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## YOUR SOCIETY NEEDS YOU

- Want to get involved?
- Any age or level
- Practice or business
- Limited time commitment
- Give a little back

Contact **Michael Cooper** or **Sue Pye**

## CHARTAM EDITOR

We welcome emails or letters to the editor about any matters in *Chartam*, or about ICAEW, your district society, or chartered accounting in general. We expect to publish the next issue in April, when we will include the best letters and emails.

If you would like to promote your company to nearly 6,000 chartered accountants in the Thames Valley by advertising in our magazine, contact me.

**Paul**



**SCENES FROM OUR DISTRICT**  
This issue – **Henley-on-Thames.**

Best known for the annual **Royal Regatta**, Henley attracts some of the world's finest rowers.

## THAMES VALLEY ACCOUNTANTS HERALD NEW CAPITALISM



**'WE NEED A NEW CAPITALISM THAT WORKS BETTER; A RESPONSIBLE CAPITALISM WHICH SUPPORTS BOTH ECONOMIC AND SOCIAL PROGRESS.'**

**Clive Parritt, President of ICAEW.**

Three years ago (15 September 2008) Lehman Brothers filed for bankruptcy triggering a global crisis whose end many people thought had been seen last year, but which is still sending out shockwaves across Europe, the US and beyond.

Recognising the changing financial climate in his keynote address at the Thames Valley Society of Chartered Accountants' Annual Dinner at Wolfson College, Oxford, Clive Parritt added: 'Let me hazard a few guesses as to what the responsible capitalism model might look like:

- More attention will need to be given to the public interest. We must recognise that long-term value for all stakeholders is important not just shareholder value.
- Planning will be more long term and sustainability will be important.
- Greater attention will be given to business ethics and wider society.
- It may well promote more income sharing, so that people have a stake in the business they work for.
- And it'll have sustainability, balancing the future of the planet with profit, as a key objective.'

## GRADUATES HONOURED

Clive Parritt addressed over 100 leading ICAEW Chartered Accountants, including newly qualified members, some of whom were honoured with Order of Merit awards for their examination success.



Pictured left to right, **Samuel Terry PwC, Paul Thomas, Deloitte, Dan Gibbons, Grant Thornton UK, Nicholas Lloyd, PwC, Daniel Hobson, KPMG, Caroline McCabe, Grant Thornton UK, Laura Hughes, Kirk Rice, Gunjan Narang, KPMG, Lucy Musgrove, PwC, Ruth Ashman, PwC, Claire Austin, PwC.**

## CHARITY FUNDRAISING

TVSCA's President, Michael Cooper, nominated Cecily's Fund as charity of the year and the dinner raised £1,300. Cecily's Fund, based in Witney, is a charity established in memory of Cecily Eastwood and is committed to improving the prospects for every Zambian orphan and vulnerable child to grow up to lead a self-reliant, healthy and fulfilling life. Cecily, who died in a road accident in Zambia, was helping children orphaned by AIDS and her parents, Basil and Alison, set up the fund in her memory.

## MESSAGE FROM YOUR PRESIDENT



I was delighted to meet both members and guests at our recent Annual Dinner and Awards Presentation at Wolfson College, Oxford. On that occasion I mentioned three main findings from ICAEW's latest Business Confidence Monitor. Firstly, business confidence is at its lowest level since 2009 when the UK was still in recession. Secondly, the positive trend for growth has faltered, with firms seeing turnover and profit growth weakening. Thirdly, an increasing number of businesses see tax and red tape as major challenges, with 40% believing that the burden of regulation is a greater burden than a year ago. While the Thames Valley has been less severely affected than some parts of the UK, economic conditions remain tough.

As ICAEW's Chief Executive, Michael Izza, recently said, 'Businesses are doing their best to grow the economy in a tough climate, but they feel little progress has been made on tackling regulation and improving tax competitiveness. Six months ago, the Government described its Plan for Growth as an urgent call for action. The plan is sound, but the urgency is lacking. We need to get on with implementing the plan – reforming the tax system to make it simpler and

more competitive, making Britain business-friendly and boosting skills.' Let's hope the Government listens to that message. In the meantime ICAEW is taking action on a number of fronts, including the launch of the Business Advice Service, which will hopefully assist both SMEs and chartered accountants in practice.

