

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

Welcome to the final Newsletter of 2016. This edition includes the normal Technical Update which covers proposed amendments to the new PSC Register, the FRC's approach to updating FRS 102 and confirmation of the new UK Audit Reports from the FRC, which are included in the HAT January 2016 Manuals.

Seven Technical Memos have been issued since the last Newsletter. Please check you have received them all and put the new Manuals on your system. If you are a Full Member you can download the Manuals directly from our website.

In addition, we include the full results of our recent very successful Annual HAT Bowling Night. This year's Christmas Quiz for a special £250 prize is included; please note the early closing date so that the winner receives the cheque before Christmas. Finally, although a little early, all of us at HAT wish all our clients a very Happy Christmas and a successful and prosperous New Year.

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PROPOSED AMENDMENTS TO PSC REGISTER REQUIREMENTS

The Department for Business, Energy and Industrial Strategy (“BEIS”) has published a [discussion paper](#) on how to implement certain requirements in the EU 4th Money Laundering Directive (4MLD), for EU Member States to maintain a central register of beneficial ownership information for corporate and other legal entities.

Although the existing requirements to retain information of persons with significant control (“PSC”) generally meet the 4MLD requirements, certain adjustments may be required in some areas. Areas on which BEIS is seeking views include:

- **Updating information on PSCs** – 4MLD requires information on beneficial ownership to be "current". BEIS says that it is proposing to require any changes to PSC information to be notified to Companies House within six months of a change (rather than annually, as is currently the case);
- **Removing the exemption for AIM and ISDX companies** – AIM and ISDX companies are currently exempt from maintaining a PSC register on the basis that both markets are prescribed markets in the UK. However BEIS notes that the exemption in 4MLD appears to be more limited as it is only applies to entities admitted to trading on a regulated market. BEIS is asking for views on whether it is necessary to bring companies listed on markets such as AIM and ISDX within the scope of the PSC regime; and
- **Expanding the legal entities within scope** – A range of entities which are not currently within the scope of the PSC regime may need to be brought within the regime to comply with 4MLD. These include open ended investment companies (OEICs), unregistered companies, Scottish limited partnerships and Scottish partnerships. English partnerships and English limited partnerships would remain out of scope.

The consultation closes on 16 December 2016, with the UK being required to implement 4MLD by 26 June 2017.

FRC CONSULTATION ON APPROACH TO UPDATING FRS 102

The FRC has issued a [Press Release](#) to coincide with commencing a consultation as to how FRS 102 is going to be updated in the future for amendments to IFRS. It states:

“As part of the triennial review of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Financial Reporting Council (FRC) is inviting comments from stakeholders on its proposed approach to updating FRS 102 to reflect changes in IFRS.

The FRC is committed to periodically reviewing UK and Ireland accounting standards to ensure they continue to require high-quality and cost-effective financial reporting from entities within their scope. As FRS 102 is IFRS-based part of this process is considering whether, and to what extent, FRS 102 should be updated for changes in IFRS.

The Consultation Document proposes that incremental improvements and clarifications, including some arising from changes in IFRS, be made to FRS 102 to be effective from 1 January 2019. More significant amendments to FRS 102 are expected to be effective from 1 January 2022, giving entities more time to prepare and learn from the implementation experience of others.

These are:

- a. Incorporating the expected loss model for impairment of financial assets, based on IFRS 9 *Financial Instruments*; and
- b. Updating lease accounting by lessees for consistency with IFRS 16 *Leases*.

There are changes in IFRS that the FRC does not propose to update FRS 102 for, such as IFRS 3 *Business Combinations* (as revised in 2008). Whilst some incremental changes are proposed in response to IFRS 15 *Revenue from Contracts with Customers*, the standard will be considered more fully as part of a future review.

The FRC seeks to balance improvement with stability. As a result it is proposing changes to FRS 102 when this is expected to improve financial reporting, and is giving entities plenty of time to prepare for the more significant changes.

