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Skills in focus Tackling the Corporate Reporting and Strategic Business Management exams

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L'OREAL CALLING

Carol Handa tells us about the challenges of being financial director at the cosmetics giant



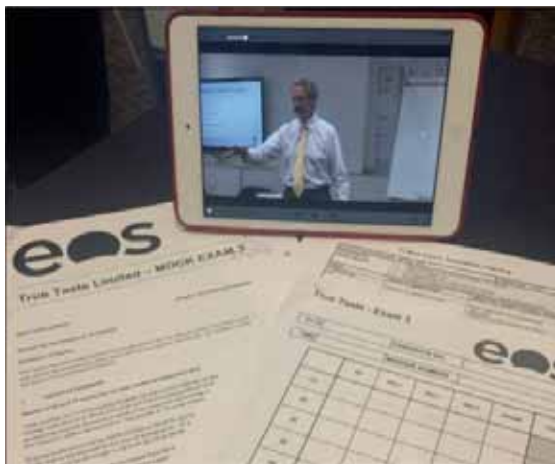
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Vital is produced by
Progressive Content
71-73 Carter Lane
London EC4V 5EQ.
T: +44 (0)20 7920 8100.
progressivecontent.com.
Contact: info@
progressivecontent.com

Advertising enquiries to
advertising@
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To comment on your
magazine, please email
publishing@icaew.com

LPDPLM15987
ISSN 2398-5194

Printed in the UK by
Sterling Solutions



Welcome

to the April issue of *Vital*, which is packed full of practical insight and inspirational interviews



Ask most people to define the key aspect of accountancy and a high proportion will probably say something about the numbers. But while the figures will always be important in finance, they are only part of the picture.

As this month's cover star Carol Handa explains, for her it has always been the social and people side of the profession that matters most. And it is people that she says make her role at L'Oreal so fulfilling.

This is a theme that recurs throughout this issue. For Odysseas Michaelides, auditor general of Cyprus, it's the thrill of working with other people as a tightly knit team that he finds so satisfying. As a student, it is crucial you link up with as many people and tap into as many support networks as you can. In this issue we profile four people

who have volunteered to help run student societies in various locations around the world. From Singapore to the UK and Cyprus to the UAE they are doing some amazing work to support students in their local region.

Elsewhere in this issue, with spring in full swing, we look at how a technological revolution is changing agriculture and speak to finance professionals who are leading that charge. In the study section, tutor Lee Rowlandson unpicks the mysteries of the Case Study, while we also get excellent tips from the 2018 Tutor Conference.

With GDPR coming into force next month, bringing stringent new rules on data protection, we look at what it means for finance departments. Meanwhile it is likely that many of you will spend some time in different towns, cities or overseas for work. So we look at some ways to help prepare for and make the most of the experience.

We always like to hear from you, so get in touch and send your ideas to vital@icaew.com

Marie

Marie Lake
Vital Editor

FROM THE FACULTIES



Corporate Financier

Fintech has seen some huge deals recently, with the market for the technology garnering a lot of attention. In March, Corporate Financier asked if we are going to see these deals accelerate.

icaew.com/cff



Chartech

GDPR is on the mind of many in the profession, with the date for the new regulation fast approaching. In Jan/Feb Chartech revealed the first of a four-part series on the new rules icaew.com/itf

**WIRED**

Keeping up to speed with tech
wired.co.uk/topic/wired-blog

**THE LIFESTYLE EDIT**

Inspirational stories on careers and business for women
thelifestyleedit.com

**PARIS REVIEW**

A collective effort on all things literature
theparisreview.org/blog

**FT ALPHAVILLE**

The financial team blog from the Financial Times
ftalphaville.ft.com

**CAPLAN**

Interesting and practical articles from the world of accounting
developyour.biz/blog

**CB INSIGHTS TEAM BLOG**

Useful research and insights into fintech
cbinsights.com/research/team-blog

Editor's picks

The trouble with the information age is, well, the amount of information. Luckily, we can make some recommendations

**BEYOND THE EDGE**

For those dreaming of adventure in distant lands
adventureblog.nationalgeographic.com

**THE SARTORIALIST**

Whether for inspiration or simply aesthetic gratification, this famous fashion blog serves its purpose
thesartorialist.com

**STUFF YOU SHOULD KNOW**

In support of the award winning podcast, it includes all sorts of things
stuffyoushouldknow.com/blogs

In Review

ACA EXAMS ARE CHANGING

All Professional Level exams are now computer-based, which means getting to know the new exam format before you take your exams. Advanced Level exams Corporate Reporting and Strategic Business Management will also start to move to computer in July 2018. The Case Study exam will become computer-based in July 2019.

Alongside your usual exam preparation, you will need to become familiar with the computer-based exam software. Complete the steps below and you will have everything you need to walk into the exam centre fully prepared.

1. Read the exam guidance
2. Watch the exam webinars
3. Use the practice software
4. Review the sample exams
5. Read the Instructions to Candidates

For more guidance and support visit icaew.com/cbe


CHANGES TO DATA

The General Data Protection Regulation comes in to force in May 2018. The new regulation will have an effect on how organisations, as well as chartered accountants, interact with personal information.

For more information on the impact that GDPR is going to have, we have compiled a short guide on page 28, or you can get more information by visiting icaew.com/gdpr

STAY CONNECTED WITH ICAEW

Always ensure you're up to date with the latest ACA news, key dates and important information by following the ICAEW dedicated student groups on Facebook, LinkedIn and the ICAEW student community. The community is a great place to meet other students around the world. You can also ask questions, share tips and study advice.

 facebook.com/icaewstudents

 ICAEW Students

 icaew.com/studentcommunity

 ICAEW_talk

COMMUNITIES

ICAEW's 18 Communities provide practical support, information and representation within a range of industry sectors, from Entertainment Sport & Media to Charity & Voluntary or Healthcare.

Register free of charge for provisional membership to some of our communities at icaew.com/communities



KEY DATES AND DEADLINES

19 April International ACA Prizegiving Ceremony
20 April March Professional Level exam results
30 April Exam booking deadline for June Professional Level exams
14 May-18 June Exam booking open for July Advanced Level exams
4-6 June Professional Level exams
12 June Advance information available online for July Advanced Level exams
26 June Advance information will be posted for July Advanced Level exams
2 July-6 August Exam booking open for September Professional Level exams
13 July June Professional Level exam results

Book exams via your online training file at icaew.com/trainingfile and for results go to icaew.com/examresults

Exam update

Please note that once exam-booking deadlines have passed, no late bookings will be accepted. So it's vital that you book your exams well in advance of the booking deadline.

FIGHTING FINANCIAL CRIME

ICAEW President Nick Parker wants accountants to make fighting financial crime more of a priority. At a CCAB-hosted event it was suggested that the accountancy profession was responsible for submitting just 4,000 suspicious activity reports, less than 1% of the 419,451 filed with the National Crime Agency up to September 2016. It is clear accountants need to improve their activity to spot suspicious activities. Find out more at economia.icaew.com



ONLINE TRAINING FILE GUIDANCE

It's essential that you keep your training file updated throughout your ACA training. Watch the online training file guidance video, which explains what the training file is, how it fits into the overall process you need to go through in order to qualify as an ICAEW Chartered Accountant and how to record your progress at icaew.com/how-to

STUDENT COUNCIL UPDATE

ICAEW Student Council held a meeting in January, with delegates in attendance from student societies across the UK. Discussions included how GDPR will affect accountants, and CABA discussed 'How to do more in a day than in a week'. Learn how you can increase your productivity and more at caba.org.uk



HIGH PASS RATES

Well done to all students who sat a Certificate Level exam in 2017. The average pass rate for all exams was 85.7%. With Business and Finance receiving an average pass rate of 91.1%.

USEFUL LINKS

Discover the benefits we offer you as an ACA student at icaew.com/studentbenefits

Watch our webinars on professional skills and exams at icaew.com/listenagain

Access the exam support we offer you at icaew.com/examresources



FAISAL KHAN THE LOWDOWN

Senior manager for the public sector at ICAEW Faisal Khan answers our questions

Can you give a short summary of your role as senior manager?

Promotion of the ACA, ICAEW CFAB and apprenticeships, and raising the profile of ICAEW across the public sector in England and Wales.

What's the best part of your job?

Meeting people - from students and members, to employers and prospective clients. I love the buzz of sales.

What do you find challenging?

Juggling the physical demands of travelling and being a father to a nine-month-old baby. Sleep deprivation is tough.

What is the key to your success?

Having worked in this industry for almost a decade, being passionate about professional development is key, as is developing excellent working relationships.

How do you relax outside work?

Football. Film. Food. Although I support Arsenal, which is basically stress. I love to cook. Oh, and spending time with my wife, obviously.

What do you think is the key to healthy work/life balance?