The last edition of *Chartam* introduced the TVSCA's officers for 2011–12. Our priority is to support the Society's 6,200 members in difficult economic times, whether that be through courses, events or networking. However, the Society can only run a successful programme of activities with the involvement of its members and I'd be delighted to hear from any potential volunteers. I would again like to thank our executive Sue Pye, our three council members and all those who support the Society by serving on committees or in other ways.

You will find details of forthcoming events and courses in the following pages and on the ICAEW website at [icaew.com/tvsca](http://icaew.com/tvsca). Don't miss the Audit, Accounting and Tax update at Blenheim Palace on 17 November 2011. There is a wide range of CPD courses to choose from as well as a variety of evening events. On 22 November 2011 TM Lewin is hosting an event for TVSCA members at their new store in Reading. Please book for these as soon as possible.

I would be delighted to hear your thoughts and ideas about the future of the Society. Please contact me or Sue Pye [sue.pye@icaew.com](mailto:sue.pye@icaew.com) if you would like to become involved in helping to run the Society in any way.

With best wishes for the remainder of 2011.

Michael Cooper

## BUSINESS ADVICE SERVICE

### ICAEW LAUNCHES NEW 'NATIONAL WEALTH SERVICE' FOR SMEs

ICAEW has launched a service offering free expert advice to SMEs with over 2,300 offices of ICAEW firms signing up to the scheme so far.

The Business Advice Service is being promoted with an advertising campaign on local radio, using the internet and in 80 morning and evening papers around the country.

The aim is to demonstrate the value that ICAEW Chartered Accountants can add to small and growing businesses while at the same time using private-sector expertise to fill the 'advice gap' created by the coalition's decision to reduce Business Link to a website-only service.

The service works through a new website, [businessadvice.com](http://businessadvice.com) encouraging the owners of SMEs to contact local firms on a variety of issues, both large and small.

The website identifies chartered accountants offering the service with a BAS logo against their listing in the online *Directory of Firms*.



The scheme has won the support of the Government and the British Bankers' Association.

Mark Prisk, Conservative MP for Hertford and Stortford and Minister for Business and Enterprise, said: 'Small firms are the bedrock of the UK economy but some also need financial management support. This service is an example of how businesses can work together and will hopefully lead to local economic growth and potential job creation.'

Clive Parritt, ICAEW President, said: 'Start-ups or growing small businesses need the best advice to succeed at a time of fragile recovery and limits on public spending. There is a clear need for expert business advice which helps SMEs and start-up businesses become engines of growth. In response, the Business Advice Service will offer SMEs the opportunity to discuss their business with a qualified chartered accountant through a free initial consultation. ICAEW Chartered Accountants will be able to offer expert advice on a whole range of issues facing them – from starting a business to turnaround, restructuring, financial management or taxation issues.'

To register for BAS, visit [businessadvice.com/register](http://businessadvice.com/register)

## ON THE RUN

Graeme Gordon is attempting to run two marathons this autumn, the first in Beijing and the second in New York City for Macmillan Cancer Support and Mental Health Foundation. Help Graeme raise money for these two great charities. [www.justgiving.com/Graeme-Gordon](http://www.justgiving.com/Graeme-Gordon)

Sue Pye recently completed a marathon walk from Avebury to Stonehenge for Help 4 Heroes, to date raising just over £1,000. [www.bmycharity.com/suepye](http://www.bmycharity.com/suepye)

## COUNCIL MEMBERS' REPORT

The June Council meeting dealt with the election of 2011/2012 National Office Holders. Clive Parritt was elected President, Mark Spofforth Deputy President and Martin Jones Vice President. Nick Parker is the Council's Chairman. As noted in the last edition of *Chartam*, Thames Valley now has three Council Members (Graeme Gordon, Graham Durgan and me). There was a short Council meeting in July in conjunction with the Council Conference and then a gap during the summer until the meeting on 5 October.

The main item to report from Council is a long-term Strategic Governance Review overseen by Alistair Hollows. Graeme Gordon and I are members of this working party and are having a major input. The review is covering National Office Holders, Board and Council Committees, Council, District Societies, Regions, Faculties, Special Interest Groups and International

Governance. The review is considering how ICAEW needs to adapt in the next 10 years to stay ahead of the competition.

