

HAT

Group of Accountants

12 Cock Lane, London, EC1A 9BU
Tel: 020 7213 9911 / Fax: 020 7213 9922
e-mail: hat@hatgroup.co.uk
www.hatgroup.co.uk

NEWSLETTER

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Edited By: Ian Atkins

TECHNICAL UPDATE

A Happy New Year from everyone at HAT, wishing you a successful and prosperous one. Welcome to the first Newsletter of 2015, which includes some interesting technical developments.

The first item is the Government's consultation to keep the audit exemption limits in line with the small company limits, instead of as previously expected keeping the existing limits.

Secondly, the ACCA's decision to replace their Quality Checked Scheme; the pronouncement on the ACCA's website is included in this Newsletter.

Thirdly, the Government's consultation on the impact of the introduction of the EU Audit Directive.

Finally, on a lighter note, a reminder that this year's HAT Quiz is an earlier date, namely Thursday 19 March. Catherine will be sending details out shortly.

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AUDIT EXEMPTION THRESHOLDS FOR COMPANIES

The Government is currently consulting on introducing the requirements of the EU Audit Directive, and included within this (in section 4.6) is consideration of retaining alignment of thresholds for small companies for financial reporting purposes with thresholds for eligibility for audit exemption.

These thresholds are proposed to increase (as set out within the consultation on the EU Accounting Directive, covered in the September 2014 HAT Newsletter) to two out of three from:

- Turnover of £10.2 million (from £6.5 million);
- Gross assets of £5.1 million (from £3.26 million); and
- 50 employees (remaining unchanged).

It is understood that when legislation is made to increase the thresholds for small company financial reporting purposes, there will be no amendment to criteria for eligibility for audit exemption. It will only be if the latter (audit) consultation concludes that the “link” between small company / audit exemption thresholds should be broken that an amendment will be made to the Companies Act 2006 to reflect the fact that the “basic” eligibility for audit exemption is no longer the definition of a small company.

The effective date remains unclear, but it is unlikely to be later than accounting periods commencing on or after 1 January 2016, should these proposals be enacted.

REPLACEMENT OF ACCA QUALITY CHECKED

The ACCA has [published the following on their website](#):

“Introduction

ACCA first developed what came to be known as ACCA Quality Checked in 2001 to meet a growing trend for the professional accountancy bodies to monitor members’ general practice work.

Council decided to have a quality assurance product that would encourage best practice procedures that went beyond minimum standards.

In recognition of meeting the necessary standards, firms qualified for the ACCA Quality Checked award.

Thinking ahead

The ACCA Quality Checked scheme has achieved many of the objectives set for it at the outset; large numbers of ACCA firms have engaged with the concept of adopting best practice standards and some 530 firms have achieved the ACCA Quality Checked award. However, for a number of reasons, a critical juncture has been reached in terms of the resourcing of the scheme.

Consequently, ACCA has decided to discontinue the existing ACCA Quality Checked scheme and replace it with a more compliance based 'Practice Assurance' scheme.

The new scheme will, however, retain an element of best practice to continue, in some measure, the approach pioneered by ACCA Quality Checked.

ACCA Practice Assurance scheme

This decision was not taken lightly. The proposed scope of the replacement scheme means that ACCA will be better positioned to monitor the wider population of practising certificate holders. This includes their compliance with Global Practising Regulations and the Code of Ethics and Conduct as set out in ACCA's rulebook.

This will be achievable without the need to introduce an additional charge, which was one of the alternatives considered to discontinuance of ACCA Quality Checked.

The new scheme will provide a limited amount of advice on best practice procedures, but will not incorporate an award or a day-long best practice consultation.

Existing ACCA Quality Checked award holders

To minimise disruption and to treat firms that hold the award equitably, ACCA has decided that all holders of the ACCA Quality Checked award may continue to hold the award until 31 December 2017. These firms will continue to be listed as ACCA Quality Checked award holders on the ACCA website until that date."

IMPACT OF EU AUDIT DIRECTIVE ON LEGISLATION

[The Government is currently consulting](#) on introducing the requirements of the EU Audit Directive. The first stage consultation runs until 19 February 2015. The following is a summary of the requirements included within, and has been extracted from the discussion document:

Public interest entities ("PIE"):

A PIE is defined as an entity that:

- Issues transferable securities that are admitted to trading on a regulated market in the EU (*note that companies listed on AIM, and most companies listed on ISDX / GXG do not fall within this definition*);
- Is a credit institution (a bank or building society, though not a credit union);
- Is an insurance undertaking; or,
- Is designated by a Member State as a public interest entity (*however, note that the consultation proposes not to designate any additional entities as a PIE*).

The main impact of the change in scope results from the removal of the option to exclude non-listed entities from the definition of a PIE. This means that:

- Unlisted insurers and some unlisted banks will have to have an audit committee; and,
- Auditors of unlisted banks and insurance companies that do not also audit listed entities will be required for the first time to prepare an annual transparency report and be subject to the tighter independence requirements.

