

STRATEGIC THEME THREE
Support the transformation
of trade and the economy

SUPPORTING BUSINESSES AND PUBLIC AUTHORITIES

Carlson was awarded the 2022 ICAEW Outstanding Achievement Award. He is an "ICAEW Ambassador" and a member of the ICAEW Greater China Strategy Advisory Group.

Carlson Tong FCA

Independent Non-Executive Director of Standard Chartered PLC and former Chairman of the Hong Kong Securities & Futures Commission and KPMG Asia Pacific and China

Rebecca is an "ICAEW Ambassador" and a member of the ICAEW Hong Kong Committee.

Rebecca Sharpe ACA

Chief Financial Officer,
Cathay Pacific Airways Limited



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STRATEGIC THEME THREE

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We worked with policymakers to support businesses through an economic crisis and continued our work with tax and other authorities to help achieve sustainable public finances.

ECONOMIES

Cost of doing business crisis

Across the different fiscal events in 2022, we highlighted to UK policymakers the growing economic headwinds as the impact of the invasion of Ukraine began to be felt. Ahead of the September mini-Budget, we urged the UK Government to bring forward financial support for households and small businesses as a necessary economic protection over the winter, and we used the Autumn Statement to emphasise the need to give UK companies greater certainty about what support would be available in the next tax year.

We launched an [inflation hub](#), to bring together the best expert opinion, data and insight from ICAEW and our members. We also produce detailed briefings on inflation and interest rates for members via ICAEW insights, podcasts and webinars.

Alongside this, we launched a new [cost of doing business hub](#) to share insights and help support members as conditions worsened.

Economic commentary

Since July, we have produced external commentary highlighting the impact of rising inflation on people, businesses and the economy. A wide range of national media outlets, including BBC (broadcast and online), Bloomberg, Sky, *The Guardian*, *The Daily Telegraph*, Reuters, *The Independent* and *Daily Express*, have covered our economic analysis.

In total, our economic commentary has generated 228 pieces of media coverage, including national coverage in print and online, together with broadcast interviews.

In November, our Financial Services Faculty recorded a [podcast](#) on Quantitative Easing (QE), examining the current environment and the options available to the Bank of England as it considers the pace and scale of QE. The podcast featured Michael Saunders, former member of the Bank of England's Monetary Policy Committee.

We are now contributing to HM Treasury's forecasts for the UK Economy Report, a monthly comparison of independent short-term projections of key economic indicators.

National Economic Summit

Our first National Economic Summit was held on 30 November. Keynote speaker Huw Pill, Chief Economist at the Bank of England, updated members on the Bank's outlook for inflation, interest rates and the economy.

The virtual event had 735 registrations and gained more than 200 pieces of media coverage. The summit was written up in *The Times*, *FT*, Bloomberg, *The Independent*, MailOnline, *City A.M.*, *The Guardian* liveblog and by *The Telegraph* liveblog.

REPRESENTING BUSINESSES

Making Tax Digital (MTD)

Despite the delay announced in December 2022, we continue to call for changes to the requirements of MTD income tax self-assessment (MTD ITSA). While we support digital record-keeping, we remain opposed to mandatory quarterly reporting, on the basis that for many businesses it will add to their costs and administrative burden, with little or no benefit. We have also raised specific concerns about the application of MTD ITSA reporting requirements for property income.

Our Tax Faculty meets regularly with HMRC to discuss developments and raise any concerns, including fundamental design issues with how the policy is being developed.

HMRC service performance

Reflecting the many concerns raised by members, ICAEW has been actively engaging with HMRC on improving its service performance. In June, our Tax Faculty [wrote](#) jointly with CIOT, ATT and ICAS to HMRC about these long-standing concerns.

Customs duties following EU exit

As our members' businesses become more involved in customs-related work following Brexit, they are dealing with highly complicated regulations which are often not very well understood.

To offer better-tailored support, in November our Tax Faculty formed a sub-committee of its VAT and duties committee, supporting members dealing with customs and excise duties and other indirect taxes.

PUBLIC SECTOR AND PUBLIC FINANCES

Many ICAEW members work in or with the public sector to deliver public priorities and strong public finances.



Ann-Marie led a breakout session on the role of audit in good governance at our Public Sector conference.

Ann-Marie Harkin FCPFA
Executive Director Audit Services, Audit Wales

Sir Tony Redmond is the author of the Redmond Review. He was a panellist at our Public Sector conference.

Sir Tony Redmond CPFA
Chair of the Improvement and Assurance Board at Nottingham City Council

Through our public sector work, we act in the public interest to support strong financial leadership and management - including transparency, accountability, governance and ethics - to ensure that public money is spent wisely and that public finances are sustainable.

Public Sector conference

We held our virtual Public Sector conference in December - an event which focussed on the importance of good governance and risk management in the public sector. The event attracted 570 registrations, more than double that of 2021, and provided delegates with good practice tips and the lessons learned from poor governance. Speakers included the author of the Redmond Review, the UK Comptroller and Auditor General and the chair of the UK House of Commons' Public Accounts Committee.

Public sector audit online hub

Launched in July, our [UK public sector audit hub](#) aims to raise awareness of public sector audit and provide clarity on the similarities and differences between public sector and private sector audit, as well as the variations between the UK's four nations.

IPSASB

Continuing our engagement with the International Public Sector Accounting Standards Board (IPSASB), we provided technical support to the UK representative and hosted a [podcast](#) looking at the importance of public sector financial statements, featuring the chair of IPSASB. We responded to IPSASB consultations looking at natural resources and the future role of IPSASB in providing a sustainability reporting framework.

ICAEW Insights special

In November, we focussed on [Public sector financial and non-financial reporting](#). We published articles touching on challenges, purpose and best practice in public sector reporting from a wide range of public sector perspectives, including from the Treasury, academics, and the New Zealand Accounting Standards Board.

Simply UK Government Finances

We hosted a roundtable to mark the launch of [Simply UK Government Finances 2022/23](#), written by Martin Wheatcroft in association with ICAEW. Attendees included representatives from BEIS, the Parliamentary Scrutiny Unit, the Australian Treasury, the IFS and the IPSASB Board, who explored some of the challenges around increasing awareness and understanding of the UK's public finances.

Local audit

We've played a leading role in working to improve the rigour and integrity of local public audit. We sit on working groups set up by the Department for Levelling Up, Housing and Communities (DLUHC) to implement the recommendations of the Redmond review. We have responded to several government consultations and are working with CIPFA to support the new FRC system leader to drive forward permanent improvements.

Local government finance

We continue to be active in strengthening local government finance and financial reporting, advocating greater funding certainty for local authorities and increased alignment between the budgeting rules and accounting requirements. We responded to several consultations from DLUHC, including a [joint response](#) with CIPFA calling for IFRS 9 to be applied in full to local government investments in pooled funds. We also jointly hosted a roundtable on fiscal devolution with the Fabian Society and spoke on the role of financial statements in improving governance at the *Room 151* conference for local government finance directors.



Christiana worked with the Cyprus Chamber of Commerce to organise the business and trade delegation visit from Cyprus.
Christiana Diola FCA, BFP
Head of Cyprus and Greece, ICAEW

Suren joined ICAEW in June 2022 and has provided expert media commentary on business, trade and economic issues.
Suren Thiru
Director, Economies, ICAEW