So I would appeal to any of you that have a vision of how ICAEW can be run more efficiently, provide more for the members at a reasonable cost or perhaps something that is currently missing to let me or Graeme know before the end of the year (see contact details on the back page or contact us through Sue Pye). This is your chance to have a say so please do not miss the opportunity if you feel strongly on any point.

Council is now into its busy season and while the economy still needs to recover ICAEW's finances are holding their own. Hopefully Thames Valley business is hanging in there and 2012 will see us all feeling more confident about the future.

Paul Wagstaff

## A MESSAGE FROM NORMANDY

Your annual dinner welcomed two French (but nevertheless, pleasant) guests Mesrs Chesnes and Acker (myself). Besides the opportunity to learn what real good cooking is, we came to represent the Ordre des Experts-Comptables de Normandie at your annual event. TVSCA and the Ordre des Experts-Comptables de Normandie have been bound by a twinning agreement for years, regularly meeting to exchange views on business environment in both countries, European or local regulations and business opportunities. I would like to tell you a little about my beloved Normandy and, more importantly, explain what an Expert-Comptable does, and about the Ordre des Experts-Comptables in Normandy.

The territory covered by the OEC de Normandie represents the whole of Normandy, excluding the Channel Islands. In total, approximately 30,000km<sup>2</sup> and 3,450,000 inhabitants. Administratively, Normandy is divided between Upper and Lower Normandy. Lower Normandy (17,500km<sup>2</sup>, pop. 1,470,000) is famous for the quality of life due to its marvellous country landscapes, its cheeses and cider. You can find the same in Upper Normandy (12,300km<sup>2</sup>, pop. 1,825,000), but with less sun, more industry, better transportation networks and the proximity to Paris. If the economic activity is spread all over the territory in cities such as Dieppe, Evreux, Alençon, Cherbourg and Saint Lo, the region has three main business centres: Caen, Le Havre and Rouen. You can find the Experts-Comptables in all the territory, with a natural concentration on the three big cities.

The Experts-Comptables were created in 1945 when a government regulation of the accountancy profession in France was introduced. Originally defined as the only independent professionals authorised to prepare company accounts, this monopolistic situation enabled the authorities to control the quality of corporate financial statements. The Experts-Comptables must refer to an Ordre which

defines the professional standards, rules the discipline and, ultimately decides who is allowed practice.

In Normandy, the Ordre des Experts-Comptables has 677 professionals, 136 trainees and 649 companies. Based in Rouen, the Regional Council is headed by Arnaud Debray. It is organised in 19 chambers and commissions including among others, Discipline, Public Relations and Training. Two of these commissions are headed by Bruno Chesnes (Institutional Relations and Agriculture).

International Relations is headed by Philippe Hanchard. It aims to help the Experts-Comptables in their handling of international issues, it also works on simplifying the access to documentation on international topics and promotes training sessions and networking of professionals enabling members to advise on international business matters.

Twinning with TVSCA is the perpetuation of a friendly and pleasant tradition. It forms the backbone of our Commission's strategy to make our colleagues aware and comfortable in dealing with international matters. Above all, it is also a great opportunity for us to understand how UK chartered accountants have reacted to a changing world and to learn from your best practices that will help the evolution of our profession.

## TWINNING

In addition to attending both our annual dinner and a twinning committee meeting in the afternoon (pictured from left, twinning committee members Peter Clayton, Bruno Chesne, Paul Davies, Len Brown, and Romain Acker) our Society was represented at both the ceremony of swearing in of this year's newly qualified Expert Comptables of Normandy, and their annual conference in Rouen by twinning representatives Peter Clayton and Paul Davies respectively.

The ceremony of swearing in for the 25 newly qualifieds in two years in Normandy is quite dramatic compared to our system in the UK. Most individuals are in their early 30s, having done a 10 year training contract including dissertation, and have to swear an oath of allegiance to their institute and to introduce themselves to the membership. There were about 300 people in the same conference centre in Deauville as had been used for the World Economic Summit the week before.

During his attendance, as the representative of our Thames Valley Society, at their annual conference, Paul was chairing a twinning meeting on the afternoon of July 8, Paul (pictured here with International Commission member, Bruno Chesne, Martine Besombes and colleague of Credit Lyonnais/Interfimo) was summoned from the meeting to collect a prize for getting (or rather guessing) the right answer to a question from Credit Lyonnais on Normandy's history.