It's important to be able to switch off. Finding hobbies and interests that consume your mind is a great way to relax and recover.

Do you have any useful advice for students?

Make the most of what you have and work hard. Don't be afraid to ask questions and challenge decisions. Enjoy yourself.

The Boss

Odysseas Michaelides, auditor general, Republic of Cyprus, on honour and discretion

When I embarked on my studies

at university, I aspired to get a respectable professional career that would guarantee me a decent income.

I was selected for the post of auditor general by the president of the Republic. It was a very honourable proposal which I could not refuse.

The National Audit Office is split up into numerous sections, each staffed by a team of four to eight auditors. I thoroughly enjoy joining each team at the final stages of their respective audit projects. Almost all of the work that we are called upon to conduct requires teamwork and that's definitely my favourite thing about my job.

I would say that the key to my success is my absolute commitment to fairness and truth. When what you do affects the interests of people with great financial or political power, you can only succeed if you have no skeletons in your own closet. Our office often performs audits where ministers, mayors, or other powerful persons might be mentioned. As such, particular discretion and sensitivity must be exercised.

The most important elements in a successful team, in my opinion, are the team leader, mutual respect between the team's members and the cultivation and nurturing of each individual's skills and talents.

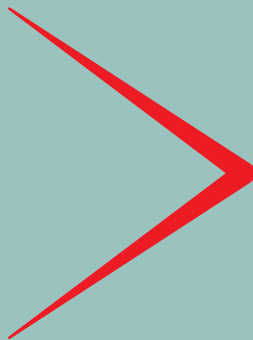
I have been lucky enough to have found job satisfaction throughout my career, for 12 years as an auditor, subsequently for four years as director of the internal audit department in a ministry, and finally, for the last four years, as the auditor general of the Republic. ●



For me, it is important to see that the work we do helps save public money.

Academic and professional training, integrity of character and, of course, eagerness and enthusiasm for work are vital.

Keep an open mind, together with the ability for critical and creative thinking.



ACA exams are changing

GUIDANCE AND SUPPORT FOR ACA STUDENTS

All ACA exams will eventually move from paper to computer-based, so getting to know the new exam format in advance of your exam is crucial to success.

Complete the five steps below to ensure you are fully prepared and have everything you need for the day of your exam.

- 1 Read the exam guidance
 - 2 Watch the exam webinars
 - 3 Use the practice exam software
 - 4 Review the sample exams
 - 5 Read the Instructions to Candidates
-

Here is a summary of the exams moving to computer in 2018.

PROFESSIONAL LEVEL

March Business Planning: Taxation
Business Strategy and Technology

June Business Planning: Banking
Business Planning: Insurance

ADVANCED LEVEL

July Corporate Reporting
Strategic Business Management

Guidance, support and resources are available to you at [icaew.com/cbe](https://www.icaew.com/cbe)



TUTOR TIPS

We've gathered tips from the examiners to help you succeed at Professional and Advanced Level exams

In February ACA tutors and examiners from around the world descended upon Chartered Accountants' Hall in London to attend the ICAEW ACA Tutor Conference 2018. *Vital* took the opportunity to find out their essential tips for each Professional and Advanced Level exam.

PROFESSIONAL LEVEL

Audit and Assurance

"Students should ensure they read through all requirements carefully and then prioritise and manage their time carefully. It is important the answer addresses the requirement. Students who do this are more likely to answer the question without writing more than necessary, thus leaving themselves time to attempt all questions."

Business Planning: Taxation

"Timekeeping is essential. It is important to read the question carefully. Students should take their time answering questions and paying attention to the requirements. If the question asks for a 'detailed' or 'brief' answer then that's what students need to provide."

Business Planning: Banking

"Read the requirements carefully."

Students often lose several marks from not reading the requirements thoroughly. It is important to emphasise on the impact of technology, particularly the importance in the banking sector.”

Business Planning: Insurance

“Take your time and read all the necessary requirements. The most marks are awarded to those students who answer their questions in reference to the insurance industry, for example the impact of a defect on reserving. Students whose answers are specific to the insurance industry are likely to be awarded higher marks.”

Business Strategy and Technology

“Students should structure their answers including the use of relevant models and application to the scenario. The style of the answer should reflect professional scepticism. The students should explain and link points to numerical as well as written data. Using clear, separate and structured tables for data analysis is important.”

Tax Compliance

“Students must remember to answer all elements of a particular requirement and therefore it is important the student understands and reads the requirements carefully. For example ‘The students must identify fundamental principles and set out the safeguards’. Students should look for the ‘and’ or commas to find the different elements of the requirement.”

Financial Accounting and Reporting

“It is important that students set their workings-out clearly so that the examiners can see narrative and figures, and links between the two. Students need to fully explain the financial reporting treatment and support this with calculations. As with all other exams, students should familiarise themselves with the requirements of the question.”

Financial Management

“It is important that students understand when theory is and isn’t required, along with key ratios when they are provided in the question, for example gearing. Students should also ensure that they know how to calculate ratios such as interest cover. Remember to show all workings as these equate to marks.”

ADVANCED LEVEL

Case Study

“A key success factor is familiarity with the Advance Information. Students need to be able to understand the organisation

as if it were a client of their own. It is crucial the students take the time to prepare analytically for all aspects ahead of the exam.”

Corporate Reporting

“It is important to remember that it is the depth of the answers and not the quantity that is key. Students must show professional scepticism in their answers but they must support their answers with evidence.”

Strategic Business Management

“Firstly read and familiarise yourself with the requirements. Within the question there are terms of reference to each requirement. Reading the question carefully will help you understand what the requirement is. You are more likely to get marks for answering the question with acknowledgment of the requirements.”

While the content of each exam is different, the key advice overwhelmingly from tutors is to take your time, read the requirements carefully to grasp what is being asked of you, and show workings clearly. You can improve your exam technique with a variety of webinars on exam skills at [icaew.com/listenagain](https://www.icaew.com/listenagain) ●

IN NUMBERS

2006

saw the first tutor conference held at Chartered Accountants’ Hall, London

150

plus attended the 2018 conference, with delegates from around the world, including UK, Botswana, China, Greece, Cyprus, South Africa, Malaysia and Kenya

11

workshops and drop-in sessions were held over two days, discussing the previous year’s exams, computer-based exams, GDPR and sustainability

2018: SUSTAINABILITY

Sustainability and technology were at the heart of the 2018 tutor conference. ICAEW has embraced the UN Sustainability Global Goals to enhance our vision of ‘A world of strong economies’, built on good governance and partnerships. ICAEW is determined to play its part. We have adopted the goals to articulate our vision and to express what we mean by public interest. In addition, we have the ambition to take the goals to every ICAEW Chartered Accountant and through them to the millions of businesses they advise and work with around the world.

We will do this through the Global Accounting Alliance, Chartered Accountants Worldwide and IFAC. We have embedded sustainability and corporate responsibility within ACA learning materials for the past decade. Here are a few examples of how we have done this in the Professional and Advanced Level exams.

Audit and Assurance

Students need to identify ethical and sustainability issues, perhaps by using a sustainability and corporate responsibility report.

Financial Management

Sustainability themes appear many times throughout the module. For example, Chapter one, 2.4 of the Financial Management study manual shows how sustainability forms part of firms’ ethical policies and why firms need to take account of sustainability within their decisions and actions.

Strategic Business Management

This exam specifically explores the UN sustainability goals, and the importance of organisations to consider the environmental and social context within which they operate, reiterated by the UN 2030 agenda for sustainable development.



SHOWING YOUR SKILLS

How to demonstrate your level of skill in the Corporate Reporting and Strategic Business Management exams

Up to 65% of the marks for both the Corporate Reporting and Strategic Business Management exams are awarded for demonstrating skills - even with good technical knowledge you risk failing if you do not demonstrate high-level skills in your answer. This article describes how to demonstrate the updated ICAEW skills to secure your pass in Corporate Reporting and Strategic Business Management.

BACKGROUND TO UPDATED EXAM SKILLS DEVELOPMENT GRIDS

In 2017, ICAEW carried out a review of the professional skills required of an ICAEW Chartered Accountant both now and in the future. After consultation with a wide range of stakeholders, five professional skills themes were identified as key to the future professional:

- adaptability;
- insight;
- collaboration;
- perspective;
- learning and reflection.

Using these themes, the seven professional development skills assessed in the workplace were updated together with the exam skills development grid. From January 2018, these will be tested in the Corporate Reporting, Strategic Business Management and Case Study exams.

HOW DO THE UPDATED EXAM SKILLS DEVELOPMENT GRIDS IMPACT THE EXAMS?

