrinkage"
- Failure to identify negative trends or issues early enough

Ultimately these lead to financial losses and, if of sufficient size or frequency, can result in business failure. [Contact us today to minimise your risks.](#)

Our Business

Our business has grown through word of mouth. If you know anyone that might benefit from our services please send this newsletter to them. We offer a 1 hour initial consultation at no charge.

[refer a friend](#)

Our Services

- + systems review
- + systems restructuring
- + systems implementation & training
- + customised development
- + troubleshooting
- + dashboard style reporting
- + benchmarking
- + business analysis
- + key performance indicators
- + budgeting
- + cash forecasting
- + strategy analysis

Choosing an Accounting System

The first thing to realise is that there is no such thing as a perfect system. All systems have their limitations and foibles. Ask yourself the following:



What **MUST** the system be able to do?

What other things would you **LIKE** it to do?

Who will need access and where are they located?

What information do I need the system to provide?

How easy is it to control the data so that I can rely on it? For example:

Can I restrict both post dated and pre dated transactions?, Will the

GST return process pick up any new/changed transactions in prior

GST periods?, Can I choose who has access to different functions?

How flexible is it so that it can reflect how I do business?

Will you need to cater for Branches, Cost Centres or Departments

and if so how well does it handle this?

How flexible is the reporting?

How easy is it to import & export data?

How easy is it to operate?

How well supported is it and is it constantly being enhanced?

What are the initial and ongoing costs?

[Simplify can help you choose the best system for your business.](#)

How To Get The Best From Your Accounting System



Review your accounting system and processes

Ensure your system is configured optimally for your business

Utilise the features in your system

to reduce data entry and improve accuracy

Institute appropriate internal controls

Reconcile your Balance Sheet each month

Review your Profit & Loss monthly

Prepare a budget and monitor actual performance against it

Investigate any issues or unusual items

Compare your business performance against other similar businesses

To get the best from your accounting system [contact Simplify today.](#)

On A Lighter Note

Not tonight. Didn't you get my email?



contact us

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