Currently one or two practitioners of our Society and one or two practitioners of the Normandy Society have for a number of years, regularly dealt with and assisted French businesses setting up in Britain and vice versa. However, with the changes now taking place within the French profession whereby they are now able to offer a greater range of services than previously, we expect the level of activity in this area to increase considerably in the near future.



Twinning meeting in Longwick. Left to right, Peter Clayton, Bruno Chesne, Paul Davies, Len Brown, Romain Acker.



French Conference/Twinning meeting in Rouen.

## PRACTICE SUPPORT GROUP

Gerrards Cross Practice Support Group will be celebrating 20 years of networking and mutual support on Friday 18 November with a celebratory dinner at Gilbeys of Amersham. According to Paul Davies, chairman and co-founder of the group with his colleague and alternate Leonard Brown, 'Practice Support groups have proved invaluable for our sole practitioner members in enabling us to offer that invaluable personal service to our clients, while enjoying the confidence of our own **Partner Panel** at which many matters can be discussed, a pool of alternates is available, and support services can be shared'.

# 2011 TVSCA CPD PROGRAMME

DATE	COURSE	SPEAKER	VENUE	TIME	B/P	CODE
09 Nov	Employment and business law update	L. Dunford	B	AM	PB	NO09A1
09 Nov	Preparing accounts under IFRS – learning from the mistakes of others	G. Loveday	B	PM	PB	NO09B1
15 Nov	Audit and accounting update (winter)	S. Henshaw	BM	AM	P	NO15A1
15 Nov	Taxation update (winter)	R. Trunchion	BM	PM+	P	NO15B1
24 Nov	Accounting update for accountants in business <i>Sorry this course is now full but places are still available on the same course at Dorking, Surrey on 25 November</i>	G. Loveday	BM	AM	B	NO24A1
24 Nov	Taxation update for accountants in business	M. Ingles	BM	PM	B	NO24B1
07 Dec	Small company reporting	S. Hastie	BM	PM	PB	DE07B1

## COURSES AT BASINGSTOKE

10 Nov	Preparing accounts under IFRS – learning from the mistakes of others	G. Loveday	BB	AM	PB	NO10A1
10 Nov	Buying and selling of OMBs	R. Martin	BB	PM	PB	NO10B1
30 Nov	MS Access – the best Excel add-on?	S. Hurst	BB	AM	PB	NO30A1
30 Nov	Residence and domicile: an essential guide for general practitioners	M. Ward	BB	PM	P	NO30B1

## 2012 TVSCA CPD PROGRAMME: KEY DATES (FULL PROGRAMME AVAILABLE SHORTLY)

Listed below are some key dates from next year's programme. The full programme of 30 courses will be published shortly at [www.sesca.co.uk](http://www.sesca.co.uk)

21 Mar	NI/PAYE update	A. Durrant	BM	AM	PB	MA21A2
21 Mar	A practical approach to forms P11D	A. Durrant	BM	PM	PB	MA21B2
26 Apr	Annual IFRS update for users	G. Loveday	BM	PM	PB	AP26B2
25 May	Accounting update for accountants in business	G. Loveday	BM	AM	B	MY25A2
25 May	Taxation update for accountants in business	M. Ingles	BM	PM	B	MY25B2
14 Jun	VAT review	N. Owen	O	AM	PB	JN14A2
27 Jun	Audit and accounting update	S. Henshaw	BM	AM	P	JN27A2
27 Jun	Taxation update	R. Trunchion	BM	PM	P	JN27B2
03 Oct	Tax planning for small business	G. Mooney	BM	AM	PB	OC03A2
03 Oct	VAT for SMEs: more pitfalls and solutions	N. Owen	BM	PM	PB	OC03B2
10 Oct	FRS for medium sized entities (FRSME)	G. Loveday	BM	AM	PB	OC10A2
10 Oct	Corporation tax update	M. Ward	BM	PM	PB	OC10B2
15 Nov	Employment and business law update	L. Dunford	B	PM	PB	NO15B2
19 Nov	Accounting update for accountants in business	G. Loveday	BM	AM	B	NO19A2
19 Nov	Taxation update for accountants in business	M. Ingles	BM	PM	B	NO19B2
27 Nov	Audit and accounting update	S. Henshaw	BM	AM	P	NO27A2
27 Nov	Taxation update	R. Trunchion	BM	PM	P	NO27B2