The exams skills are still grouped under the same four headings:

- assimilating and using information;
 - structuring problems and solutions;
 - applying judgement;
 - concluding, recommending and communicating.
- The exam skills development grids have been updated to reflect the changes in the work undertaken by the ICAEW Chartered Accountant. For example, technology reduces the routine aspects of the accountant's work and increases the advisory role, requiring the future ACA professional to be able to take a broader and holistic view in addressing accounting problems, and providing solutions. Therefore, the exam skills put more emphasis on higher skills involving the ability to assimilate and apply professional scepticism, critical thinking and judgement to generate advice and solutions.

The updated exam skills do not result in changes to the format of the Corporate Reporting and Strategic Business Management exams, and your exam will still be marked taking skills into consideration. The examiners will continue to set scenario-based questions that offer you the opportunity to demonstrate these higher skills. Your task is to demonstrate to the examiner that you have the required skills to be a future chartered accountant. If you do this and demonstrate technical knowledge you will pass the Advanced Level.

CORPORATE REPORTING

Some examples of key skills from the Corporate Reporting November 2017 exam include:

Question 1

Identify and anticipate problems that result from a decision - The changes to the reporting deadline imposed by a group auditor would raise both technical challenges and link to the ethical challenges presented to the entity auditor.

"The exam puts more emphasis on the ability to assimilate and apply professional scepticism"

Evaluate the relevance of information and use multiple sources - The question provides several exhibits that provide different aspects to be assimilated to structure potential control risks, for example change in ownership, change in responsibility for routine accounting, new international sales channel, and loss of key finance personnel.

Question 3

Use a range of data types and sources to inform analysis and decision making - The candidate is presented with the results of a data analytics dashboard - and journals processed by the entity - to demonstrate this skill, the candidate must analyse the information and link to the accounting entries processed by the company.

HOW DO YOU DEMONSTRATE SKILLS AND PASS THE CORPORATE REPORTING EXAM?

Examining the skills required in November 2017 question 1, here is requirement 1 more closely:

Requirement 1

Explain, for each of the adjustments required by MegaB (Exhibit 2), the appropriate financial reporting treatment in the financial statements of EF for the year ending 31 December 2017. Identify any additional information you need to finalise the accounting entries required.

Key skills to answer this requirement are:

Assimilating and using information

Understand the situation and the requirements. You would need to distinguish between adjustments made at entity level (eg, the brand, trade receivable allowance and revaluation) and at group level (goodwill).

Structuring problems and solutions

Identify any information gaps, frame questions to clarify information. You would need to identify that the information is not complete and to question the judgement of the directors.

Applying judgement

Relate issues to the environment - appreciate when expert help is required. You would need to identify that the valuation used for the investment property and revaluation may be inappropriate and advise on the use of an expert.

EXAMPLES OF WEAK AND HIGHER SKILLS

Set out here are two answers explaining the financial reporting treatment of the brand:

Candidate A - weak skills

"A brand is an intangible asset under IAS 38. In order to recognise the brand and capitalise it in the statement of financial position it must be:

- identifiable;
- controlled by the entity;
- future economic benefits probable; and
- reliable measurement.

Therefore, it cannot be recognised in the financial statements.

However, on consolidation it can be capitalised at fair value as part of IFRS 3”.

Candidate A makes no reference to the scenario – whose financial statements? It includes information taken as standard without explanation of why EF’s brand is not capitalised. The answer’s only merit is that it has identified the correct technical area and it does make a recommendation.

Candidate B – higher skills

“The brand is an intangible asset and the relevant accounting standard is IAS 38. It is unclear whether the brand is separately identifiable but it is clear that EF has not historically recognised the asset as an intangible within its financial statements.

The “cost” to MegaB is not the cost to EF and the CFO’s email says that he is unsure what costs were incurred. It is possible that the value of the brand has built up over time through reputation rather than because of direct expenditure.

Unless an error has occurred and the brand should have been recognised in the past, it would not be correct to do so now just because a valuation has been obtained. Additional information is required about the cost of the brand to EF.

No accounting entry for the brand should be made in the separate financial statements of EF as it does not meet recognition criteria. The brand will be recognised in MegaB’s consolidated financial statements only as part of the acquisition accounting entries.”

Candidate B’s answer applies technical knowledge to the scenario. It questions the information, and makes a clear recommendation. The answer distinguishes between group and entity level adjustments.

“The exam requires a combination of skills to be applied. It is not just what you know, but what you do with what you know”

STRATEGIC BUSINESS MANAGEMENT

The Strategic Business Management exam requires a combination of skills to be applied, using technical knowledge and understanding. It is not just what you know, but what you do with what you know.

Professional development skills

A key professional development skill relevant to this exam is problem solving. This may draw on other professional skills such as technical competence to exercise decision-making skills and communicate recommendations to clients.

An example of how the application of these multiple skills can be achieved is Question 1 in the November 2016 Strategic Business Management exam – Wooster Ltd. This scenario is a luxury sports car manufacturer that is trying to determine whether to outsource the manufacture of engines, among other decisions, and if so, which of the two suppliers it should use. Data was provided for the two suppliers, but one was offering a three-year contract and the other a two-year contract, with different prices and in different currencies. One supplier also had a capacity constraint in the final year of the contract.

Candidates were required to compare and evaluate the two supply contracts under each of the following headings:

- Financial appraisal, with supporting calculations;
- Supply chain risks, foreign exchange risks and risk management.

Then provide a reasoned recommendation for the preferred supplier.

To solve this problem, quantitative technical competence was required in dealing with two different contract lives. Qualitative competence was also required in building different types of risks into the decision, rather than basing the decision only on the outcomes of the calculations. Finally, a ‘reasoned recommendation’ needed to be communicated to the client.

Exam skills

The updated four exams skills will be tested in Strategic Business Management alongside the above professional development skills. In some cases, all these skills may be needed to solve a problem or to respond to a single requirement. In other cases, there will be greater emphasis on just one or two of the exam skills. The following section looks at each of the four exam skills.

Assimilating and using information

The questions may contain a significant amount of sometimes complex qualitative and quantitative data, which may be spread over many exhibits. Assimilating this information, involves appreciating the significance and relevance of the information to each of the requirements. This may require, for example, an analysis of data to appreciate its significance.

To be able to assimilate the information, it is necessary to read all of the question and all the requirements before starting to write.

The updated skills structure identifies three

View a variety of exam resources and support at icaew.com/examresources





problem or a solution. The first priority is looking at the question to see if a structure is provided or suggested. If it is, then this structure should be used, as this is what the examiner will be expecting.

An example is Question 2 of the November 2017, Strategic Business Management exam - Hayfield. The first requirement asked candidates to prepare a statement which reconciles actual operating profit and budgeted operating profit and gave six reconciling factors. The question therefore gave a clear structure to be used to answer this requirement.

In other cases, the question suggests no structure, hence candidates need to adopt what they think is the most appropriate structure in the circumstances, perhaps using a model where relevant.

Applying judgement

Applying judgement involves identifying significant factors, issues and applying a sceptical and critical approach.

The updated skills structure identifies two sub-headings under applying judgement:

- apply professional scepticism and critical thinking;
- relate issues to the environment.

The above example of Wooster, under professional development skills, is also an example of the exam skill of applying judgement. The numbers may suggest one supplier as the preferred choice, but this is only part of the story, as the risk issues need to be weighed qualitatively against the numerical outcome using judgement to evaluate their relative significance.

Concluding, recommending and communicating

This may involve formulating reasoned recommendations and opinions, setting out advice, options, and reservations based on valid evidence.

The new skills structure identifies three sub-headings:

- conclusions;
- recommendations;
- communication.

A conclusion or recommendation is not the same as a summary in repeating what you have already said but in a briefer form.

Nor is it a single line assertion which is unrelated to the prior balance of evidence. State the key issue, or issues, that you determine are the main drivers of your decision.

Think about who your recommendation is being addressed to. The language and presentation may be dependent on whether the communication is internal or external, formal or informal and to a technically informed recipient(s) or not.

CONCLUSION

Skills have always been important in Corporate Reporting and Strategic Business Management, and ICAEW has evolved both professional development skills and exam skills. Candidates will be required to demonstrate these skills in both exam and workplace contexts, and later as ICAEW Chartered Accountants. ●

sub-headings under assimilating and using information:

- understand the situation and the requirements;
- identify and use relevant information; and
- identify and prioritise key issues and stay on task.

An example from a past Strategic Business Management exam was Question 2, July 2017 - Moonbeam Marine Yachts Ltd (MMY). This involved a private equity firm, RFI, considering buying a distressed loan, currently owned by the bank, which it had extended to MMY.

One requirement was for candidates to appraise the acceptability to the key stakeholder groups of RFI's two alternative proposals for a financial reconstruction of MMY.

To answer this, candidates needed to use a number of the new skills headings to understand the business context, identify and prioritise key issues, and explain different stakeholder perspectives and interests.

Structuring problems and solutions

Assimilating and understanding the information in the question then enables the problem to be structured and a step taken towards developing a solution, or solutions.