Application of Directive to undertakings where an audit is required

Under the new Directive, it is necessary for **all** UK entities whose accounts are now required to be audited under EU law. These are:

- Issuers of securities admitted to trading on a regulated market;
- Banks, building societies and insurers;
- Electronic money institutions;
- Payment institutions;
- MiFiD investment firms;
- Undertakings for Collective Investment in Transferable Securities (UCITS); and,
- Alternative Investment Funds (AIFs).

The implementation of the 2006 Directive, as amended by the new Directive, will need to include these entities, though the majority appear already to be covered as they are incorporated as companies or LLPs or structured as qualifying partnerships. However, where any of these are established as an unincorporated entity, it appears as though there will be an audit requirement imposed on the financial statements of these entities.

Single competent authority

There is a lot of detail about the inter-relationships between Government, the FRC (the “single competent authority”) and the professional bodies.

In particular, any audit of a PIE must be subject to oversight from the single competent authority (namely the Audit Quality Review Team) ~ this cannot, as is currently the case for audit firms with ten or fewer major audits, be delegated to the professional bodies. However, the status quo is proposed to be retained where the major audits performed are those of a non-PIE.

Non-audit fees / auditor rotation / reporting / audit committees

There is a lot of detail regarding the above, which relates solely to the statutory audit of a PIE. An overview of these requirements has previously been provided in the July 2014 HAT Newsletter.

Technical standards

It is noted that there is a separate FRC consultation, but it is acknowledged that although there are many requirements which already exist in the UK, some amendments will be required.

Separately (although no timetable has been proposed within the Directive), statutory audits must be performed in accordance with EU-adopted ISAs, although national legislation may prescribe additional requirements, and “local” requirements may be imposed where there is no EU-adopted ISA covering the same subject matter.

Quality assurance of statutory auditors

The main changes are:

- Inspections of all audits of PIEs will have to be conducted by the single competent authority with ultimate responsibility for the regulation of auditors;
- With the removal of the option to exclude unlisted entities from the definition of a PIE, the range of entities within the scope of the PIE inspection regime is increased to include unlisted banks and insurers;
- The frequency of inspections is unchanged for an auditor of a large PIE (at least every 3 years), which with the increased range of PIEs is likely to bring more audit firms within this three year cycle;
- On the other hand, the required frequency of inspections of auditors of those PIEs that come within the EU definitions of small and medium sized companies is reduced (from at least once every 3 years to at least once every 6 years);
- Article 29 of the 2006 Directive, as amended, which applies only to non-PIE audits, excludes from the six year inspection cycle those firms that audit only small undertakings. The frequency of inspections needs to be determined on a risk basis;
- For all inspections, there is a move to a “risk based” assessment of the frequency of inspections, reflecting existing FRC practice; and
- There are additional requirements, in respect of both inspections of PIE and non-PIE audits, on the detail of how inspections are to be organised and what they must cover.

IMPACT OF EU AUDIT DIRECTIVE ON AUDITING / ETHICAL STANDARDS

The [Financial Reporting Council \(“FRC”\)](#) is [currently consulting](#) on introducing the requirements of the EU Audit Directive. The first stage consultation runs until 20 March 2015. The following is a summary of the requirements included within, and has been extracted from the consultation document:

Implementation timetable

The International Auditing and Assurance Standards Board (IAASB) is finalising revisions to some International Standards on Auditing (ISAs) that are expected to come into effect over the next couple of years (including the auditor reporting standards). The ISAs provide the basis for the FRC's auditing standards.

Where appropriate and practicable, the FRC will seek to ensure that revisions to the standards for the Audit Directive and Audit Regulation, the wider review of the ethical framework for auditors and the IAASB revisions are made at the same time to avoid multiple revisions to standards over a relatively short period of time.

Overview of amendments

The PIE / non-PIE distinction moving forward differs from the current distinction in the Ethical Standards. Any AIM-listed company will not be treated as a PIE, but is treated as a listed company currently. To retain stringent requirements for these (and other) listed companies), an option is to have the following categories of client:

- PIE and also Listed – The more stringent requirements of the Audit Regulation as well as any incremental ones required under the current FRC requirements would apply;
- PIE but non-Listed – The more stringent requirements of the Audit Regulation would apply;
- Non-PIE but Listed – The more stringent requirements under the current FRC requirements would apply; and
- Non-PIE and non-Listed – Neither class of more stringent requirements would apply.

The majority of the consultation document considers how the requirements relating to PIEs can be incorporated into the Ethical Standards, and additionally considers the second and third categories set out above, and whether appropriate requirements apply to each category.