Comments are requested by 31 December 2016. The FRC will then develop two (Financial Reporting Exposure Draft) FREDs with detailed proposals, providing another opportunity for stakeholders to get involved. The first FRED is expected towards the end of the first quarter of 2017 (incremental improvements and clarifications) and the second towards the end of the third quarter of 2017 (expected loss model and leases).”

FRC ISSUE ISA (UK) AUDIT REPORTS

The FRC has published a Compendium of illustrative auditor’s reports on United Kingdom private sector financial statements for periods commencing on or after 17 June 2016, and it can be obtained from their [website](#). The Compendium contains examples of auditor’s reports illustrating the reporting requirements of the recently revised International Standards on Auditing (UK) (ISAs (UK)) effective for audits of financial statements for periods commencing on or after 17 June 2016.

Recent revisions to the ISAs (UK) affect both the auditor’s duties and the wording of auditor’s reports on the financial statements of companies. This Compendium of illustrative auditor’s reports provides a useful reference source for practitioners, and is designed to be persuasive rather than prescriptive as the FRC continues to support profession-led innovation in auditor reporting which promotes audit quality.

The FRC has also published on its website the [Description of the auditor’s responsibilities for the audit of the financial statements](#) which auditors are permitted to cross-refer to in their auditor’s report.

The Compendium replaces the guidance in:

- Bulletin 2010/2 Compendium of Illustrative Auditor’s Reports on United Kingdom Private Sector Financial Statements for periods ended on or after 15 December 2010 (Revised) (Updated March 2012); and

- Bulletin 4 Recent Developments in Company Law, The Listing Rules and Auditing Standards that affect United Kingdom Auditor's Reports (Revised) (Updated June 2015);

and accordingly these Bulletins are withdrawn.

The HAT Audit Manual (January 2016) and the HAT Groups Manual (January 2016) which were released last month, reflect requirements for both accounting periods commencing on or after 1 January 2016, and also accounting periods commencing on or after 17 June 2016.

HM TREASURY CONSULTATION ON FOURTH MONEY LAUNDERING DIRECTIVE

HM Treasury has [issued a consultation](#) inviting views and evidence to inform government transposition of the Fourth Money Laundering Directive and the Fund Transfer Regulation (FTR).

It is stated that as the directive seeks to give effect to updated international anti-money laundering and counter-financing of terrorism (AML/CFT) standards set by the Financial Action Task Force, the outcome of the EU Referendum has no impact on implementation. The directive is accompanied by the Fund Transfer Regulation, which updates rules on information accompanying transfers of funds.

The government is keen to ensure that the UK's AML/CFT regime effectively deters money laundering and terrorist financing activity, whilst being proportionate and managing burdens on businesses.

It is intended to create a "Money Laundering and Transfer of Funds (Information on the Payer) Regulations 2017" in order to transpose both the directive and the FTR, with current Regulations being revoked with appropriate transitional provision being made to the new Regulation. The new Regulation itself will be issued for consultation at a later date. It is intended that the new provisions will come into force in national law by 26 June 2017.

ICAEW STATEMENT ON ENGAGING IN PUBLIC PRACTICE

The ICAEW has issued a [Statement on Engaging in Public Practice](#), which is effective from 1 January 2017, and it provides guidance as to when it is necessary for a Practising Certificate to be obtained. In particular, it is stated that:

“Although the guidance does not extend the scope of current requirements it does provide useful additional clarity to help members. In particular the guidance now:

- Clarifies the status of the ICAEW statement as obligatory guidance that will be used by professional conduct to judge a member's actions;
- Explains how 'practising in' is determined with regards to geographical jurisdiction;
- Includes guidance on what is meant by 'holding out' as a principal;

- Avoids terminology such as ‘quasi employment’ and ‘similar to employment’ for members exempt from the requirement to hold a practising certificate to avoid this being used as evidence of employed status for tax purposes;
- Incorporates extensive revisions to the terminology used and improvements to the layout of the statement to make it easier for members to understand and navigate;
- Contains a simplified flow chart for members to work through to find out if they need a practising certificate;
- Includes updates to refer to the Prudential Regulatory Authority in addition to the Financial Conduct Authority and to ensure that the introduction of probate regulation and reserved legal services is covered; and
- Recognises that due to a one-off assignment in a particular year a business may exceed the 10% rule. Revised guidance allows a member to reflect on their position and whether the provision of accountancy services is likely to regularly exceed 10%.”