## VENUES

B = Burnham Beeches BM = Blue Mountain Conference Centre, Binfield near Bracknell KH = Kings Hotel, Stokenchurch near High Wycombe O = Oxford Belfry BB=Barcelo Basingstoke

## B/P

B = BUSINESS TOPIC P = PRACTICE TOPIC

## TIME

AM = 09:30–12:30 PM = 14:00–17:00 PM+ = 14:00–17:15 DAY = 09:30–16:30

You can also attend any SESCA or SOSCA course in the Flexiticket programme. The SOSCA Basingstoke venue is very close to many of our members. Full details of all the courses and the latest CPD news are available on the SESCA website [www.sesca.co.uk](http://www.sesca.co.uk)

# PLAN YOUR CPD WITH THE TVSCA FLEXITICKET PROGRAMME

## PLAN AHEAD

Set out opposite are some key dates for next year's TVSCA CPD programme. The full programme will be available shortly at [www.sesca.co.uk](http://www.sesca.co.uk), and the brochure is sent to all members in November.

### UNRIVALLED VALUE FOR MONEY

The TVSCA Flexiticket is a highly flexible CPD discount scheme. How many times have you booked on a course and that all important meeting which you cannot miss is scheduled at the last minute? The Flexiticket allows you to carry forward, within the period the ticket is valid, places booked but not attended. Individual places (£90+VAT) on courses may also be purchased.

#### Course cost per place is:

- On a 25 place Maxiticket £39.60+VAT
- On a 12 place Flexiticket £41.25+VAT
- On a 4 place Flexiticket £55.00+VAT
- Booked as an individual course £90.00+VAT

### TAXTV

Provided by popular PTP speakers Tim Good and Giles Mooney, this is a very flexible CPD resource, available to view on DVD or over the internet. The October issue features the Q&A session at the SESCA Tax Conference. For more details visit [www.sesca.co.uk/TAXtv.html](http://www.sesca.co.uk/TAXtv.html)

### TOPICAL SUBJECTS FROM EXPERT SPEAKERS

All our speakers are highly experienced on the national CPD circuit. Subjects are topical and practical and delegates receive comprehensive course documentation. We cater for all members both in business and practice and run half yearly technical updates (accounting and taxation) specifically for these two sectors. In addition to core topics, the programme covers specialist subjects such as employment and business law, charities and information technology.

### CONVENIENT VENUES

The courses are held at easily accessible locations in Bracknell, Slough and High Wycombe. The Flexiticket may be used on any of the half-day courses run by SESCA Enterprises in our neighbouring Southern & South Eastern Societies. Of particular interest to those on the Hampshire borders will be the programme run at Basingstoke.

## FOCUS ON FORTHCOMING COURSES EMPLOYMENT AND BUSINESS LAW UPDATE

The course presented on 9 November by popular speaker Louise Dunford, provides a good overview of a number of areas of law, concentrating on the topics likely to be most useful to you in your day-to-day dealings with clients and staff. Employment law, in particular, is an area subject to enormous change, particularly in the current economic climate, and the course covers a number of key areas and gives solid practical advice for the small employer, which of course may be you or your clients. The course is designed to be of interest to both practitioners and accountants in business.

## PREPARING ACCOUNTS UNDER IFRS: LEARNING FROM THE MISTAKES OF OTHERS

In this course on 9 November, Guy Loveday examines the problems encountered by UK companies in preparing accounts in accordance with IFRS in the five years since the first accounts were prepared for accounting periods beginning on or after 1 January 2005. The course is based on real-life experiences of UK companies and their dealings with the Financial Reporting Review Panel – a catalogue of errors committed by preparers and auditors alike.

## SMALL COMPANY REPORTING

This practical course on 7 December will assist delegates in avoiding common pitfalls in preparing small company accounts. Areas covered will include:

- directors' loans
- dividends
- other related party transactions
- going concern
- compilation and audit reports
- recent developments
- recurring problem areas
- changes in the pipeline
- tips on how to keep small status.