AMENDMENT TO THE FRSSSE

The Financial Reporting Council ("FRC") has issued an Editorial Correction to the FRSSSE (both April 2008 / January 2015). Their "[FRSSSE page](#)" states:

"The April 2014 amendments to the FRSSSE (effective April 2008) and the FRSSSE (effective January 2015) to incorporate the micro-entities regime included the requirement for micro-entities to account for investment properties using historical cost, in accordance with the legal framework for micro-entities. However, paragraph 1.2 of the FRSSSE (effective April 2008) and the FRSSSE (effective January 2015) may appear unclear in relation to the application of depreciation and impairment as part of the cost method. Paragraph 1.2 of the FRSSSE (effective April 2008) and of the FRSSSE (effective January 2015) is amended as follows (inserted text is underlined):

1.2 A **micro-entity** preparing its financial statements in accordance with section 393(1A) of the **Act**:

(d) shall account for any **investment properties** at cost less depreciation and impairment in accordance with paragraphs 6.19 to 6.22, paragraphs 6.38 to 6.42 and paragraphs 6.45 to 6.46 and 6.48 rather than paragraphs 6.18, 6.37, 6.44 and 6.50 to 6.53;”

MAJOR PROJECTS

- Work is being finalised on a new Assurance CPD course, which can be run in-house for any firm which wishes to market Assurance Reports to their clients who are eligible for exemption from a statutory audit on their financial statements;
- Work continues on the new HAT Audit Manual, which is intended to be released during the current quarter, and the FCA Client Assets Reports Manual is scheduled for update, and this will be released by the end of the quarter; and
- Time has been scheduled to commence populating the new HAT Audit Manual onto our paperless platform in Caseware.

“SENSITIVE WORDS”

[The Company, Limited Liability Partnership and Business Names \(Sensitive Words and Expressions\) Regulations 2014](#) (SI 2014 / 3140) has been passed, and it comes into force on 31 January 2015.

Schedule 1, Part 1 set out which words and expressions are specified by the Secretary of State as requiring prior approval for use in the names of companies, LLPs and businesses. Schedule 1, Part 2 set out words and expressions that the Secretary of State is specifying as requiring prior approval when used in the names of companies or LLPs only.

In both cases, the list of words and expressions for which prior approval was previously required has reduced in length.

WITHDRAWAL OF CHARITY COMMISSION GUIDANCE RELATING TO GIFT AID PAYMENTS BY SUBSIDIARIES OF CHARITIES

The ICAEW has [posted the following on their website](#), relating to Gift Aid payments by trading subsidiaries to their charitable parent entities:

“The Charity Commission has withdrawn guidance from its website regarding the payment of Gift Aid beyond distributable profits from charity trading arms to the parent charity.

Some charities own subsidiary trading companies through which they carry out trading activities for a profit. The subsidiary may donate some or all of its profits to the charity. Depending on the amount so donated, the subsidiary reduces or eliminates its corporation tax liability for that year.

This may result in breaches of company law under the Companies Act 2006. ICAEW have produced technical guidelines to provide more information for members.

In the event that taxable profits of the trading subsidiary exceed distributable profits, for example through timing differences and the differing treatment of certain expenses, and the subsidiary then proceeds to donate to the parent charity an amount which is greater than the amount of distributable profits then, under the Companies Act 2006, the excess amount is likely to be repayable by the charity and adjustments will be required for prior incorrect payments.

This does not necessarily mean that affected charities will, in practice, need to repay money to the subsidiary, but affected charities will need to consider the implications for them in light of their own circumstances.”

It is understood that both the Charity Commission and HM Revenue & Customs will provide further guidance once they have reviewed the process.

DRAFT PROTECTION OF CHARITIES BILL

The draft Protection of Charities Bill is currently being [considered by Parliament](#). This proposes to enhance the powers of the Charity Commission, and it includes:

- A power that will ban people with convictions for certain criminal offences - such as terrorism or money laundering - from being a charity trustee. At present, the only convictions that automatically disqualify trustees are those related to dishonesty and deception, such as fraud;
- A power for the Charity Commission to disqualify an individual from being a charity trustee where their conduct means they are unfit to act;
- A power for the Charity Commission to issue an official warning to trustees of a charity if they breach charity law; and
- Closing a loophole where currently trustees can resign in order to avoid being removed by the Charity Commission for mismanagement and consequently disqualified from being a trustee again. Without this new clause, trustees who resign in this way can go on to be trustees of other charities

AUDIT EXEMPTION THRESHOLDS FOR CHARITIES

When charity legislation was reviewed in 2012, it was recommended to increase the financial thresholds above which charities must have their accounts audited rather than independently examined. A [consultation document has now been issued](#), which sets out the following:

“Currently, charities that fall into either of the following categories must have their annual accounts audited by a member of the Register of Statutory Auditors:

- An annual income of more than £500,000; or
- Assets worth more than £3.26 million and an annual income of more than £250,000.

The government is proposing to increase these thresholds to:

- An annual income of more than £1 million; or
- Assets worth more than £3.26 million (or £5 million as an alternative option) and an annual income of more than £500,000.