MAJOR PROJECTS

- Work continues on updating the HAT LLP Manuals for the new requirements introduced by EU Accounting Directive (namely FRS 102, Section 1A), which applies for accounting periods commencing on or after 1 January 2016; and
- For users of HAT’s Gibraltar / Ireland Audit / Non-Audit Assignments Manuals, these will be updated to filter through the amendments made in the January 2016 update of the UK versions (although the timing of the Irish update is still dependent upon the requirements of the EU Accounting Directive, and hence the ability to utilise FRS 102, Section 1A, to be enacted into law in Ireland).

AMENDMENT TO ICAEW CLIENT MONEY REGULATIONS

The [ICAEW](#) has announced that there will be an amendment to their Client Money Regulations, as follows:

“A new clients’ money regulation will come into effect on 1 January 2017. This new regulation, clients’ money regulation 8A, aims to ensure the firm’s client bank account is being used for a lawful and legitimate purpose and bona fide transactions. Payments into and out of the firm’s client bank account must relate to an accountancy service that is being (or has been or will be) provided by the firm.”

Additionally, guidance accompanying the new Regulation states that the following are “red flags” which **may** indicate that funds were not being held for either a legitimate purpose or a bona-fide transaction:

- Unusual or unexpected transactions or instructions;
- Large one-off transactions;
- Funds deposited from an unknown source;

- Instructions to transfer funds to an unknown payee;
- Funds received from offshore and requests to make unusual payments offshore – particularly involving countries identified as high risk in HM Treasury’s sanctions list;
- Requests to use a client bank account from offshore clients or who have not been met;
- Requests to transfer money which originated overseas to different individuals overseas;
- Instructions from clients which do not fit with the firm’s usual service provision;
- Payments outside forecasts or budgets; or
- Complaints from depositors regarding use of monies deposited into the client bank account.

UPDATED CHARITY COMMISSION TEMPLATES

The Charity Commission has uploaded a [number of revised templates](#) to their website, which indicate that, for accounting periods commencing on or after 1 January 2015 that these are templates to help non-company charities with incomes of less than £500,000 prepare their trustees' annual report and accruals accounts in accordance with Charities SORP FRS 102.

The revised templates are:

- Charity accounting templates: accruals accounts (CC17) – SORP FRS 102;
- Trustees' annual report template (SORP FRS 102); and
- Independent examiner's report template (SORP FRS 102).

UPDATED CHARITY COMMISSION GUIDANCE FOLLOWING NEW DISCLOSURE REQUIREMENTS

The [Charity Commission has confirmed](#) the commencement, from 1 November 2016, of new requirements which derive from the 2016 Act regarding fundraising, and their Press Release states the following:

“The changes are introduced by the fundraising sections of the [Charities \(Protection and Social Investment\) Act 2016](#). They will help charities to demonstrate their commitment to protecting donors and the public, including vulnerable people, from poor fundraising practices. The new law will also help to ensure that fundraising standards form part of the agreements between charities and any commercial participators or professional fundraisers with whom they work.

There are 2 new requirements.

1. The first requirement applies where a charity, registered or unregistered, uses a professional fundraiser or commercial participator to raise funds. Broadly, it says that the compulsory written agreements between charities and these third parties must include extra information covering:
 - The scheme for regulating fundraising or recognised fundraising standards that will apply to the professional fundraiser or commercial participator in carrying out the agreement;
 - How the professional fundraiser or commercial participator will protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate; and
 - How charities will monitor the professional fundraiser or commercial participator's compliance with these requirements.

