



NEWS

The Newsletter of The Society of Professional Accountants

..... Strength in Numbers

September 2004

Issue 42

HIGHLIGHTS

SPA Challenges APB to Think Again

New Group Service Provider

New Employment Legislation 1 Oct 2004

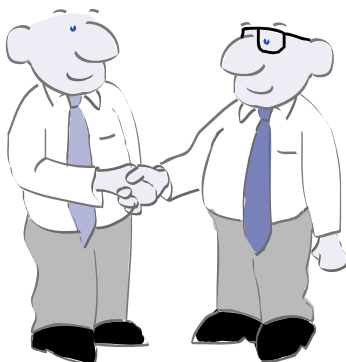
9th AGM 26 November 2004

New Group Service Provider Links up with SPA - Tax, Employment & Compliance Helplines

SPA has negotiated an extensive and cost effective Business Support Package for members and their clients with Qdos Consulting Ltd. This exciting addition to our existing range of products and services includes quick reference helplines for those day to day queries on topics such as tax, employment, health & safety compliance issues. Member practices may access these helplines on a 'Pay As You Go' basis at a cost of just £20 + VAT per call – but the first 4 calls each year are FREE!

Alternatively there is a complete annual support service for just £150 + VAT. providing unlimited access to the helplines with downloadable employment documentation plus tribunal support or representation.

Qdos have enclosed their flyer introducing their packages and, if you would like further information on any or all the services, complete the slip and return to SPA FREEPOST.



SPA Challenges APB to Think Again!

The revised audit ethics proposed by the APB - for implementation to audits on or after 15 December 2004 - pose real threats to SME audits. SPA has responded to the difficulties and increased costs evident in the proposals – our Executive Summary is reproduced below, and the full response can be found in SPA's website Library.

THE ADVERSE IMPACT OF PROPOSED ETHICAL STANDARDS

Executive Summary

i. SPA is disappointed and concerned that the proposed Auditing Ethical Standards to be implemented on or after 15 December 2004 by the Auditing Practices Board appear insensitive to the needs and realities of many thousand small and medium sized entities.

ii. The proposed regulations may make much practical good sense if applied to plcs or large companies, but their 'gold plating' will probably work against the efficient and economic provision of either audit or ancillary accountancy services to private non-public interest companies of all sizes.

iii. It appears that little consultation may have taken place with those most affected by these proposals – medium sized limited company audit clients and their representative business bodies such as the IOD, CBI and FSB. These bodies should be consulted on the validity or desirability of proposals before they are confirmed.

iv. This additional burden on business in terms of undoubted increased professional charges has not been estimated or justified.

v. The proposed regulations will also hasten the withdrawal of accountancy practitioners from providing audit services, limiting future choice of Auditors and leading to higher audit charges.

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vi. For many SME clients the proposals require them to deal with two independent accountancy firms instead of one, which will incur further management time without any identified economic benefits arising.

SPA urges the APB to heed these real concerns as it fears that, if no sensible exemptions are provided to medium sized concerns before these regulations are introduced, a real disservice will have been done to both the business community and the accountancy profession.

New Employment Legislation from 1 October 2004 - Are You Compliant?

Members should be aware of the important changes ahead in the field of employment law that come into effect on 1 October 2004. On this date all employers should have in place written measures for dealing with both disciplinary and grievance procedures. Failure to have these in place, and to follow the procedures, could result in a Tribunal finding that a dismissal is automatically unfair with a resultant increase in the compensation awarded to the employee. Examples of the documentation necessary to comply with this legislation can be found on the Qdos website at www.qdosconsulting.com. Alternatively Qdos can provide tailor made documentation to suit the particular requirements of your business at a special introductory price.

Please contact Becky Bourne at Qdos Consulting on 01455 850000 for further information.

An Improved Offer from FD Registrars

SPA has had a long-standing relationship with FD Registrars (formerly Formations Direct) who have always offered an excellent and economic service for company formations and searches. From 1 October 2004 SPA members will be offered an immediate 8% discount on each formation and company search - provided they give their SPA membership number at the time of purchase – see the enclosed flyer.