We are also consulting on increasing the threshold above which charities must prepare group accounts from a total income of £500,000 to £1 million. These proposals would make up to 4,000 charities exempt from the expensive requirement for a full audit but still keep an appropriate amount of scrutiny.

We also want to know whether we could extend the list of professional accountancy membership bodies able to carry out independent examinations for charities with an income of over £250,000.”

As it is possible for each of the amendments to be enacted by Statutory Instrument, the Government expects to be able to enact changes which will come into force on 6 April 2015. However, the consultation is unclear as to what exactly this means, whether it will be for accounting periods commencing or ending (or even financial statements finalised) on or after this date.

UPDATED HM TREASURY ADVISORY NOTICE REGARDING MONEY LAUNDERING IN OVERSEAS JURISDICTIONS

HM Treasury has published an [advisory notice on money laundering and terrorist financing controls in overseas jurisdictions](#), following statements published by the Financial Action Task Force (“FATF”) identifying jurisdictions with strategic deficiencies in their anti-money laundering and counter financing regimes. In summary, it states:

“Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML / FT) risks emanating from the jurisdictions:

- Iran; and
- Democratic People’s Republic of Korea (DPRK).

Jurisdictions with strategic AML / CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction, as described below:

- Algeria;
- Ecuador;
- Indonesia; and
- Myanmar

As part of its on-going review of compliance with the AML / CFT standards, the FATF has to date identified the following jurisdictions which have strategic AML / CFT deficiencies for which they have developed an action plan with the FATF.

While the situations differ among each jurisdiction, each jurisdiction has provided a written high-level political commitment to address the identified deficiencies. The FATF welcomes these commitments.

The FATF and the FATF-style regional bodies will continue to work with the jurisdictions noted below and to report on the progress made in addressing the identified deficiencies. The FATF calls on these jurisdictions to complete the implementation of action plans expeditiously and within the proposed timeframes. The FATF will closely monitor the implementation of these action plans.

- Afghanistan;
- Albania;
- Angola;
- Cambodia;
- Guyana;
- Iraq;
- Kuwait;
- Lao PDR;
- Namibia;
- Nicaragua;
- Pakistan;
- Panama;
- Papua New Guinea;
- Sudan;
- Syria;
- Uganda;
- Yemen; and
- Zimbabwe.

Jurisdictions no longer subject to the FATF's on-going global AML / CFT compliance process:

- Argentina;
- Cuba;
- Ethiopia;
- Tajikistan; and
- Turkey”

SRA CONSULTATION ON ACCOUNTANT’S REPORTS

The Solicitors Regulation Authority (“SRA”) has launched a [consultation on accountants' reports](#).

This is a second phase consultation, following amendments made in October 2014, and this looks at redefining the circumstances in which accountants' reports are qualified, and amendments to the format of the reports. It also considers which, “pose a low risk to clients' funds” could be excluded.

The following have been extracted as being the key proposals within the consultation, which intend to build upon the COFA’s role to implement and oversee controls within legal practices, while imposing proportionate regulatory burdens to ensure the client money is adequately safeguarded:

- “The first of our proposals is to amend the Accounts Rules and the format of the accountant’s report to remove the amount of prescribed testing that is required and to place a greater reliance on the professional judgment of the accountant, by asking them to focus on those activities which provide for an effective system for accounting for client money;
- In our view, redefining the criteria in which the accountant's reports need to be qualified, to focus more on issues that may adversely affect client money, will allow us to retain a crucial element of independent oversight over firms that hold client money - but in a more proportionate and targeted way. An amended version of the format of the report we are proposing is attached at Annex 1 of this consultation paper together with a draft of how the Accounts Rules could be changed to reflect this new approach. The revisions ask the reporting accountants to carry out work on a sample basis to ascertain whether the firm has maintained an effective client money accounting system which has enabled the firm to substantively comply with the Accounts Rules. We suggest that reporting accountants are required to examine whether the firm has incorporated the following elements into its client money accounting system:
 - The segregation of client and office monies;
 - A robust system of controls and checks to ensure accuracy and protect against fraud;
 - Appropriate authorisation of transfers and payments out of client account;
 - Ledgers and other entries are maintained on a timely basis;
 - An appropriately designed double entry accounting system;
 - That proper office and client bank account reconciliations are performed;
 - Adequate segregation of duties (for example, one person to prepare the client account reconciliation, but another person to check and sign it off); and
 - Controls over incoming funds.
- If there are substantive deficiencies in any of these areas, the form will require the accountant to set these out. The report will be regarded as qualified and must be submitted to the SRA, in accordance with the Accounts Rules. If the change we have proposed is approved, we would remove Rule 39 which sets out the detailed test procedures from the Accounts Rules in their entirety;
- We do not propose to amend the waiver policy or the requirement on a firm to obtain a cease to hold report in all cases where the firm closes. However, research does tend to support the suggestion that we should consider amending our rules to remove the requirement for all firms to obtain a report where the risks to clients' funds are low;
- Regarding exemptions from obtaining an accountant’s report, our initial view is if we did wish to exclude some firms from the obligation to obtain a report based on risk to client funds then criteria based around simple client account average balances would be the most suitable measure. We also already collect this data as part of the annual PCRE exercise so it would not require firms to create any new monitoring systems. According to the most recent data we hold the impact of this may be:

- 995 firms have an average balance less than or equal to £10,000 (13.1%); and
 - 1957 firms have an average balance less than or equal to £50,000 (25.7%).
- We would be very interested in views on the above criteria and on our current thinking that the appropriate criteria is to exclude the firms which hold an average balance of client funds of less than £10,000 in each accounting year;
 - Subject to the outcome of this consultation it is proposed that any such criteria is captured in the Accounts Rules and that firms that meet them will be exempt from the requirement to obtain an accountant's report. We will retain, of course, the ability to impose a condition that an accountant's report is obtained and delivered to us if we think the overall risk posed by the firm requires it. We will also retain the existing provisions which enable any other firms to apply to the SRA for a waiver if they consider that they should be exempted from the requirement to obtain a report;
 - If we decide to implement the changes to policy outlined in this document, any formal changes to the Accounts Rules, (including to the form of the report) would be expected to come into effect in April 2015, subject to LSB approval;
 - Phase three of our approach will therefore consist of a wider review of the Accounts Rules as a whole, with the intention of implementing rule changes in April 2016. A detailed timetable and scope for the review is yet to be set. However, we are mindful of feedback that we have received — especially from smaller firms — which suggested that a degree of certainty and prescription is helpful for firms in ensuring they have proper controls in place. We will also need to factor in the developing role of the COFA and how the COFA can assist in ensuring that the aim of the Accounts Rules is met.”

The consultation runs until 28 January 2015.

REPORTS ON PAYMENTS TO GOVERNMENTS

[The Reports on Payments to Governments Regulations 2014](#) (SI 2014 / 3209) have been enacted.

Details relating to these regulations have previously been provided in the November 2014 HAT Newsletter, which require certain large and public interest undertakings active in the extractive or primary logging industries to make and publish reports on payments made to governments.

These apply to companies [and LLPs](#) for accounting periods commencing on or after 1 January 2015 (unless the undertaking is a subsidiary undertaking included in consolidated financial statements in an EU Member State other than the UK, in which case, these apply one year later).

DRAFT FRS 104 ~ INTERIM FINANCIAL REPORTING

The Financial Reporting Council (FRC) has issued an Exposure Draft, FRED 56 ‘Draft FRS 104 Interim Financial Reporting’. The FRC’s [Press Release](#) states:

'Draft FRS 104 Interim Financial Reporting', will revise the FRC's existing guidance on interim financial reports for consistency with new UK and Irish GAAP (FRS 102).

These proposals are relevant for entities that apply UK and Irish GAAP and prepare interim financial reports and aim to promote the publication of informative and understandable interim financial reports.

Draft FRS 104 is based on IAS 34 'Interim Financial Reporting'. Using an IFRS-based solution is consistent with the approach adopted for developing new UK and Irish GAAP.

The FRC is also proposing to withdraw the Reporting Statement 'Preliminary announcements'.

Comments on the proposals are invited by 12 January 2015. The FRC intends to finalise the new interim reporting requirements by the end of the first quarter of 2015."

COMPLEX SUPPLIER ARRANGEMENTS

The Financial Reporting Council ("FRC") has issued a [Press Release](#), requesting retailers, suppliers and other businesses to provide investors with sufficient information on their accounting policies, judgements and estimates arising from their complex supplier arrangements. It states:

"The FRC's Conduct Committee expects to see high quality disclosure of this area of reporting in forthcoming annual and interim reports and accounts and plans to include it as an area of focus when it reviews audits and accounts during 2015.

Fees, contributions, discounts, multiple offers and volume rebates (collectively referred to in this announcement as "complex supplier arrangements"), are regular features of supplier contracts in a number of industry sectors, including retail.

The amounts involved are often significant in aggregate to operating margins and other key metrics. Many arrangements require significant judgements to be made by companies when estimating period end amounts receivable and payable for both annual and interim reporting.

There is no single standard within IFRS which addresses the required accounting or disclosures for these types of commercial arrangements. This, together with an absence of well-known industry norms, underscores the benefits of clear information about the extent to which the results and KPIs of retail and other businesses are reliant on judgements and estimates surrounding their complex supplier arrangements. The FRC observes that IFRS, in addition to providing a clear set of principles on how to develop relevant accounting policies, also includes explicit requirements on disclosure of material judgements and significant uncertainties."