2. The second requirement applies to registered charities that, by law, must have their accounts audited. It says that these charities have to include extra information about fundraising in their [trustees' annual report](#). Broadly, the extra annual statements are about the charity's:
 - Approach to fundraising;
 - Work with, and oversight of, any commercial participators / professional fundraisers;
 - Fundraising conforming to recognised standards;
 - Monitoring of fundraising carried out on its behalf;
 - Fundraising complaints; and
 - Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

You can find out how your charity is affected by the new provisions, and when compliance with them is required, by reading these [FAQs](#), developed jointly by the Charity Commission and the Fundraising Regulator.

You can also look at [Charity fundraising: a guide to trustee duties \(CC20\)](#) and [Charity reporting and accounting the essentials November 2016 \(CC15d\)](#) which have been updated to reflect the new requirements.”

As the requirements regarding additional disclosure only apply to financial years beginning on or after 1 November 2016, these requirements will be reflected in the next update to the HAT Charity Manual, which will also reflect new requirements for independent examiners (effective for March 2017 year ends), and the amendments to auditing standards (effective for June 2017 year ends).

NARRATIVE REPORTING FOR LARGE PIES

The EU Non-Financial Reporting (“NFR”) Directive amends the EU Accounting Directive and requires large “public interest entities” (PIEs), to disclose in their annual report information about policies, risks and outcomes as regards environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters and board diversity policies.

The current requirements for the strategic report are set out in section 414C of the Companies Act 2006. [Draft Regulations](#) insert new sections 414CA and 414CB into the Companies Act, which will require large UK PIEs to include certain prescribed information in a non-financial information statement as part of their strategic report.

Large PIEs are companies whose transferable securities are admitted to trading on an EU regulated market, insurers and credit institutions, in each case with more than 500 employees, or more than 500 group employees in the case of parent companies.

Included in the Explanatory Memorandum is also the following, which corrects an error in SI 2015 / 980, which enacts the requirements of the EU Accounting Directive into UK law:

“The Regulations also make amendments to the 2006 Act to remedy a gap in the transposition of Article 23(1) of the Accounting Directive that has been identified. Transposition of that Directive was contained in the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (S.I. 2015 / 980). The amendments are to ensure that the parent company of a small group cannot benefit from an exemption from the requirement to produce group accounts if a member of the group is established in an EEA state and is a public interest entity (within the meaning of the Directive).”

Once the SI has been finalised, HAT will make appropriate amendments to documents within the HAT Groups Manual, and release an update to this Manual.

CLARIFICATION FROM FRC REGARDING MONITORING OF PIE AUDITORS

The FRC has advised the following regarding the revision to the monitoring regime by their Audit Quality Review (“AQR”) team for the auditors of public interest entities (PIEs):

“Since 17 June 2016, any firm which audits at least one PIE must now be monitored directly by the competent authority, which is the FRC in the UK. The FRC has also determined that AIM quoted entities with a market cap over €200m (average over 3 years) and Lloyd’s syndicates will also be retained for audit monitoring. Firms with at least one large PIE audit will be visited by FRC’s AQR team every three years but for other firms these visits will extend to every six years. AQR visits will cover both the firm’s overall quality control procedures for the audit of PIEs and the PIE / retained audits. ICAEW will continue to visit firms to review non-PIE / retained audits and may need to review some aspects of firm’s procedures to complete their reviews.

By their nature, AQR reviews are critical as they focus on areas where the audit or the firm’s procedures could be improved (or aren’t fully meeting requirements). The ARD requires that audit quality reviews are proportionate. AQR recognises that not all firms need the same procedures and will therefore focus on understanding how the procedures achieve the quality control standards appropriate for the firm.

AQR's audit engagement reviews are risk focused but will also cover some core audit areas such as cash, stock takes or auditor independence. AQR's ultimate aim is to work with firms to continuously improve audit quality overall and the reviews will focus on those matters which are most important to achieve this. A willingness to recognise where improvements can be made signposts a firm's commitment to improving audit quality.