The updated skills structure identifies two sub-headings under structuring problems and solutions:

- structure data;
- develop solutions.

There may be more than one way to structure a

For each exam ICAEW has a team who are responsible for writing, reviewing and updating every question that is presented to you within each live exam. The teams are formed of subject matter experts and their primary role is to write the exams you sit, ensuring that the technical content is accurate and in line with the learning materials, that the exams reflect the specified syllabus area weightings and that each test is reliable and balanced – so that every exam is fair.

The exam question development process has two key stages, drafting and moderation. In the drafting stage the question writer will know the type of question they are writing (eg, multiple choice or scenario-based question) and the syllabus area and learning outcome that the question is linked to. The writer will refer to the ICAEW style guide to ensure a consistent writing style and convention and will use their expert knowledge to draft each question and set the answer key and any distractors (incorrect answer options).

The next stage is moderation and a different subject matter expert reviews the question content and answer key, making further changes if needed.

Questions are then student moderated, where recently qualified students sit the questions under exam conditions. At this stage we also ask students to answer specific questions such as “Is the question clear, avoiding ambiguity?” and they provide feedback on each question. After testing, all results, feedback and statistical data is sent back to the exam teams to make any final amendments.

QUALITY ASSURANCE

Before exam questions can be published live, there is one last quality assurance check which focuses on the format of the questions. This is to ensure that they are consistent and that they display correctly on screen. The exam questions are then published live and are ready for exam delivery.

After you sit your exam, ICAEW will receive all the data from your sitting. Our questions are under constant review and every response given to each question is used in statistical modelling. We have a dedicated statistician, ensuring that we have a comprehensive understanding of question performance – right down to how many students are incorrectly choosing B, compared to incorrectly

choosing C, on a specific question. This data is reported to the exam teams on a regular basis for monitoring and assurance purposes.

SCENARIO QUESTIONS

All Certificate Level exams are randomised, so it would be very unlikely that you would be presented with the same question as someone else in your exam room at the same time. So if you're sitting Accounting, Principles of Taxation or Management Information you'll answer one or more 'scenario' questions which are always presented first. All responses are recorded by the exam system, and used to automatically generate a mark for your exam.

Your Certificate Level exam results are usually available within 24 hours and can be obtained through your training file at icaew.com/trainingfile or on our website at my.icaew.com/examsonline

So, when you arrive for your exam, you can be assured that all of your exam questions have been thoroughly tested and have gone through all these quality assurance processes, which ensure that the ACA continues to be a world-leading qualification. ●

The exam works

Richard Eckersley, head of assessment at ICAEW, tells *Vital* about the untold journey taken by each Certificate Level exam, before you even enter the assessment centre





Cracking the case (study)

Lee Rowlandson, Kaplan's tutor and Case Study subject head, on how you should approach the exam

To many people the Case Study exam seems like a mystery, built around a multi-dimensional marking key and a mythical list of criteria that the examiners might use to decide who will pass through to the Promised Land.

Like Robert Langdon in a Dan Brown novel, students often find themselves searching for hidden codes, hoping to collect a magical number of diamonds and 'competent grades' required to unlock the secret combination.

Sadly, there is no secret formula. The reality is actually much simpler than that.

The design of the marking key and, most importantly, the examiner's decision regarding whether a script should pass or fail are all driven by one over-riding principle - would a client pay for this report?

PASSING EACH REQUIREMENT

One basic expectation of any paying client would be a complete report. Imagine reading through a report which starts well but the final sections are either unfinished or under-developed. How would it make you feel?

This is why the examiners will be looking to assess whether a script has scored sufficient marks on all of the requirements rather than just consider the total marks accumulated. One poor requirement or two marginal requirements can therefore understandably lead to a fail. Strict time management in the exam will be crucial to ensure that the report is complete and that all requirements are sufficiently balanced.

AVOIDING NA GRADES

It is also critical to address all of the individual tasks set out in each requirement. Most requirements will usually ask the candidate to discuss four or five individual areas of interest. The skills and technical knowledge grids needed for this requirement will then be constructed around this list.

An audit firm could never submit an audit report if they had missed out a whole section of the audit. That would be completely unprofessional (not to mention negligible). Surely they would take the same viewpoint to any other work they submitted to their clients.

This is why it is so important to carefully break down each requirement and to spend time planning how the report can be structured in a way that ensures that all of the tasks have been adequately addressed.

BEWARE OF TAKING SHORTCUTS

There are no miraculous shortcuts when producing a professional report and candidates who try to find them in their exam are adopting a high-risk strategy.

Some candidates believe that if they focus on five or six of the skills boxes in each requirement then they will scrape through.

It is worth remembering that five 'sufficiently competent' grades on their own would only score 33% of the marks available for each requirement. Is it likely that the examiner will consider that report to be good enough?

Be mindful at all times that the examiners have the final decision on whether a script should pass or fail. Shortcuts like this are hardly befitting of the work of a professional firm of chartered accountants and may even sway the examiner's final judgement. ●

For more support and guidance for the Case Study go to icaew.com/examresources





NOTHING LIKE L'OREAL THING

UK & Ireland financial director Carol Handa tells Danny McCance about her journey to the cosmetics giant and how it is adjusting to new landscapes

What's instantly noticeable about Carol Handa, financial director of operations at L'Oreal UK & Ireland (UKI), is just how amicable she is. "I really enjoy working with, speaking to, and socialising with other people," she tells me over a coffee in the cafeteria of L'Oreal UKI's Hammersmith headquarters.

The social aspect was one of the reasons Handa chose KPMG when looking to study the ACA. The firm seemed the most accepting of diverse educational backgrounds, her classmates coming from courses in politics, geography and even zoology.

A childhood spent travelling around the Middle East has clearly inspired an interest in other cultures and a passion for languages. This passion led her to Sierra Leone, where over the course of a few months she helped out in the early stages of charity Street Child, which provides safety and education to displaced children in Africa and Asia.

It also influenced Handa's decision to study language at university (Spanish and Portuguese). However, this was not enough. "I've got the Spanish and Portuguese, and the history and linguistics that go with it, but what can I do?" she found herself asking. "It turns out you can do everything you can do in English, but in a different county."

Fortunately enough for Handa her father, brother, sister-in-law, and sister-in-law's father and brother are all ICAEW Chartered Accountants. "With my passion for languages and knowing all the travel my Dad did in his role as an accountant, that triggered something in

me. I thought there is nothing to say I can't combine the two."

It was her brother who helped her confirm her decision to study the ACA. "[He] was quite challenging of me, and made sure it was really what I wanted to do," she explains.

While Handa admits that she, like her brother, might have taken a slightly relaxed approach initially, "towards the end you don't have a choice, every day you need to do some studying," she recalls.

INTO INDUSTRY

After qualifying with her ACA, Handa continued to work at KPMG for a few years. However, she decided her best move would be into industry. It was here that she really felt her skills coming to the fore. Her first role out of KPMG was at telecoms giant BT.

After some restructuring within the role and the team that she was supposed to be working in, Handa ended up doing a job aligned more with the engineering than retail side of the business. Culturally, she felt, it was not a good fit. However, it was this time spent at BT that helped her define to herself what she was looking for.

This new resolve led her to look for a role in retail. "I already had friends that were working in retail and from having spoken to them, it appealed to me," she explains. However, getting an interview in retail wasn't so simple. The challenge, Handa found, was that recruiters were reluctant to offer roles due to her lack of retail experience.

She got her break when her former employer took a punt on her. "Luckily, the lady that recruited me in to Arcadia said 'you've got relevant experience, you've got the ACA and are clearly trained well and clever enough to come and do the role.'" This was the chance Handa was looking for.

Working her way up, initially in the group, she then shifted to brand and working on BHS, then became financial controller. As things started to go south at BHS (the retail chain went into administration in 2016), Handa got another break. "I got contacted by one of the HR directors [at L'Oreal] and she asked me if I wanted to interview for the Lancôme role," she recalls. "This was just around the time when BHS's future was up for debate, so I was lucky to land a great position here."

Working in a frenetic and fast-paced role at L'Oreal really suits her. "What you're paying attention to today can be the exact opposite of what you're paying attention to tomorrow... I love the pace and working under pressure," she says.

L'Oreal UKI - part of the global cosmetics company L'Oreal - has four divisions in the UK, all of which have a head of finance.

Handa, as finance director of operations, sits outside of these and works across all divisions. It is a role, she explains, with quite a wide remit. One day, she says, she can be discussing the property portfolio with the director of health, safety and the environment, and the next she is in a distribution centre in Trafford - one of three distribution centres in the UK, the others being in Bury and Nottingham - discussing transport or contracted labour costs.