AMENDMENTS TO FCA HANDBOOK

[Section 40 of the Immigration Act 2014](#) came into force on [12 December 2014](#).

It places new obligations on banks and building societies operating in the UK, prohibiting them from opening (or adding signatories or beneficiaries) to current accounts for people who do not have leave to remain in the UK. Under the Act, the Financial Conduct Authority ("FCA") has a duty to monitor and enforce compliance with this legislation, and amendments to the FCA Handbook have been made to reflect these requirements.

Note that these restrictions extend to individuals who have online access to accounts (even if this is read-only), so this may create delays, and additional administration, when an accountancy firm is acting as agent for a client, and they require access to that client's bank account to make payments.

INSURANCE INTERMEDIARIES

It is some time since the FCA consulted on amendments to CASS 5.

The latest [Policy Development Update](#) from the FCA indicates that the next stage in the process (to publish CASS 5A) will happen in Q1 / 2015.

Important Note

With regards to the technical articles in this newsletter, every care has been taken by HAT in the preparation of these articles, HAT does not guarantee the accuracy or veracity of any information or opinions. No responsibility for loss occasioned to any person acting or refraining from acting as a result of material contained within these articles can be accepted by the editor, HAT, its officers or employees.

TECHNICAL MEMORANDUMS

Here is a list of Technical Memorandums issued in 2014; please let us know if you have not received any of them.

Memo	Date	Subject
01/14	9 January 2014	HAT SRA Accounts Rules 2011 Manual – January 2014
02/14	24 March 2014	HAT Charities Manual – March 2014
03/14	10 April 2014	HAT Non- Audit Assignments Manual – March 2014
04/14	12 May 2014	SRA Accountants Reports
05/14	19 May 2014	HAT Practice Assurance Manual April – 2014
06/14	6 June 2014	FCA Client Asset Reports
07/14	10 June 2014	FRS 102 Transition Programme
08/14	14 July 2014	HAT Academies Manual – August 2014
09/14	4 September 2014	HAT Not for Profit Entities Manual – August 2014

10/14	10 September 2014	Share-Based Payments Programme
11/14	17 September 2014	SRA Accountants Reports
12/14	30 September 2014	FRS 102 Disclosure Checklists
13/14	29 October 2014	HAT Registered Social Housing Providers Manual – October 2014
14/14	20 November 2014	HAT SRA Accounts Rules 2011 Manual – October 2014

HAT MANUALS

Manual	Last Updated	Additional information
SRA Accounts Rules 2011 Manual	October 2014	The whole manual is referenced October 2014
Anti Money Laundering Procedures Manual	October 2013	The whole manual is referenced October 2013
FCA Manual	June 2013	The whole manual is referenced June 2013
Property Agents' Client Money Assignments Manual	March 2013	The whole manual is referenced March 2013
Groups Manual	October 2012	The whole manual is referenced October 2012
Registered Social Housing Providers Manual	October 2014	The whole manual is referenced October 2014
Pensions Manual	November 2012	The whole manual is referenced November 2012
Charity Manual	March 2014	The whole manual is referenced March 2014
Non Charitable Not for Profit Entities Manual	August 2014	The whole manual is referenced August 2014
LLP Manual	October 2012	The whole manual is referenced October 2012
Audit and Accountancy Manual	September 2013	The whole manual is referenced September 2013
Academies Audit Manual	August 2014	The whole manual is referenced August 2014
Audit Procedures Manual	July 2012	The whole manual is referenced July 2012
Practice Assurance Manual	April 2014	The whole manual is referenced April 2014
Non – Audit Assignment Manual	March 2014	The whole manual is referenced March 2014
Audit & Accountancy Manual Ireland	September 2013	The whole manual is referenced September 2013
Anti Money Laundering Manual Ireland	December 2012	The whole manual is referenced December 2012

Audit Procedures Manual Ireland	July 2012	The whole manual is referenced July 2012
Audit & Accountancy Manual Gibraltar	September 2013	The whole manual is referenced September 2013
Anti Money Laundering Gibraltar	December 2012	The whole manual is referenced December 2012
Audit Procedures Manual Gibraltar	July 2012	The whole manual is referenced July 2012

If you would like a copy of any of the manuals please contact HAT. Full Member firms receive all manuals free. Members of the General Practitioners Scheme receive the Audit and Accountancy Manual free and all of the other manuals at a substantial discount.

A full price list is available from HAT and is also published on our Website.

Please note Irish & Gibraltarian Manuals are only sent out if requested and are free to all Full Members. Full prices are available on request from Roger.

HAT COURSES

If you feel that any of these courses may be relevant to your professional development, please talk to your training partner. Bookings can be made through any member of the HAT team.