The FRC is a transparent regulator and will communicate AQR's most important findings and their overall assessment of the quality of the audits reviewed directly to the Audit Committee (or equivalent) to help them discharge their responsibilities to monitor the quality of their auditors. Firms will be asked to provide actions in response to these findings to provide the Audit Committee with the confidence that these important matters are being addressed to improve the audit going forward. Where AQR sees good quality audit work they will communicate this also.

The FRC issues a number of audit quality and thematic review reports each year which provide a good indicator of best practices and where firms and audit teams have the most difficulty. All firms expecting their first AQR visit should look at these and think about whether they recognise the findings and whether they can make some improvements in advance of a visit."

FRC STAFF GUIDANCE NOTES

The Financial Reporting Council ("FRC") has prepared [Staff Guidance Notes](#) for the convenience of users of the FRC's Ethical Standard and ISAs (UK).

Although the guidance which is being provided relates mainly to the audit / provision of non-audit services to Public Interest Entities, the following is included more generally regarding the provision of tax advocacy services:

"The absolute prohibition applies to representing the audited entity as an advocate before a tax authority, where the matter relates to issues which are material to the financial statements being (or which will be) audited, or where the outcome of the tax issue is dependent on a current or future audit judgment. However, the provision of information to the tax authorities about the issue under enquiry or explaining to the tax authorities the technical basis for the tax filing position or advising the client on the matters under enquiry is not acting as an advocate. In all instances which might involve, or reasonably appear to involve, the promotion by the audit firm of a position being taken by an audited entity, an advocacy threat should be considered to arise."

FRC GUIDANCE TO LISTED COMPANIES

The FRC has issued [guidance](#) to preparers of annual reports of around 1,200 large and smaller listed companies, which highlights key issues and improvements that can be made to annual reports in the 2016 reporting season to help to foster investment in the UK. It states:

"The annual report provides an opportunity to communicate key information to investors about the company's performance, strategy and future prospects. The strategic report should therefore be presented in a user-friendly, clear and concise manner. Furthermore, in an era where, for example, cyber-risk, climate change and Brexit pose economic, social and environmental uncertainty, the FRC encourages companies to consider a broad range of factors when determining principal risks and uncertainties facing the business and performing their analysis for the viability statement.

In particular investors expect:

- The relationship between IFRS or UK GAAP measures and any alternative performance measures used to be clearly explained;
- Business model reporting to provide clarity of explanations of how the company makes money and what differentiates it from its peers;
- A clear link between the business model and the revenue recognition policies to be disclosed; and
- Dividend disclosures to detail how dividend policies operate in practice and how these policies may be impacted by risks and capital management decisions facing the company.”

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 this year; please let us know if you have not received any of them.

Memo	Date	Subject
01/16	15 January 2016	IFRS Disclosure Checklists
02/16	25 January 2016	SRA Accountants' Reports Requirements
03/16	15 February 2016	Revision to the FRS 102 Charity SORP
04/16	15 February 2016	HAT Registered Social Housing Providers Manual – January 2015
05/16	17 February 2016	HAT Not for Profit Manual – January 2015
06/16	29 February 2016	HAT Pension Schemes Manual – January 2015
07/16	29 February 2016	Excel Version of the HAT Audit Manual – January 2015
08/16	1 March 2016	Micro-Entities (FRS 105)
09/16	9 March 2016	Amendment to HAT Charity SORP Disclosure Checklist (FRS 102)
10/16	22 March 2016	FRS 102 Section 1A Disclosure Checklist and Associated Documents