She also gets to travel to the Paris, where the company is headquartered, a few times a year, for training, budget meetings or operations meetings, one of which, in April, included "all the me's from other countries." But what she really enjoys about the role is having something to hold at the end of the process. She says she enjoys "being close to the product, and really being able to quantify what you do today." Having an input in how something is priced, packaged, transported and marketed all comes together when Handa gets to see the products on a shop floor. "Working with tangible products really makes a difference for me personally, and that's what I really enjoy."

PLACE YOUR BETS

And there are an awful lot of products under the L'Oreal banner. With 34 brands, the company has 42 factories across the globe - it filed 473 patents in 2016 alone. However, as research and production decisions are made in the Paris, for Handa, in control of operations in the UK and Ireland, the risk is in predicting what is going to sell big, and what is going to flounder. "We place bets on how big we're going to go, what quantities of product we're going to call down, and if we happen

**"HAVING THE
PRODUCT THAT
IS SO TANGIBLE
REALLY MAKES
A DIFFERENCE.
THAT'S WHAT I
REALLY ENJOY"**

Watch Carol talk about her life at L'Oreal at icaew.com/carolhanda

2017 - present

Financial director,
Operations,
L'Oreal UKI

2014 - 2017

Finance director,
Lancôme &
Clarisonic, L'Oreal

2014

Financial
controller, Arcadia
Group

2012

Senior finance
manager, Arcadia
Group

2010


Finance business
partner, BT

2009

Finance manager,
KPMG

2004

ACA, Institute of
Chartered
Accountants in
England and
Wales



“DIGITAL IS THE WAY TO BE ON TOP OF KNOWING WHAT PEOPLE WANT, WHAT THEY ARE COMPARING US AGAINST”

to take the wrong bet on the wrong product and it doesn't launch as we think, that is where we're going to have problems.”

SEPARATION ANXIETY

In light of the Brexit vote, one might be forgiven for thinking that a lot might be changing for L'Oreal UKI, and consequently for Handa, over the coming months and years. She explains that the company is “constantly trying to establish what is going to be the impact on the business,” but that it has currently not fully defined what these impacts are going to be. L'Oreal, it seems like many others, thinks it is just too early to tell.

When pressed on what she thinks might change, pricing affected by different import taxes for example, Handa is

optimistic. “I think it's a bit too soon to say that anything really drastic is going to happen, especially anything that hasn't been at least a little bit anticipated.”

One might also reflect that the relationship between L'Oreal UKI and Paris might come under some pressure with tensions rising, while a fracturing of the union might have damaging effects on close European relationships. However, according to Handa, quite the opposite seems to be the case. “We work very closely, as one of the bigger subsidiaries in Europe in our consolidated group, and the UK has always been a key focus,” she explains. “I don't see that changing.”

Handa says that even in these volatile and uncertain times, energy is being directed into digital transformation. It all comes down to the power of vloggers and

bloggers, and ensuring that the company is pitching itself at the right age group, she explains. She gives the example of a product released last year, *Energie de Vie*, that she says was aimed more at the burgeoning millennial market as opposed to what might be considered a typical Lancôme customer - a mid-30s to 45-year old woman. While digital may be the vehicle the company is using, it is also a sounding board.

“I think digital is the way to be on top of knowing what people want, what they are looking for, what they are comparing us against, and actually having all that data to enable us to use that information and say ‘how can we best channel our product?’” she explains.

DIGITAL SPACE

As Handa says, the younger generations are very tech savvy, and so special attention is being paid to making sure that ecommerce and websites are compatible on certain devices and that the company is pursuing alternative ways of interacting with audiences, such as online tutorials. “We're constantly trying to grow ourselves as an ecommerce business,” Handa states. Despite the inherent costs, she still thinks it's a great opportunity for the business. “We are still opening boutiques, but for me the growth area is all around the digital space and our ecommerce channels for sure,” she explains.

Looking to the future, and putting Brexit aside, what does Handa have on her horizon? “I've always said with each new role that I take, I want there to be something developmental in there personally, to push myself and challenge myself and learn something new,” she explains. “I think as long as I'm doing that in any kind of future roles I'll be happy.” ●



A

growth

industry

Farmers and producers are becoming increasingly connected thanks to the rise in artificial intelligence. The more smart technology that is in use, the greater the quantity and quality of data that can be generated. The challenge for the agriculture sector, though, is getting value from it. Rich McEachran investigates how accountants can help



Farming and food production are not areas that have traditionally been associated with rapid adoption of new and digital technology. Furthermore, the possibilities for the internet of things and agriculture have yet to be fully realised. However, the industry is growing with confidence - the global smart agriculture market is set to have a value of \$11.23bn (£7.98bn) by 2022, according to research firm Markets and Markets.

And, when you think about the financial side of agriculture, the last thing you'd probably associate with it is wearable technology. Yet smart collars for cows and so-called Fitbits for irrigated crops, powered by artificial intelligence (AI), are just some examples of how innovation is promising improved efficiency, increased yields and lower costs for those working in the sector.

At the end of 2015, the innovation foundation Nesta reported that by adopting precision agriculture - the umbrella term for all the industry's sensors, connected devices and smart technology - UK farms, on average, would likely see a 20% increase in their profits. These savings included a £5,500 per farm per year reduction in the cost of reporting for regulation, such as updating compliance.

A HELPING HAND

Peter Fleming is a business adviser with agriculture and farming clients across Cumbria. He also has experience of helping family-run farms access financial support and he too has seen a steady rise in agricultural businesses willing to embrace smart technology. They recognise that innovation can help streamline their production processes, and it brings with it financial benefits, he says.

"If a farmer's got a problem, there will more than likely be a high-tech solution. I spoke to a client recently whose entire milking system is now robotic - it's controlled by a smartphone and he's alerted whenever there's an issue, such as blood being detected in the milk, which means he can act quickly. It's improved his milking no end," adds Fleming.

However, most of the recent technologies have mainly been trialled on larger, commercial farms and this means that the capital costs of investing for smaller businesses are not completely clear. While the industry is coming round to the advantages of smart technology, farmers and producers - particularly the small and medium-sized businesses that form the backbone of the rural economy - still prefer to spend most of their time on

the land and not in their office. However, if their main assets such as crops and livestock, and even machinery, are becoming more connected, then sensors and smart devices will be generating vast amounts of data and potentially valuable information - more than they can handle.

FARMING OUT DATA

This is where accountants come in. Accountancy firms are well placed to help farmers and producers make sense of the data their businesses are generating and to find its short-term and long-term values. "There have been huge steps in the advancement of accounting software in recent years and this has significantly influenced the way accountants work," says David Holden, a chartered accountant and senior business services manager at MHA Broomfield Alexander. The firm has a specialist team with detailed knowledge of agriculture and farming based in Cardiff, Newport and Swansea.

"With software companies constantly developing new accounting tools and accountants having more tools at their disposal, it's allowing specific analysis to

be prepared at greater speed and allowing greater insight into how a business is performing," he adds.

Software has long been capable of calculating information quickly and easily, but it can now provide in-depth analysis thanks to AI and machine learning (ML). As software is fed more data from different sources, which can be stored in the cloud, it learns to process it without instruction and with more precision. It also starts to recognise patterns. For agricultural businesses, this can mean more accurate forecasting. They could then use this as digital evidence to support grant applications or when inspections are being carried out, reducing time and hassle.

However, something that AI and ML is yet to master is intuition: using the data to make decisions. As AI-driven software will do most of the heavy lifting when it comes to analysing the data, the accountants of tomorrow will therefore have to adapt their skills in order to future-proof.

Eventually, accountants could become more like virtual CFOs, says Hazel Copeland, chief financial officer at Woldmarsh, a buying group that uses financial automation software to process more than 19,000 invoices on behalf of farmers every month. Agricultural business owners will be comfortable running their operations via their smartphones, while their accountants will be available to give them a helping hand by providing tailored advice whenever it's needed. With advanced software and data insights at their fingertips, those in accounting will be able to provide almost immediate feedback, giving business owners peace of mind.

GROWING CONCERNS

The agricultural industry might be slowly embracing smart technology and innovation, yet there are still some who have concerns about the potential cost of the new protection rules. "There is a lot of excitement and promise out there, but questions remain for farmers and producers about whether technologies are sufficiently developed and whether the legal and regulatory scene is sufficiently clear to justify investment," says Isabel Teare, senior associate and technology and data protection specialist at national law firm Mills and Reeve, whose agriculture clients include Unilever, a worldwide supplier of produce.

Accountants who want to succeed in supporting the agricultural sector in the future won't only need to have a comprehension of data analytics and data science, but also an understanding of data regulations. This is of particular

"Questions remain for farmers and producers about whether technologies are sufficiently developed and whether the legal and regulatory scene is sufficiently clear to justify investment"

importance given the impending changes being introduced by GDPR, coming into effect on 25 May this year.