For more information on all our courses call +44 (0)1737 223 999 or visit [www.sesca.co.uk](http://www.sesca.co.uk)

TVSCA COURSES BOOKING FORM					
Contact details			Forename	Surname	Course code
Name					
Firm/company					
Address					
Tel					
Email					
	Fee	VAT	Total	No	Fee
Flexi 4	£220	£44	£264		
Flexi 12	£495	£99	£594		
Flexi 25	£990	£198	£1188		
Individual	£90	£18	£108		
Cheque enclosed £					
<p>Please make cheques payable to: <b>SESCA Enterprises Ltd</b>                      Return address: <b>SESCA Enterprises Ltd, 2B Chart House, Effingham Road, Reigate, Surrey RH2 7JN</b>                      Enquiries: +44 (0)1737 223 999</p>					
<p><b>BOOKING CONDITIONS:</b> The course fee covers all documentation, which will be provided on registration, and refreshments. We regret no refunds can be made on course fees other than in exceptional circumstances. All places are subject to availability and receipt of notification of attendance at least six days before the course. We cannot guarantee places on any course. We reserve the right to make changes, including cancellation to any SESCA, SOSCA OR TVSCA courses event. No responsibility for loss occasioned to any person acting or refraining from acting as a result of any of the information in the material can be accepted by the speakers, SESCA Enterprises, SOSCA or TVSCA. We cannot be held responsible for any personal belongings left at any course venue.</p>					

# HELPING HANDS

Support member Richard Joseph talks about the vital service ICAEW provides to help members through their difficulties

Ever had a problem regarding some aspect of your life as a chartered accountant? Maybe to do with the practice, your partners, your employer, a client, an impending monitoring visit, or you just feel that things are getting a bit too much?

Phoning ICAEW direct might seem a bit daunting. What you'd like is a chat with another kindred spirit, another chartered accountant who could understand the problem perhaps, but wouldn't go blabbing about it to ICAEW. Maybe not someone you know well, or who knows you, in case you might feel awkward about them knowing you have the problem. Anonymously, even, if you'd prefer.

Seems a bit farfetched? A bit too good to be true? Well, actually, this facility has been available to ICAEW members for over 17 years, but for some reason word hasn't got round the way it should have. We are called **Support Members** and we are a nationwide group of around 80 chartered accountants, backed and trained by ICAEW, and, importantly, we are officially **excused the requirement to report misconduct**. So when you are talking to a Support Member, there is no chance whatsoever of anything you tell us getting any further than the person to whom you talk. It's totally confidential - like talking to a priest in a confessional.

A lot of us are past or present district society officers or committee members, who have been used to helping fellow chartered accountants over the years, and have a good understanding of ICAEW procedures and politics. We also receive training on how ICAEW's disciplinary proceedings work, so we can offer some thoughts on what might or might not be awaiting members who feel they could be in some sort of trouble. Quite often the calls end up with us being able to reassure members that they are not in as much trouble as they think they are. If the news is not so good, we can at least give a bit of advance warning of what to expect, and possibly recommend more formal sources of help and professional advice.

Many ICAEW members I talk to in general conversation have never heard of us. The service is completely free to members, and totally confidential. Calls in the past have varied from members who simply want a second opinion on some professional matter, to members feeling genuinely 'at the end of their tether' for whatever reason, professional or personal. Of course, we can't provide instant solutions to every problem, but it's amazing how much more manageable a problem can seem once you've talked it through thoroughly with a sympathetic listener.

If you feel you could use this service, you can find out about us on the ICAEW website, or phone the free central number **+44 (0)800 917 3526** where you can find out the details of Support Members in your area, (or specifically not in your area, if you'd prefer).

**The Support Member Scheme** is always looking for new volunteers, both male and female from business and practice. If you are interested in this necessary and worthwhile role please contact **Nicky Swaisland**, Scheme Manager: [nicky.swaisland@icaew.com](mailto:nicky.swaisland@icaew.com), **+44 (0)1908 248 367**.