11/16	19 April 2016	ACCOUNTANT'S REPORT
12/16	20 May 2016	HAT SRA ACCOUNTS RULES 2011 MANUAL – May 2016
13/16	16 June 2016	HAT Property Agents Client Money Manual – June 2016
14/16	14 September 2016	HAT Academies Manual – August 2016
15/16	22 September 2016	Small Company Filing Options Checklist
16/16	4 October 2016	HAT ATOL Assignments Manual – September 2016
17/16	19 October 2016	Audit Reports – Periods commencing before 17 June 2016
18/16	31 October 2016	HAT Audit Manual – January 2016
19/16	31 October 2016	HAT Groups Manual – January 2016
20/16	31 October 2016	HAT Non Audit Assignment Manual – January 2016

HAT MANUALS

Manual	Last Updated	Additional information
SRA Accounts Rules 2011 Manual	May 2016	The whole manual is referenced May 2016
Anti Money Laundering Procedures Manual	October 2013	The whole manual is referenced October 2013
FCA Client Assets Reports Manual	March 2015	The whole manual is referenced March 2015
Property Agents' Client Money Assignments Manual	June 2016	The whole manual is referenced June 2016
ATOL Assignment Manual	September 2016	The whole manual is referenced September 2016
Groups Manual	October 2012	The whole manual is referenced October 2012 *
Groups Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015

Groups Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016	January 2016	The whole manual is referenced January 2016
Registered Social Housing Providers Manual	October 2014	The whole manual is referenced October 2014
Registered Social Housing Providers Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Pensions Manual	November 2012	The whole manual is referenced November 2012 *
Pensions Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Charity Manual	March 2014	The whole manual is referenced March 2014
Charity Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Non Charitable Not for Profit Entities Manual	August 2014	The whole manual is referenced August 2014
Non Charitable Not for Profit Entities Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
LLP Manual	October 2012	The whole manual is referenced October 2012 *
LLP Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Audit and Accountancy Manual	September 2013	The whole manual is referenced September 2013 *

Audit Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Audit Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016	January 2016	The whole manual is referenced January 2016
Academies Audit Manual	August 2016	The whole manual is referenced August 2016
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
Non – Audit Assignment Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Non – Audit Assignment Manual THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2016	January 2016	The whole manual is referenced January 2016
Audit & Accountancy Manual Ireland	September 2013	The whole manual is referenced September 2013
Audit & Accountancy Manual Ireland THIS MANUAL IS TO BE USED FOR ACCOUNTING PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015	January 2015	The whole manual is referenced January 2015
Non Audit Assignment Manual Ireland	January 2015	The whole manual is referenced January 2015
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
Audit & Accountancy Manual Gibraltar	January 2015	The whole manual is referenced January 2015
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

* Please note that the Audit reports in these Manuals were subsequently updated by Technical Memo 15/13, and the attachments to this Memo should have been dropped in to the Manual. Therefore, the date of the Audit report will be 11/13, whereas the rest of the Manual will be dated as above.

Due to the large number of Updates currently being processed, to ensure the Manual you are using is completely up to date, you can download at any time from the HAT Website the current version of the respective Manual.

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.

2017 COURSE PROGRAMME

Course	Date / Venue	Subject
AB Course	5 – 6 January 2017 Central London	Advanced Bookkeeping
A Course	16 – 20 January 2017 Central London	Introduction to Bookkeeping
B Course	23 – 27 January 2017 Central London	Introduction to Auditing
CA Course	8 – 10 February 2017 Central London	A Practical Introduction to UK GAAP

E Course	28 – 31 March 2017 * Hydro Hotel Eastbourne	Becoming an Effective Supervisor
GB Course	4 – 5 May 2017 * Swan Hotel, Lavenham	Senior Managers Course Client Relationships
D Course	8 – 12 May 2017 Holiday Inn Norwich	Becoming an Effective Senior
F Course	24 – 26 May 2017 * Shendish Manor, Apsley	Becoming an Effective Manager
AB Course	8 – 9 June 2017 Central London	Advanced Bookkeeping
C Course	12 – 16 June 2017 Ipswich	Advanced Audit
D Course	31 July – 4 August 2017 Holiday Inn Norwich	Becoming an Effective Senior
A Course	14 – 18 August 2017 Central London	Introduction to Bookkeeping
B Course	21 – 25 August 2017 Central London	Introduction to Auditing
GA Course	7 – 8 September 2017 * Swan Hotel, Lavenham	Senior Managers Effective Team Management
CA Course	13 – 15 September 2017 Central London	A Practical Introduction to UK GAAP
C Course	25 – 29 September 2017 Ipswich	Advanced Audit
E Course	31 October – 3 November 2017* Hydro Hotel Eastbourne	Becoming an Effective Supervisor