2014/15 COURSE PROGRAMME

Course	Date / Venue	Subject
A Course	12 – 16 January 2015 Central London	Introduction to Bookkeeping
B Course	19 – 23 January 2015 Central London	Introduction to Auditing
CA Course	18 – 20 February 2015 Central London	UK Financial Disclosure
D Course	20 – 24 April 2015 Holiday Inn Norwich	Seniors Course
F Course	2 – 5 June 2015 Shendish Manor, Apsley	Managers Course
GA or GB Course	17 – 19 June 2015 Mill Hotel Sudbury	Senior Managers Course (Dealing with Staff/ Clients)
C Course	22 – 26 June 2015 Belstead Brook Hotel Ipswich	Advanced Audit & Accountancy
AB Course	16 – 17 July 2015 Central London	Advanced Bookkeeping
D Course	10 – 14 August 2015 Holiday Inn Norwich	Seniors Course
A Course	17 – 21 August 2015 Central London	Introduction to Bookkeeping
B Course	24 – 28 August 2015 Central London	Introduction to Auditing
CA Course	23 – 25 September 2015 Central London	UK Financial Disclosure

E Course	20 – 23 October 2015 Hydro Hotel Eastbourne	Supervisors Course
C Course	16 – 20 November 2015 Belstead Brook Hotel Ipswich	Advanced Audit & Accountancy

CPD COURSE PROGRAMME

The following CPD Courses are running in 2015:

Course	Speaker	Date
A Practical Guide to Limited Liability Partnerships	Matthew Shaw	Tuesday 3 February 2015
Introduction to Pensions – A Practical Guide	Andrew Jarvis	Wednesday 11 February 2015
Auditing in 2015	Ian Atkins	Tuesday 3 March 2015
Introduction to ‘SRA Accounts Rules 2011’ Assignments	Matthew Shaw	Wednesday 4 March 2015
Cost Effective Compliance	Ian Atkins	Tuesday 10 March 2015
Introduction to Charities – A Practical Guide	Matthew Shaw	Wednesday 11 March 2015
Pensions – Key Issues for Preparers and Auditors in 2015	Matthew Shaw	Tuesday 17 March 2015
A Practical Guide to Consolidated Financial Statements	Matthew Shaw	Wednesday 25 March 2015
Business Writing	Ian Atkins	Tuesday 31 March 2015
Audit Planning Workshop	Andrew Jarvis	Wednesday 15 April 2015
Effective Audit Review	Simon Kettlewell	Wednesday 20 May 2015
A Practical Guide to FRS 102 – What Does it Mean for Me?	Matthew Shaw	Tuesday 2 June 2015
SRA Update and Ensuring that you get the Qualification correct (1½ hours)	Matthew Shaw	Tuesday 16 June 2015
Audit Implications of FRS 102	Matthew Shaw	Tuesday 23 June 2015
A Practical Guide to FRS 102 – What Does it Mean for Me?	Matthew Shaw	Tuesday 6 October 2015
Audit Implications of FRS 102	Matthew Shaw	Tuesday 10 November 2015

Please see the HAT website www.hatgroup.co.uk for new courses as they are released.

The following additional courses can be run at your office:

Skills Courses

Staff Appraisals
Presentation Skills
Effective Business Writing
Interviewing Skills
Meetings and Facilitation
Leadership Skills

Audit Courses

Audit Efficiencies
Audit File Review
Using the Audit Programmes Efficiently and Effectively
Effective Analytical Procedures
Auditing Stock Effectively
Getting Audit Evidence Right
Audit Planning
The Audit of the Profit and Loss Account
Effective Management Letters
Fraud and Error

The cost of these courses:

Half Day (all courses except Leadership Skills) £1,095 plus disbursements, plus VAT

Whole Day £1,995 plus disbursements, plus VAT

AUDIT MANUAL AND ANTI MONEY LAUNDERING INDUCTIONS

HAT Audit Manual and Anti Money Laundering Inductions are held on the first working Monday of each month at the HAT Office. The Audit Manual Inductions run from 9.30am to 1.00pm and the Anti Money Laundering from 2.00 to 4.00pm. The dates for these courses are as follows:

2 February 2015
2 March 2015
13 April 2015
11 May 2015
2 June 2015
6 July 2015
3 August 2015
7 September 2015
5 October 2015
2 November 2015
7 December 2015

Manual Inductions - These courses are designed for all audit staff joining your practice who will not attend the HAT B Course. Please note that it is mandatory under Audit Regulations for new staff to be properly inducted into the audit system used.

These courses are free to Full Members and cost £100 plus VAT per delegate for General Practitioner Members. (Non-members will be charged at £135 plus VAT, per delegate). Each course will be held at our office from 9.30 am - 1 pm.

Anti Money Laundering Training - These courses are designed for **all** new staff irrespective of their role, including support staff, unless they are due to attend the HAT B Course. It will run between 2.00pm and 4.00pm and is free if the delegate is a trainable head; otherwise a charge of £75 plus VAT per delegate will apply to Members. (Non-members will be charged at £105 plus VAT per delegate). **Please note that it is a criminal offence not to train all staff in this area.**

Numbers on these courses are limited, so please contact Catherine when someone new joins your practice and she will make the relevant bookings.