SPA members who already have an account with FD Registrars will be able to claim rebates under the existing scheme until 31 December 2004.

Access to SPA's Group Services

SPA is always looking to extend and improve the range of services on offer to members - as can be seen above - so it is more important than ever that you register your qualified partners NOW. You can do this by phoning the Office and giving us brief details – name, qualification, year of birth and year commenced in practice are all we need. In return we will allocate their individual membership number that can be used on any of our Helpline services.

Our scheme providers are not able to offer available discounts or helpline access if you cannot quote your SPA membership number!

9th Annual General Meeting - Friday 26 November 2004

Yes this really will be our 9th AGM! Doesn't time fly! This year we will be returning to Stonebridge Golf & Conference Centre in Meriden, Birmingham.

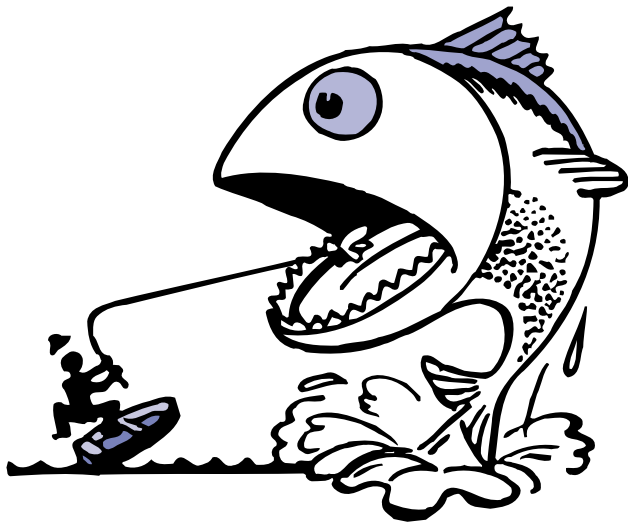
Your Chairman Peter Mitchell is willing to stand for re-election for a further two years, other nominations for Chairman should be sent to the Office by Monday 8 November.

With Practice Assurance imminent it is vital members understand the latest proposals. With this in mind SPA has convened a panel of 'experts' to address the topic of 'Practice (Re-) Assurance' comprising Sally Hinckly, Executive Director PSD and Paul Simpkins, Director of Quality Assurance together with Eric Kench, member of Practice Assurance Working Party and Chairman of Practice Society plus SPA member Stephen McAlpine - a member in practice who offers quality control reviews to small and medium sized firms – and is entering the 'minefield' of PA visit assistance! Peter Mitchell will chair this session where members may air any remaining concerns and have their questions answered by those who are responsible for designing, implementing and monitoring the new scheme. A limited number of places will be available for SPA members' colleagues at a cost of £40/person.

A hot buffet lunch will be followed by the formal Annual General Meeting with the close of business no later than 4.00 pm. For those travelling to Birmingham NEC train station, a courtesy mini-bus will be available to bring you to the venue – but must be pre-booked.

We are always delighted to see as many members as possible, however we would make the following plea... SPA makes no charge for members to attend the CPE or AGM nor do we charge you for lunch – if you are unable to attend **PLEASE** cancel in advance so that we do not incur unnecessary costs at the venue.

Formal papers will be sent in early October, but please help our planning by returning the attached attendance form now.



Inland Revenue Goes Fishing (SPA News - July 04) ...

From the number of letters received since our article it would seem as though the Inland Revenue has been having a whale of a time fishing for information! This IR initiative is certainly not in the spirit of Self Assessment and details have been passed to Richard Shooter (members' liaison with the Inland Revenue) and we hope to hear from him that action has been agreed to halt this insidious campaign.

Watch this space!



... And SPA Goes A-Calling

Once again SPA is writing to ICAEW members in small practice inviting them to join our ever-growing band. We always endeavour to remove current members from the mailing list, but should you inadvertently be included in this mailing, please accept our apologies now – we are only human!