**Don't suffer in silence – make the call.  
We're here to listen – and SUPPORT you.**

**Richard Joseph FCA**  
Support member, North London

Thames Valley Support Members	
<b>Banbury</b> Peter Clayton +44 (0)1295 250 401	<b>Wokingham</b> David Rice +44 (0)1189 899 780

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# FRAUD AND THE BRIBERY ACT 2010

WOULDN'T WE ALL LIKE TO BE PART OF AN INDUSTRY THAT HAS GROWN BY 28% IN THE LAST TWO YEARS – FROM £30BN IN 2009 TO £38.4BN IN 2011?

OR WOULD WE?

THE INDUSTRY IN QUESTION IS ... FRAUD.

The 2009 estimate was made by the ICAEW's Fraud Advisory Panel, and the latest one comes from the National Fraud Authority, an executive agency of the Home Office. The NFA calculates that fraud in the public sector amounted to £21bn, £12bn in private industry and the rest against individuals and charities.

So it's understandable that successive governments feel that they must do something to stem the growth. Following the Proceeds of Crime Act (2002) and the Fraud Act (2006) and successive sets of Money Laundering Regulations, we now have the Bribery Act 2010, which came into force on 1 July 2011.

As space is limited, I'll summarise the provisions of the Bribery Act and briefly suggest what businesses might do about it.

## THE BRIBERY ACT 2010 – OVERVIEW

There are four criminal offences under the Act:

- (a) Paying bribes (s.1)
- (b) Receiving bribes (s.2)
- (c) Bribery of a foreign public official (s.6)
- (d) Failure of a commercial organisation to prevent bribery (s.7)

This offence can be committed only by commercial organisations (companies and partnerships) that are based in the UK or carry on business in the UK. It is committed where:

- a person associated with a relevant commercial organisation (which includes not only employees, but agents and external third parties) bribes another person (i.e. commits one of the offences above) intending to obtain or retain a business advantage; and
- the organisation cannot show that it had adequate procedures in place to prevent bribes being paid.

## PENALTIES

A corporate body found guilty of one of the above offences may face an unlimited fine.

An individual found guilty may face imprisonment for up to 10 years, an unlimited fine, or both.

## IMPACT ON BUSINESSES

The main impact of the Bribery Act on businesses in the UK is from offence (d) above, which is the most controversial. Under this corporate criminal offence, the company or partnership may be guilty even if no one within it knew of the bribery.

A business will be criminally liable if anyone associated with it pays a bribe in order to win work (in the UK or abroad). It is not yet clear how widely the term 'associate' will be interpreted by the courts, or indeed what is included in the definition of a bribe. In theory this could include:

- paying a premium to secure business;
- promising return business;
- providing excessive corporate hospitality.

The advice to all businesses should be to have well-established procedures to monitor the activities of any of their employees, contractors or agents who may be in a position to gain work in a way that could be interpreted (however remotely) as bribery.

S.7 (2) of the Act says that 'adequate procedures' designed to prevent bribery (and in particular offence (d) from being committed are a valid defence. This effectively creates a burden on businesses to ensure that their anti-corruption procedures are sufficiently robust to stop any employees, agents or other third parties acting on their behalf from committing bribery.

## MINISTRY OF JUSTICE GUIDANCE

As required by s.9 of the Act, the Ministry of Justice issued guidance about such procedures in March 2011. The guidance suggests that because the risk of bribery is lower if business is undertaken primarily in the UK, it is unnecessary to put complex procedures in place where this is the case.

The guidance sets out six principles which it believes will help businesses to decide the extent of any procedures that they take.

- (a) Proportionality
- (b) Top-level commitment
- (c) Risk assessment
- (d) Due diligence
- (e) Communication
- (f) Monitoring and review

## SPECIFIC ACTION

If the above six principles seem bland and obvious, they need to be translated into specific actions that businesses can take. The Ministry's Guidance (see [www.justice.gov.uk](http://www.justice.gov.uk)) provides an Appendix with 11 case studies showing how the principles might be applied in practice.

Most professional firms and organisations which are already 'relevant persons' under the Money Laundering Regulations 2007 should have most of the risks covered in their existing anti-money laundering procedures.

However, all businesses need to be aware of the risks and the necessary procedures which they may need to put in place, depending on the nature and complexity of each business.

