



NEWS

The Newsletter of The Society of Professional Accountants

..... Strength in Numbers

May 2005

Issue 46

HIGHLIGHTS

SPA Challenges Proposed Accountants Report

Audit Registrations Decline

Practice Work in Progress

Where There's a Will



Chairman joins ICAEW Practice Strategy Group

Incoming ICAEW President Ian Morris has invited Peter Mitchell to join this recently formed Group to look at the delivery of services to those in practice. This wide ranging review acknowledges years of pressure by SPA to address the needs of those in thousands of smaller practices.

How closely the outcome of this 'Think Tank' will reflect SPA's earlier proposal for an all-embracing top-to-toe practice 'Division' remains to be seen!

SPA Challenges ICAEW on Proposed Accountant's Report

Your Chairman has written to ICAEW President, Paul Druckman, to protest against the 'enhancements' proposed and also had the following letter published by Accountancy Age on 14 April under their heading 'Meddle No More':

"Dear Sir

Please Mind Your Own Business

The ICAEW Audit and Assurance Faculty has just issued a Technical Release – Audit 01.05 – proposing further paragraphs and disclaimers be added to the current well received and widely accepted accountant's report on unincorporated activities, and also that references to this extended report be made in the letter of engagement to such clients.

SPA is astonished that, whilst small businesses strive to reduce the red tape heaped upon it, a further example of unheralded and seemingly unnecessary Plc 'standards' should be announced without consultation with those most affected – small practitioners and their clients.

It is understood ACCA is not recommending adoption of these proposals, which are seen as reducing rather adding value to the accountants' services, SPA likewise will suggest to its members that they do not use these 'enhancements'.

What business one might ask, have the Audit and Assurance Faculty got with unincorporated entities? A cynic might think their Faculty is trying to find something to replace all the 'lost' small company audits! Please get off our case – it ain't broke, so don't fix it!"



Do you operate a separate 'Service' company?

Practitioners may manage a separate service company providing client support, such as payroll, or to distinguish between regulated and unregulated activities. Members should note that any business managed from your premises is likely to be incorporated within any Practice Assurance review or return, unless it can be shown these are wholly unrelated to the provision of accountancy services.

Recognition of Practice Work in Progress - New Valuation Protocol

Recent GAAP guidance from the 'Urgent Issues Task Force' requires the valuation of practice work in progress at recoverable cost - even for sole practitioners - to be applied to all our practices for periods after June 2005. The same goes for any work in progress for professional or other clients. (At the moment FRSSE provides exemption for incorporated businesses but it is anticipated this will come into line very shortly.)

Inevitably this will create a one off tax hit – be prepared!

Audit Registrations Decline

As predicted by SPA from the survey amongst SPA members at the end of 2003, the higher audit threshold has 'enabled' a large number of practitioners to do without audit registration – which fell by 13.6% in the year to 31 December 2004 according to the ICA annual report to the DTI.

Evidence from SPA Datasheets received suggest this process is ongoing with some 6% saying they were not renewing from 1 January 2005. For the large majority of SPA members and their previously audited clients this is a welcome release from a meaningless task.

Data Sheets Flood In - Has Yours?

We have now received the majority of your data sheets – if you haven't returned yours yet please do so as a matter of urgency. The 2005 Members' Yearbook will be published in June and we need this information to ensure it is as accurate as possible.

It appears that far more of you are becoming website friendly as many have asked for a link from the SPA website to yours.



It must be Spring ...

... as we are getting ready for the 7th SPA Golf Day on Friday 10 June at Harewood Downs Golf Club, Buckinghamshire. SPA's Golf Day is a no-pressure, friendly day out for members to meet together and relax.

Have you booked yet? There is a booking form at the end of this SPA news.



QDOS - Helpline Reminder

Qdos Consulting, our support services for tax, employment and compliance issues, provide each member practice with four free calls each year to the Qdos Advisory Service. Thereafter calls are charged at £20 + VAT and are billed monthly.

Tel. No. 01455 852031
Tax and FSA enquiries

Tel. No. 01455 852033
Employment and Health & Safety enquiries

(Ed. Helpful hint – if, during the same call, you introduce more than one topic for an answer, each topic answered will be treated – correctly – as a separate call!)



Chancery Law - Where There's a Will ...

Many thanks to all members who returned their answer-backs on Will Writing and Estate Planning for you and your clients. We will soon be issuing the starter pack to those showing initial interest. If you wish to receive one of these packs please telephone the Office and speak to Helen.

(Ed: This is often a difficult and emotive area – but one we practitioners cannot afford to ignore – so don't be shy!)

LETTERS

Dear Mr Mitchell

On going Membership of SPA

I am happy to confirm that it is my intention to:

- Maintain appropriate PII cover
- Undertake adequate CPE for the purposes of ongoing professional competence;
- Maintain the ethical standards I have done my best to maintain all my working life.

After the most careful consideration, I came to the conclusion that the membership of the Institute was of no benefit to myself or my clients. So I took my certificate down on New Year's Eve and have had nothing but supportive messages from clients and the fellow professionals.

Many thanks for your continued stewardship of SPA - it is the only body which has kept me grounded in recent years, and I do hope that it will continue to speak for those in my situation as well as those who have retained their ICAEW membership. I have been aboard SPA since the early days (member No. 14): it would be sad to be disenfranchised at this point in the game.

Yours sincerely
NW

(Ed – Given an annual re-affirmation to SPA of the undertakings above, SPA will continue to support professionally qualified accountants wishing to remain in practice after they feel obliged to resign from their institute.)

Dear Sirs



SPA Logo

I am just about to order more letterheads and would like to know what logo to put on...

Yours sincerely
DM

(Ed – We recommend all SPA members use the SPA logo on letterheads etc – it is now a widely recognised and respected 'brand'. If you contact the Office a high definition version can be readily obtained.)

PLEASE PHOTOCOPY THIS FORM FOR ALL PARTNERS IN YOUR FIRM WISHING TO PLAY
OR FOR ANY GUESTS YOU MAY WISH TO BRING

To: SPA
FREEPOST
Great Missenden
Buckinghamshire HP16 0BR

Fax: 01494 864454



**MEMBERS' & GUESTS' SEVENTH ANNUAL SPA GOLF MEETING
FRIDAY 10TH JUNE 2005
HAREWOOD DOWNS GOLF CLUB LITTLE CHALFONT BUCKS**

- Meet at 10.30 for coffee and bacon rolls
- 11.00 am 9 hole Greensome Stableford Competition
- Ploughman's Lunch
- 18 Hole 3 ball individual Stableford Competition for

THE CHAIRMAN'S CUP

PLUS MANY OTHER PRIZES

- 6.30 pm Dinner and Prizegiving (Jacket and tie please)

Cost £60 per person, please send cheques with application form/s payable to SPA. A map and tee-times will be sent to all attending. If you have any queries please contact Helen Shaw on 01494 864414

Name _____ (BLOCK CAPS PLEASE)

Member / Partner / Guest (please delete)

Golf Club _____

Handicap _____ I enclose my cheque for £ _____ payable to SPA

SPA Membership No _____ (If guest please give address and tel no below)