LIMITED RESOURCES

"The main obstacle is the fact that farmers and small-to-medium food producers have squeezed resources, limiting their ability to thoroughly look into data protection and check their compliance," adds Claire Williams, Mill and Reeve's principal associate, who focuses on cyber security and financial services. Businesses with limited resources need to be convinced there are long-term rewards and that they will see a return on investment. The same applies when it comes to AI, says Williams.

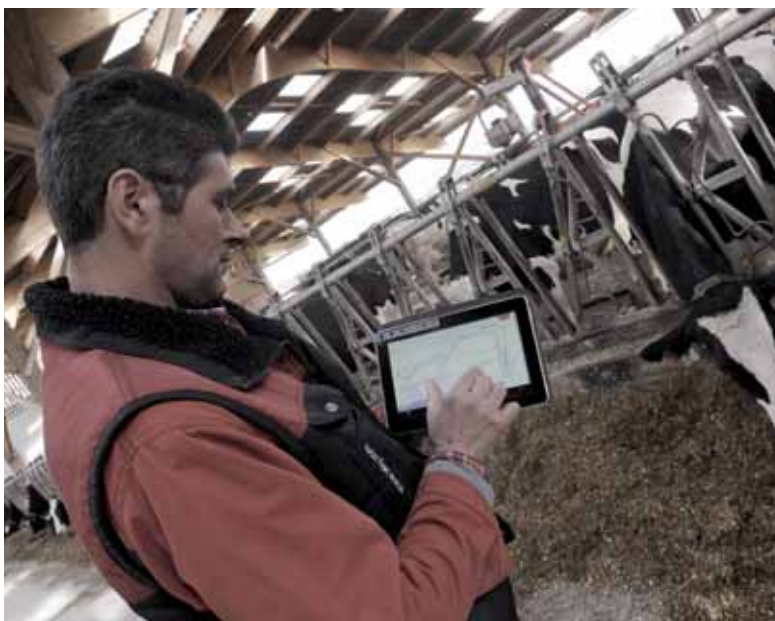
One of the biggest areas of accounting in agriculture that AI is set to have an impact on is auditing. Accountants can often find themselves managing or overseeing stock-takes, spending time in warehouses meticulously ticking items off inventory lists. The repetitive and often tedious nature of the task means it's prone to error and this can lead to expensive mistakes. With vision AI, a technology that replicates the human ability to find visually exact and similar matches, auditing will get a whole lot easier, for example.

"If the audits do not add up, vision AI can recognise and identify where the numbers digress, making it easier for auditors and farmers to figure out where the problem is," says Alastair Harvey, chief solutions officer at Cortextica, one of the leading companies in the field of vision AI.

Up until now, Cortextica's technology - born out of years of research at Imperial College London - has been used to check the ripeness of tomatoes, reducing spoilage before the fruit is passed along the supply chain. "Flagging issues in the

Previous page: Vertical farming racks in China. Below: A drone flies over vineyards in France. Bottom: Robots control the spraying of water and fertiliser





warehouse in real-time is particularly helpful as it'll prevent having to retrospectively account for errors," Harvey explains.

OPEN RANGE TO OFFICE

What this will mean for the accountants of the future is that they may find themselves spending less time on-site dealing with clients directly. Instead, they'll be at their desks, evaluating data and helping agricultural businesses make better decisions and even prepare for downturn, such as in milk prices, more efficiently.

"With the constraints of the agriculture industry and the need for constant financial planning, AI will provide both the accountant and business owner with better financial information through an efficient and higher quality process than ever before," concludes Holden. ●

Top: A farmer checks milking data on his farm via iPad.
Above: It's called an Autonomous Concept Tractor - a driverless vehicle that can perform a variety of tasks

THE NEXT AGRICULTURAL REVOLUTION

With a wealth of technology being harnessed to improve efficiency, increase yields and better treat animal stock, here are just a handful of the companies taking agriculture digital.

Smartbell

This Cambridge-based company offers a variety of sensors to track the health of cows. With its mission to help cattle farming and provide better animal welfare, Smartbell uses sensors to track the wellness of cattle, along with estrus detection to optimise breeding and static and dynamic lameness detection. The information gathered from the trackers/sensors can then be used to provide a variety of data and reports on herds, which in turn aims to provide better solutions for cattle management.

Agrivi

Founded in 2013 by Matija Zulj, Agrivi is a software platform offering all the aspects needed to manage a farm, from monitoring and analysis to planting, and harvesting. The farm management system features tools to track finances, field activities and inventory. It also claims to have a powerful analytics system, which aim to help farmers make the right decisions, as well as providing best practice knowledge, alongside pest detection algorithms.

Gamaya

A 2015 spin-off from École Polytechnique Fédérale de Lausanne, the company offers digital mapping and diagnostics to modern industrial farming. It uses special cameras to "collect airborne and space-borne hyperspectral imaging data" of sugarcane and soybean crops. This data is then used for region specific analysis, which combined with other factors such as historical weather and climate records is then used to provide tailored recommendations for optimal crop treatment.

VitalFields

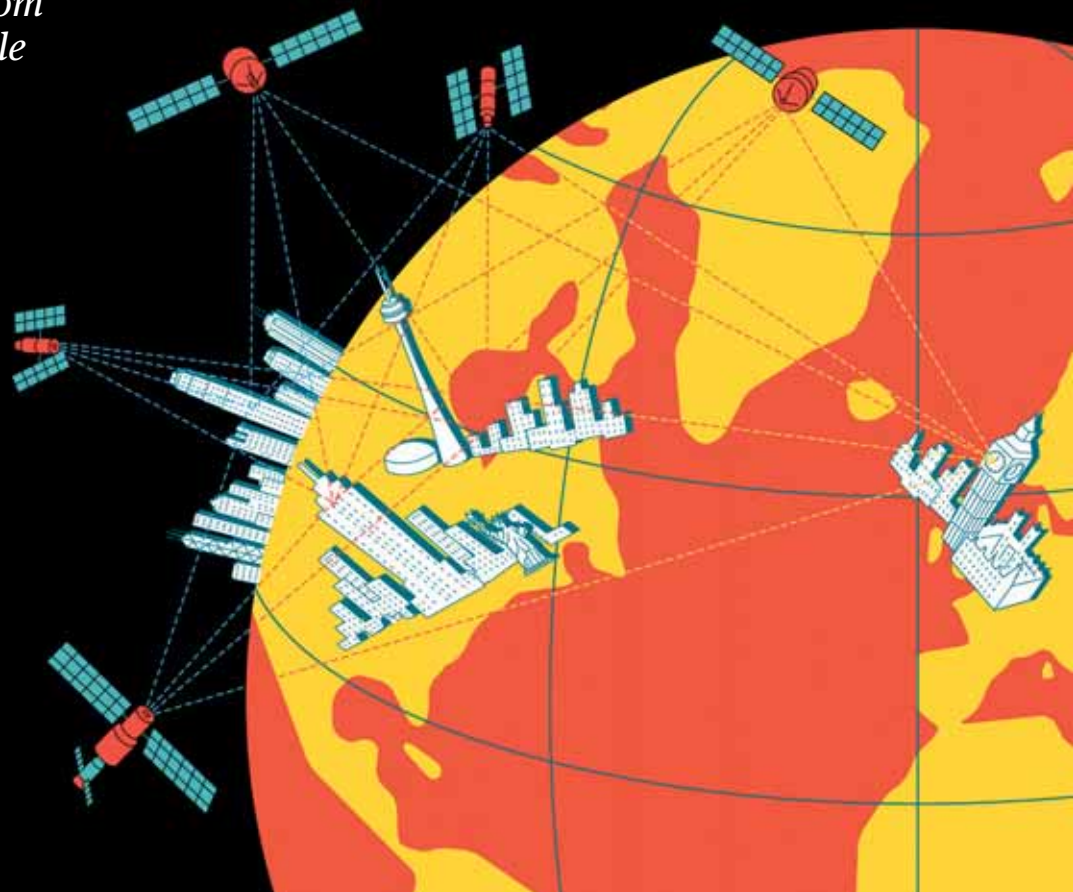
This start-up, which begun in Estonia in 2011, has rapidly expanded its operations into Germany, Hungary and Denmark and boasts clients globally. The management software allows the farmer to plan, manage and track elements of their farm on a digital dashboard. The system keeps a compliance log, making inspection easy, and incorporates other elements such as stock and benchmarking reports.

What the world needs now

Four student societies from across the world in profile

When you sign up as an ACA student, you are automatically enrolled in your local ICAEW student society or student network. Run by students for students, they actively organise events and activities throughout the year, from ACA revision sessions, skills-based seminars such as negotiating for success, to football tournaments, pub quizzes and the annual society ball, where you can meet people who are also studying for the ACA from a wide range of industries and organisations.

Vital spoke to a selection of international student networks to find out how getting involved with a local society has helped their members.



WEI XIN NEO

AUDIT MANAGER, GRANT THORNTON, SINGAPORE

What's your role outside the student society?