A Call for Volunteers to Assist with ICAEW Work

(Request received by SPA – reproduced below)

The ICAEW relies on the support of volunteer members who are prepared to give up time to play an active part in its business. Service on committee is one way in which you can assist. Membership of a Professional Conduct Committee is a responsible and highly rewarding job, representing both the public interest and the self-regulation interests of ICAEW members. We are currently looking for volunteers to fill vacancies on the Investigation and Audit Registration Committees.

Investigation Committee

There are 2 vacancies for practitioners from a sole/small firm background, who are in possession of a good knowledge and/or involvement in audit work in particular, although practitioners with experience of other disciplines are welcome to apply. The Investigation Committee meets to deal with complaints of professional misconduct against members.

Audit Registration Committee

There are 2 vacancies for practitioners (audit partners) from a sole/small firm background. The Audit Registration Committee considers applications to become Registered Auditors and reviews reports on monitoring visits to firms.

You must have an exemplary record and should be:

- Able to attend monthly meetings, generally in London
- Able to serve for at least one term of three years
- Prepared to invest a number of voluntary 'personal hours' for pre-reading of agenda papers
- Self-confident
- Analytical, open-minded and energetic

ICAEW will pay travel and subsistence expenses for attendance at meetings.

We are committed to improving the diversity of our committee memberships and, to this end, welcome in particular applications from members of groups that we consider to be under represented.

If you are interest in serving ICAEW please contact Fiona Lancaster, Executive Office, Chartered Accountants' Hall, P O Box 433, Moorgate Place, London EC2P 2BJ or telephone 020 7920 8627
email Fiona.Lancaster@icaew.co.uk.

Editor

ICAEW will also be delighted to note expressions of interest in service on other committees which we will follow up should vacancies arise.

Letters ...

Dear Sir

Returning to the Fold

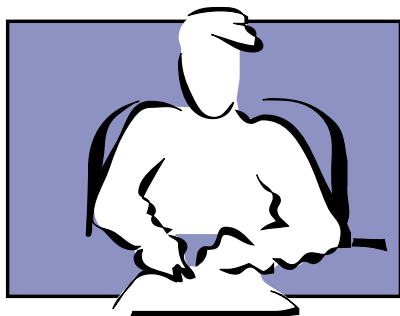
Further to my reluctant resignation from your organisation at the end of last year, I am afraid the ICAEW (Practice Society) has not come up to expectations and I enclose my cheque for £94 to reinstate my membership with you immediately.

I trust you will accept this re-application for my old number and look forward to hearing from you.

CC

Editor

Welcome back CC



Was I that Man?

Your article on Preferred Medical (SPA News July 04) mentioned one successfully negotiated settlement on behalf of a SPA member already.

If I was that member, I can only endorse your comments. Charles Frost of PM negotiated a satisfactory settlement for me within 3 weeks – something I had been trying to do for 15 months!

GT

Editor

Yes you were that man GT and we are delighted that the problem was resolved so swiftly. Well done Charles.

Dear Peter

Building a Problem?

I have recently experienced problems in obtaining certificates of mortgage interest paid from a Building Society. The Society has stated that they no longer have a policy of issuing certificates of interest paid and have quoted a charge of £20 per account if a certificate is issued but the Society has agreed to give clients the total amount of interest paid over the phone for no charge.

I believe that I am right in saying that under the Data Protection Act the Building Society cannot charge more than £10 for any information on any one account. Apart from the (higher) cost to the client of obtaining these certificates, I am concerned that the Inland Revenue, in an enquiry, could ask for the production of the certificates to support mortgage interest claimed. It also occurs to me that giving the information over the telephone may break the code of client confidentiality and, in one case, the figures supplied to the client were totally incorrect!

I wonder if any other members have had similar problems? Can you help?

CR

Editor

Any similar problems - or solutions? Please let SPA know.

And a phone call ...

I accessed the website to download the standard 'Letters of Engagement'. I think they are excellent – much better than ICAEW!!

FB

Editor

Thanks FB. Have a second look at these – they have been slightly revised in recent weeks with a couple of additions as well.