*** Delegates are normally invited to meet for dinner on the evening before the start of the course.**

CPD COURSE PROGRAMME

The following CPD Courses are running in 2016/2017

Course	Speaker	Date
Audit Planning Workshop	Simon Kettlewell	Wednesday 30 November 2016
LLP Introductory / Refresher Course including the new FRS 102 LLP SORP	Matthew Shaw	Tuesday 6 December 2016
Effective Audit Review	Simon Kettlewell	Wednesday 7 December 2016
The future of Small Company Financial Reporting (excluding Micro Entities)	Matthew Shaw	Tuesday 13 December 2016
Micro Entity Accounting and FRS 105 2.00 – 3.30pm	Matthew Shaw	Tuesday 13 December 2016
Assurance Assignments	Andrew Jarvis	Wednesday 7 February 2017
The future of Small Company Financial Reporting (excluding Micro Entities)	Matthew Shaw	Tuesday 21 February 2017
Micro Entity Accounting and FRS 105 2.00 – 3.30pm	Matthew Shaw	Tuesday 21 February 2017
Introduction to Pensions	Andrew Jarvis	Wednesday 22 February 2017
Introduction to SRA Accounts Rules	Matthew Shaw	Tuesday 28 February 2017
A Practical Guide to FRS 102 – What Does It Mean for Me?	Matthew Shaw	Wednesday 1 March 2017
Introduction to Charities	Matthew Shaw	Wednesday 8 March 2017
The future of Small Company Financial Reporting (excluding Micro Entities)	Matthew Shaw	Tuesday 28 March 2017
A Practical Guide to FRS 102 – What Does It Mean for Me?	Matthew Shaw	Wednesday 14 June 2017
The future of Small Company Financial Reporting (excluding Micro Entities)	Matthew Shaw	Tuesday 29 August 2017

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:

5 December 2016
9 January 2017
6 February 2017
6 March 2017
3 April 2017
8 May 2017
5 June 2017
3 July 2017
7 August 2017
4 September 2017
2 October 2017
6 November 2017
4 December 2017

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 Ellie 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

Caseware Automated Audit System Induction Courses:

12 December 2016
16 January 2017
13 February 2017
13 March 2017
10 April 2017
15 May 2017
12 June 2017
10 July 2017
14 August 2017
11 September 2017
9 October 2017
13 November 2017
11 December 2017

The Courses will be free to Full Members and the course will run from 9.30 – 4.00pm

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.

2016 Dates:

Quarter 4 5 December 2016

2017 Dates:

Quarter 1 16 February 2017 & 16 March 2017
Quarter 2 18 May 2017 & 22 June 2017
Quarter 3 20 July 2017 & 21 September 2017
Quarter 4 16 November 2017 & 14 December 2017

Additional office quarterlies will be arranged subject to demand.

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

MANN OF MOORGATE EXAMPLE WORKING PAPERS

We have updated our example working papers case study ‘Mann of Moorgate Limited’ to reflect the updated HAT Audit Manual (January 2015). Although the case study is primarily designed to demonstrate how to use the HAT audit documentation rather than how to evidence the adoption of FRS 102, the revised case study does of course incorporate the requirements of FRS 102 where appropriate. It also provides completed examples of the updated HAT forms regarding team discussions, sample size calculation, going concern and subsequent events.

‘Mann of Moorgate’ can be downloaded free of charge by members by logging into the Members area at www.hatgroup.co.uk and opening the ‘Example Working Papers (Mann of Moorgate)’ folder. If you have any problems accessing this folder, please contact Ellie in the HAT office (ellie@hatgroup.co.uk).