I've been with Grant Thornton Singapore for more than two years. I manage audit engagements for dynamic international clients with a presence in Singapore, with a specialisation in technology and service sectors.

Tell us a little about your student society - where are you located, what type of events do you run and how often do you meet?

I represent the ICAEW Singapore student network. We run monthly meet-ups for queries about ICAEW and a sharing session for students on their progress in their exams. In addition, we organise quarterly seminars and networking sessions with distinguished

guests from around the world. We also run student events such as movie nights and escape rooms.

What is your role in the society?

I am the student president, so apart from being part of the organising committee for student events, I also participate in them to meet more people to ensure I understand the needs of our student population in Singapore, and those thinking of pursuing the qualification.

In your opinion why is the student society/group important?

A student society is important as it promotes a sense of collaboration and belonging among those pursuing the ACA, and to help them feel that they never have to take this journey alone.

Why did you volunteer for this role?

I loved being involved in planning and networking and when someone approached me for this opportunity, I took the chance without hesitation. My objective was to build and solidify our student network here in Singapore, and also ensure greater accessibility to resources for our students.

Why should students get involved, in one sentence?

To lead is to serve, so be involved as much as you can!

What is your proudest moment?

I think my proudest moment was being told that talking to me alleviated people's worries about pursuing the qualification and that they are more motivated than ever.



JACKIE ODDY
TAX CONSULTANT, PKF FRANCIS
CLARK, UNITED KINGDOM

What student society are you involved in?

The South West of England Chartered Accountants Student Society (SWECASS) is made up of students from around the South West, covering around 160 miles. There is a mixture of fun/relaxing events (bowling, curry nights, cinema trips, kayaking trips) and soft skill workshops. The workshops are often held in partnership with CABA, with our next one being 'eat and exercise for energy'. We currently have 10 people on the committee, which meets weekly to discuss updates and upcoming events and then finalise plans over email and Facebook.

What is your role?

I am currently chair and student council representative for the society and have held this role for nearly two years. At the annual general meeting in June I will pass on the baton. I am hoping to continue to be involved with the society by becoming president. Being the representative I get to meet some amazing individuals and have been able to bring the committee and ICAEW closer because of these connections.

Why did you volunteer for this role?

The society was quite small and we were working on building its profile, so the role hadn't actually been defined when I joined. It's been a bit of an explorative journey. I enjoy organising events and I am able to help new students in this role through workshops or other events. The other thing that interested me most was that I wanted to know more about ICAEW and any changes occurring.

Do you have a proudest moment?

I am really proud of how strong our committee is and how much the profile of the society has been raised. It has been difficult in our society because it is so spread out geographically. And we have run some amazing events.

Why is the student society important?

I get a lot of feedback from students and they really appreciate having a reason to meet up with other students. You might not be talking about studies and work all the time but it is nice to have that support from people doing the same as you. The student society plays an important role in supporting students.

If you live in the South West, please follow us on Facebook @SWECASS1



NOOR KARIM
MANAGER OF AUDIT AND
ASSURANCE, CROWE
HOWARTH, UAE

Describe your student society.

The name of the society is the ICAEW 2017-2018 Middle East Student Committee, located in Dubai, UAE. Two of our members are based in Abu Dhabi, UAE. We conduct student events quarterly, ranging from fun activities like laser tag team matches and bowling to events like professional networking.

What is your role?

I am vice chair and this includes being an ambassador for the committee and ICAEW. This may include speaking at ICAEW public events, career fairs and university visits. I'm next in line to chair the committee. I also play an advisory role to the chair on strategy of the committee and for developing relationships with fellow ICAEW students so I can be in a position to provide feedback.

Why is the society important?

It gives voice to the feelings of students. They can share their concerns and resolve any issues that they may face in their studies, training contracts or professional development. It is also a vital source of input and feedback through which ICAEW students can shape the strategic direction of ICAEW.

Why should students join you?

In this age of disruption and change, students should get involved with the student committee to keep up and give their valuable feedback to ICAEW development.



CAROLINA XENOPOULOU
CONSULTANT, FINANCIAL
ADVISORY, DELOITTE, CYPRUS

Tell us a little about your student society.

The Cyprus Chartered Accountants Student Society is an established society for all ACA students in Cyprus, supported by ICAEW and CABA.

The society provides a platform for networking between chartered accountants and students, while enhancing the relationships between students and professionals in the sector. It also supports professional development for students and acts as a main link of communication between them, professional bodies and ICAEW.

What is your role?

I currently hold the position of the vice president and this includes organising annual general meetings; contacting ICAEW representatives in Cyprus to keep them up to date on board members and events; organising networking events and organising wellbeing events with the help of CABA.

Why did you volunteer?

I enjoy being involved in activities outside our educational and professional environment.

What are you working on now?

Organising an introduction networking event for all the new ACA joiners.

In your opinion why is the student society important?

The society acts as a point of reference in case ACA trainees and members need help with their studies, work or wellbeing. While other organisations such as CABA are in place, the society is made up of local students who may act as an easier source to contact.

Regardless of the size of the organisation that you work for, ICAEW student societies and networks are available for all ACA students across the globe. If there isn't one near you, why not get involved and set up one for the students in your region? Visit icaew.com/studentgroups

A BIG DATE FOR DATA

Despite the massive advances in technology and change in the way we, and businesses, use the internet in recent years, regulations on personal data have not been updated since the 1998 Data Protection Act. However, with this all about to change, Vital gets the details students need to know

Visit icaew.com/gdpr for more information from ICAEW's IT Faculty, providing comprehensive guidance and technical advice to help you stay ahead of the rest



This is an extract from *The essential guide to GDPR* from the ICAEW IT Faculty. To read the full guide follow the link at icaew.com/gdpr

The General Data Protection Regulation (GDPR) will come into force in May 2018, overhauling how organisations, regardless of their size, and ICAEW students and members interact with personal data. The new regulation therefore will require a great deal of work to ensure compliance and it's therefore something newly qualified accountants will find they have to get to grips with even without formal training. When information commissioner Elizabeth Denham spoke to ICAEW on the forthcoming regulation she said that the new regime "puts the onus on businesses to change their entire ethos on data protection".

An important element of the new regulation is that data protection and cyber risk are brought together. "You can no longer divorce data protection from data security in an organisation, and most breaches happen in obvious ways, so check your processes for that too," explains Richard Anning, head of the IT faculty at ICAEW.

So far only half of companies have taken actions to identify cyber risk. And, while 62% of large businesses have given their staff cyber training in the past year, only 38% of medium businesses and 22% of smaller business have done so

THE COSTS OF NON-COMPLIANCE

As Denham rightly says, for those handling others' data it is their responsibility to ensure that individuals' rights are respected. However, if this is not a big enough incentive, the maximum fine for a data breach under GDPR is €20m (or 4% of annual worldwide turnover, whatever is greater), up from £500,000 under the existing regulation.

GDPR gives regulators enforcement power to levy fines based on accountability alone. That means issues such as failing to ensure data protection by design, failure to conduct a data protection impact assessment, or a lack of documentation will all incur a penalty, Denham explains.

Whether you are a data processor or a data controller under GDPR you will have statutory obligations, in contrast to the current regime, in which only data controllers are regulated in this way. "The principle of accountability is that you must show how you comply, not just that you do comply," says Jane Berney, business law manager at ICAEW. This, she explains, means that whereas certain things previously didn't have to be documented, they now will.

THE COMPLIANCE WEB

For an organisation, GDPR doesn't just mean documenting its own instances of compliance, but the whole supply chain. When US retailer Target was breached in 2013, for example, it happened through the company's air conditioning provider.

Compliance may have implications for international clients too, as the global dimension to the GDPR means that international clients who either offer goods and services to EU subjects, or collect data from EU subjects, may have to demonstrate compliance.

GDPR will also involve maintaining compliance for any data stored in the US Privacy Shield (the successor to Safe Harbor). The First Annual Joint Review of Privacy Shield was conducted in September last year and found that although progress has been made, there were some significant concerns that will need to be addressed by May this year.

THE IMPACT UPON BUSINESS

In the UK 99% of businesses employ fewer than 249 people, and it is a massive misconception that small businesses are exempt. These businesses run the risk of lack of awareness, due to the likelihood they don't have specific compliance teams or the resource to employ data protection officers. ICAEW members are ideally placed to offer advice. ●

Office jargon

...and how to avoid it

ACRONYM QUIZ

While jargon may be avoidable, certain workplace acronyms streamline processes and make life easier, as long as you know what they mean...