These could include:

- an anti-corruption code of conduct;
- adequate training (and therefore awareness) of all key staff;
- screening processes for new customers and suppliers, including service providers;
- a review of financial risks and controls;
- a confidential whistle-blowing procedure;
- a policy for corporate hospitality;
- a code of enforcement, detailing disciplinary procedures for breach
- reporting procedures if the business is in the regulated sector (as bribery is a form of money laundering).

Those most at risk are businesses who sell goods or services – often through freelance agents – to countries where bribery is all too common a way of doing business.

Having robust procedures in place is at least a starting point for growing turnover, rather than fraud, by 28% in the next two years.



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## UPTON IN THE NEWS AGAIN



Peter Upton, a TVSCA past President (1999) as well as a past council member won the Chartered Accountants Golf Society's President's Cup at Burnham Beeches in September scoring 38 Stableford points off his 20 handicap – well done Peter, we knew you could not be kept out of the press!

## FOLLOW US ON LINKEDIN



All members are invited to join the Thames Valley Society LinkedIn group for news and discussions. Log on to [www.linkedin.com](http://www.linkedin.com) and search for Thames Valley Society of Chartered Accountants (TVSCA) and sign up.

There is also a separate group for practitioners in Oxfordshire, so join the Oxford Practice Support Group on LinkedIn.

## TVSCA EVENTS

### 2011

#### AUDIT, ACCOUNTING & TAX UPDATE

Thursday 17 November  
09:00 for 09:30–17:15  
Blenheim Palace, Woodstock

Don't forget to book your place on this popular update course presented by Martyn Ingles, tax and Stephanie Henshaw, audit and accounting.

Cost: £165 plus VAT and includes bacon rolls at registration, a two course hot and cold buffet lunch, and scones and cream in the afternoon.

Book online at [icaew.com/tvsca](http://icaew.com/tvsca) or contact Sue Pye for a booking form.

**Dates for next year's updates:**  
19 June and 13 November

### 2012

#### ADVANCING YOUR CAREER IN INDUSTRY & PRACTICE

February

Continuing our Career Life Cycle events for younger members, our next evening will be looking at routes into industry as well as advancing a career in practice with real-life experiences from both a business member and a partner in practice.

#### 2012 BUDGET CONFERENCE

Second Saturday after the Budget,  
09:00 for 09:30–12:30  
Windsor Racecourse

This joint event with Thames Valley Branch, CIOT and TVSCA features guest speaker Robert Maas who will give a résumé of the main points of the budget speech.

Robert heads Blackstone Franks LLP tax consultancy division and is widely regarded as one of the leading tax practitioners in the UK. He was Chairman of the ICAEW Technical Committee for many years and sits on many tax committees. As such, he is in the mainstream of UK and international tax legislation and lectures and writes regularly on specialist tax matters.

Cost: £65 or £55 for applications received by **31 January**; please contact Sue Pye now to reserve your early-bird place.

#### FROM THE CITY TO SINGAPORE: HOW T.M. LEWIN GREW FROM TRADITIONAL OUTFITTER TO INTERNATIONAL RETAILER

Tuesday 22 November  
18:00 for 18:30–20:00

Join Robert Isaac a Director at T M Lewin and hear how during the past 10 years he has seen the company increase from five London based stores to over a hundred throughout the UK, six franchises now opened in Singapore and plans for further overseas expansion in the pipeline. Win a week's worth of shirts in a business card draw together with a special offer for attendees on the night.

Cost: Free of charge. Book online at [icaew.com/tvsca](http://icaew.com/tvsca) or contact Sue Pye.

#### BUILDING GROWTH – BANKS, VENTURE CAPITAL AND AIM

Spring, Oxford

Following on from the success of **Enabling Growth – Angels, Banks, & Funds** which focused on early-life business, this event moves forward along the business lifecycle. It is tailored for established businesses looking to grow and expand, setting out the current funding options and opportunities available; and the role chartered accountants play in helping them access them.

Access to funding remains critical to many small and medium enterprises as they look to grow their operations and expand internationally. Traditional sources of finance are becoming increasingly difficult to obtain. If you are a business that needs funding to grow or a practice with clients looking for funding this event will:

- provide an insight into the requirements of the banking industry;
- introduce you to funds available;
- summarise some of the other investment opportunities available; and
- outline the role of the chartered accountant in obtaining finance to help grow the business.

#### TVSCA AGM

24 May, venue TBC