If you are unsure whether or not you are entitled to free courses, please email roger@hatgroup.co.uk

NEW IN 2015 – Caseware Automated Audit System Induction Courses

12 January 2015
9 February 2015
9 March 2015
20 April 2015
18 May 2015
9 June 2015
13 July 2015
10 August 2015
14 September 2015
12 October 2015
9 November 2015
14 December 2015

The Courses will be free to Full Members and the duration of the course will be finalised soon.

OFFICE QUARTERLY MEETINGS

Two Office Quarterlies are now run every three months to ensure all Members of our General Practitioners Scheme have the opportunity to be personally updated.

The Courses run from 9.30 – 11.00 a.m. and costs £65 + VAT for Members and £95 + VAT for Non Members

2015 Dates:

Quarter 1	26 February & 12 March 2015
Quarter 2	21 May & 18 June 2015
Quarter 3	20 August & 17 September 2015
Quarter 4	19 November & 17 December 2015

Additional office quarterlies will be arranged subject to demand.

All Course Bookings can be made by telephoning, faxing or e-mailing HAT.

EXAM RESULTS

Congratulations to the following students who completed their Advanced Stage at the November Sitting

STUDENT	FIRM
William Bamford	Shelley Stock Hutter LLP
Hayley Blyth	Simmons Gainsford LLP
Sebastian Crane	Simmons Gainsford LLP
Charlotte Hawes	Wilder Coe LLP
Lloyd Hercek	Lewis Golden & Co
Metin Ibrahim	F W Smith Riches & Co
Antonia Jones	Simmons Gainsford LLP
Jack Martinez	Jeffreys Henry
Charlotte McKee	Shelley Stock Hutter LLP
Georgina Neal	F W Smith Riches & Co
Matthew Orchard	KBSP Partners LLP
Sarah Peters	Rawlinson & Hunter
Joseph Rispoli	Lewis Golden & Co
Bhavita Shah	Kajaine
Sohini Shah	Wilder Coe LLP
Rebecca Sleigh-Johnson	Venthams
Tom Taylor-Restell	Lewis Golden & Co
Naomi Wilkinson	Everetts
Otudamilola Otufal	Rawlinson & Hunter

ACCA Results

Please note that HAT do not receive these results and, due to the variety of tutors used, it is very difficult to tabulate all results.

We ask all students to send their results to Catherine, in order to include them in the newsletter.

FIRMS NEWS

We would like to extend a warm welcome to all our new clients.

ROOM HIRE AT HAT OFFICES

Member Firms will be able to hire either the large or small meeting room at the HAT Offices by contacting Catherine@hatgroup.co.uk

The Small Room, which holds 6 people Board Room style, can be hired for £25 per hour, £60 a Half Day or £100 a Full Day.

The Large Room, which holds up to 15 people Board Room style can be hired for £50 per hour, £120 a Half day or £200 a Full Day.

Both rates include tea, coffee and biscuits. Lunch can be arranged at cost price.

SOCIAL EVENTS

FORTHCOMING SOCIAL EVENTS

Thursday 19 March 2015	HAT Quiz	Balls Brothers, City of London
Thursday 10 September 2015	HAT Bowling	Rowans Leisure Centre Finsbury Park

Details will be sent to all social representatives approximately two months before each event by Catherine.

HAT NEWSLETTER QUIZ

The winner of the special Christmas prize of £200 was Michael Clunan of Stephenson Smart.

The answers were:

1. **LONELY THIS CHRISTMAS**
2. **PLEASE COME HOME FOR CHRISTMAS**
3. **THANK GOD IT'S CHRISTMAS**
4. **CHESTNUTS ROASTING ON AN OPEN FIRE**
5. **CHRISTMAS (BABY PLEASE COME HOME)**

6. GIVE **LOVE** ON CHRISTMAS DAY
7. **STEP** INTO CHRISTMAS
8. DO THEY **KNOW** IT'S CHRISTMAS
9. I WISH IT COULD BE CHRISTMAS **EVERY** DAY
10. ALL I WANT FOR CHRISTMAS IS **YOU**

THIS MONTH'S QUIZ FOR A £100 PRIZE:

For this Newsletter Quiz we have turned to the literary world. Listed below are 10 places of residence; simply name the famous author(s) who resided there.

1. DOVE COTTAGE
2. BATEMANS
3. 22 PORTOBELLO ROAD
4. GREENWAY
5. TAVISTOCK HOUSE
6. THE PARSONAGE, HAWORTH
7. 15 USHERS ISLAND
8. MENABILLY
9. STEVENTON RECTORY
10. MAX GATE

Please e-mail ian@hatgroup.co.uk or send your answers to the HAT Office by 5pm on Friday 27 February

GOOD LUCK !