We are at present updating the working papers for the January 2016 Manual and these will be available by the end of this year.

EXAM RESULTS

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 Ellie, in order to include them in the newsletter.

FIRMS NEWS

We would also like to extend a warm welcome to all of 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 Ellie@hatgroup.co.uk

The Small Room, which holds 6 people Board Room style, can be hired by members for £35 per hour, £95 per half day or £190 per full day.

The Large Room, which holds up to 15 people Board Room style can be hired by members for £70 per hour, £190 per half day, £380 per full day.

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

SOCIAL EVENTS

FORTHCOMING SOCIAL EVENTS

Thursday 20 April 2017	HAT Quiz	Balls Brothers Wine Bar City of London
Thursday 19 October 2017	HAT Bowling Night	Finsbury Leisure Centre

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

TEN PIN BOWLING

This very popular event took place at the Rowans Leisure Centre, Finsbury Park on Thursday 29 September. Twenty two teams competed this year. The winners of the Ian Hart Memorial Trophy for the top team were Simmons Gainsford 1 with a score of 661.

The Individual Winner was Phil Taylor of Sayers Butterworth with a score of 172. The Runner Up was James Brennan of Lewis Golden with a score of 163. Thank you all very much for attending. Full team scores were as follows in the chart below:

POSITION	TEAM NAME	SCORE
1	SIMMONS GAINSFORD 1	661
2	LEWIS GOLDEN 1	600
3	WILDER COE 2	580
4	LEWIS GOLDEN 2	570
5	CARTER BACKER WINTER 1	502
6=	WILDER COE 1	493
6=	SHELLEY STOCK HUTTER 3	493
8	SIMMONS GAINSFORD 2	489
9	SAYERS BUTTERWORTH 2	487
10	SHELLEY STOCK HUTTER 1	467
11	KBSP 1	466
12	CARTER BACKER WINTER 2	460
13=	KAPLAN FINANCIAL	453
13=	SAYERS BUTTERWORTH 3	453
15	FW SMITH RICHES 2	452
16	FW SMITH RICHES 1	450
17	SAYERS BUTTERWORTH 1	433
18	LEWIS GOLDEN 3	420
19	KBSP 2	408
20	SIMMONS GAINSFORD 3	317
21	SHELLEY STOCK HUTTER 2	300
22	SIMMONS GAINSFORD 4	290

HAT NEWSLETTER QUIZ

The winner of the £100 prize for last time's Quiz was Skye Wilson of Rickard Luckin.
The answers to the Capitals Quiz were:

1. VENEZUELA CARACAS
2. LATVIA RIGA
3. GUYANA GEORGETOWN
4. TANZANIA DODOMA
5. ARGENTINA BUENOS AIRES
6. SLOVAKIA BRATISLAVA
7. VIETNAM HANOI
8. BULGARIA SOFIA
9. MONACO MONACO
10. CHILE SANTIAGO

THIS MONTH'S CHRISTMAS QUIZ FOR A SPECIAL £250 PRIZE:

For this Christmas Quiz we have turned our thoughts to Christmas Songs. We would simply like you to name the artist(s) who had the biggest UK singles chart hit with the following songs ...

1. MERRY XMAS EVERYBODY
2. LAST CHRISTMAS
3. I WISH IT COULD BE CHRISTMAS EVERY DAY
4. ALL I WANT FOR CHRISTMAS IS YOU
5. I BELIEVE IN FATHER CHRISTMAS
6. STEP INTO CHRISTMAS
7. CHRISTMAS TIME (DON'T LET THE BELLS END)
8. CHRISTMAS WRAPPING
9. DRIVING HOME FOR CHRISTMAS
10. ROCKIN' AROUND THE CHRISTMAS TREE

Please e-mail ian@hatgroup.co.uk or send answers in by 5pm on **Friday 9 December**.

GOOD LUCK !