1. BAU
2. AOB
3. CABA
4. VAT
5. CGT
6. CPI
7. ROI
8. EOP
9. DOA
10. FUBAR

1. BUSINESS AS USUAL, 2. ANY OTHER BUSINESS, 3. CHARTERED ACCOUNTANTS BENEFIT ASSOCIATION, 4. VALUE ADDED TAX, 5. CAPITAL GAINS TAX, 6. CONSUMER PRICE INDEX, 7. RETURN ON INVESTMENT, 8. END OF PLAY, 9. DEAD ON ARRIVAL, 10. FOULED UP BEYOND ALL RECOGNITION.

Accountancy is an intelligent profession.

People spend years learning the trade, with huge quantities of information to take in and several skills to master. So, why do we bombard each other with hot air? And why, importantly, do we rely so much on jargon to do it?

This is a serious point, as jargon excludes those unfamiliar with it from the conversation. Clearly, in some situations it has value as shorthand that helps people convey vital information quickly. But in others it is used by people to deliberately lend themselves an air of authority and to obscure meaning. Some workplaces even have internal hierarchies in which knowledge of jargon is a signifier of power and position.

Our advice - and that of the long-running Plain English Campaign - is to ditch the double Dutch and make the workplace a more straightforward environment, where everyone understands all communications and complex tasks are made simpler.

And to show just how bad the jargon bubble has got, we've picked out some of the most deplorable examples you really should avoid:

Going forward A mildly persistent irritant, this one. Most often used by those referring to planning for the future and, while not utterly redundant, in the context of a strategy meeting, the phrase is often implied.

Plan of action Another monster likely to raise its head in a strategy meeting. And it is an equally redundant phrase. Usually a plan will include at least one action, unless of course your workplace often enjoys creating plans of inaction, in which case we stand corrected.

Create some synergy Although some argue the phrase synergy has a legitimate place in business, in most instances it is used inappropriately to suggest two or more people or teams collaborate.

Reach out Ouch, this is a particularly bothersome phrase. It's a fancy way of complicating the reasonable verb to contact. Unless the person using the phrase is on a diplomatic peacekeeping mission, or is a missionary approaching a new tribe, it's unlikely they are doing anything as profound as outreach.

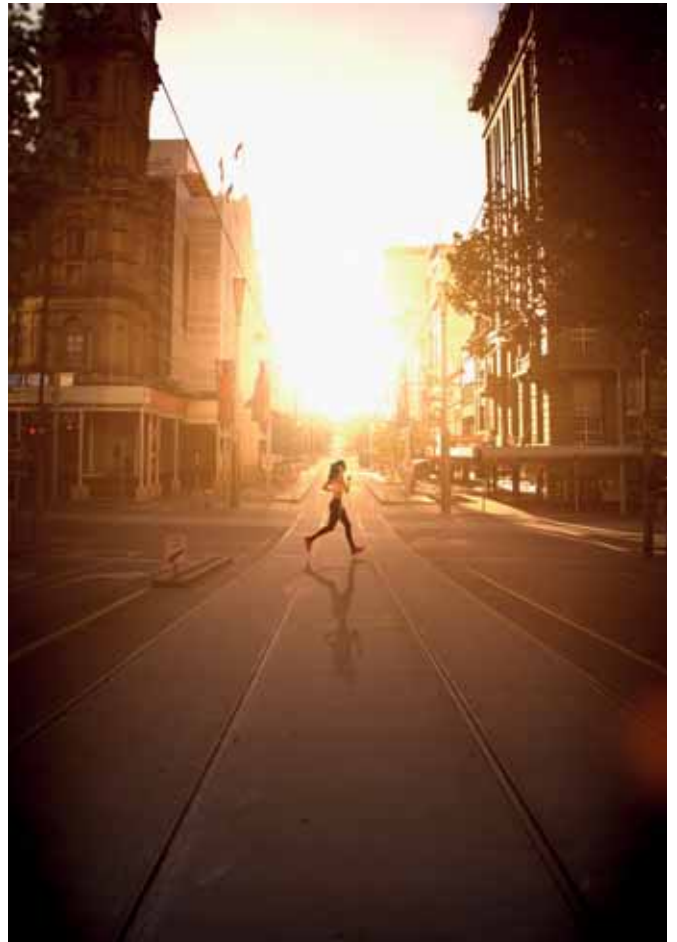
Let's park that Nothing screams jargon more than a strained analogy. Rarely, if ever, used in the literal context of wanting to occupy a parking bay with a vehicle. Use of this phrase should require a permit.

Circle back A nonsense way of stating that something should be addressed at a different time. The chances are the element being circled back on has already been parked (see above).

Impact Frequently used when "affect" is what is meant. Impact is not a verb.

Cone of silence The crème de la crème of pointless lingo is this quite frankly baffling expression to explain that a topic or conversation should remain private. See also, "let's take this offline".

At the coalface Yet another example of over-dramatising a situation. While this is an amusing way of expressing that one has become more involved with the more practical and less theoretical side of business, it is nonetheless over-exaggerated. Unless that business is actually coal mining. ●



Home from home

Working away can seem daunting if it's new, or just dull if you're an old hand at it. Jessica Fino looks at some useful tech that'll help to make the most of a different city

Whether you are asked to go to a new city or country to deliver a project, attend an event or do some training, it can be an exciting experience to get to know somewhere while working. But it can also be scary to go somewhere unfamiliar away from home. The alternative - travelling back and forth - can be worse as you end up feeling like you're spending your whole life in transit.

While working away from home is unlikely to cause problems if it only rarely occurs, if travel becomes more regular, or projects stretch for longer than first thought, it is important you become acclimatised to your temporary home. Luckily, thanks to a wealth of useful apps, this has never been simpler.

APPETITE FOR CHANGE

A trip to a new or foreign destination could be the perfect opportunity to get to know the local cuisine. But, as any regular traveller knows, sometimes having lots of choice and plenty of options, combined with a desire to always find an "authentic" experience can lead to disappointment.

If in doubt, do what the locals do. The people at Eatwith know the benefit of this observation. Harnessing the same sharing community spirit that has made apps such as Uber and Airbnb so popular, Eatwith

offers the option to have a dining experience courtesy of someone else. For example you could have a "Balkan feast in Harlem" or a "Spanish rooftop grill in Barcelona". Not only does this ensure you'll be well fed, but also it provides a chance to have a bite to eat with someone else, an experience that may be lacking if you're alone in a strange city.

MEET AND GREET

Many may not mind the idea of being alone and exploring a new destination, but for others having someone to share experiences with can make a foreign place feel less foreign. If you're sent out solo from your firm, then making friends can be daunting. Luckily, there are several apps to help with this.

The creators of Meetup were more than aware of the issues of travelling alone. With everything from art courses in Dubai to hatha yoga in Berlin, the app makes organising an activity seamless.

It's really easy to spend time working in a city and yet never really feel you ever truly visited it. Luckily, housesharing app Airbnb has expanded its remit to cover this and is now offering Airbnb experiences. Examples include a cycle tour of San Francisco or a historic walk around Amsterdam's canals. The benefit of this,

TRAVEL SMART, NOT NECESSARILY LIGHT

While some find comfort in packing for every eventuality, if you're travelling regularly, then this can become a real burden. There is also the small chance that you may check and double check your agenda, thinking you've everything covered, but you've missed a vital piece of the puzzle. PackPoint is a useful tool for those that are on the go regularly and want to make sure they've got all avenues covered. Once you've entered your destination, the duration and range of activities you're expecting to undertake into its intuitive user interface, PackPoint provides a breakdown of everything you'll need.

as with Eatwith, is that the experiences ensure you gain an interesting perspective on the city in question. Also, as most tours are likely to be done in small groups, you'll have a chance to meet people.

A SOUND MIND IN A SOUND BODY

While exercising may not be top of your priorities in a foreign city, it can be a good way to meet new people and, if you're away for longer, help to stave off boredom or homesickness.

EXERCISING IN A FOREIGN CITY CAN BE A GOOD WAY TO MEET NEW PEOPLE AND TO STAVE OFF HOMESICKNESS



If you're not fortunate enough to have access to gym facilities where you're staying (a hotel spa is always a nice bonus), it is worth checking with your own gym (if you have a membership) what sort of extensions they offer on membership elsewhere. Many gyms will offer the use of gyms in different locations for a small additional fee, so if you're going to be travelling a lot it's worth tapping into this perk.

Many gyms will offer the options to do exercise classes. Apart from the obvious health benefits, these can be a good way of engaging with people and if you're working away for a longer period, can be ways to make friends or at least see some familiar faces on a regular basis, while providing a healthy routine.

If you simply can't handle the gym then the best way to get out and see a bit of the place you're staying in is on foot. RunGo is a great app that gives you turn-by-turn instructions on suitable runs, while not requiring a data plan as they can be saved and used offline. Boasting more than 100,000 routes worldwide, it is certainly an interesting way to see a city.

For those more interested in sightseeing, but who want to tie in a fitness element, Runnin'City offers more than 300 virtual tours worldwide and will act as your own private tour guide. The app offers the chance to be guided from one point of interest to the next, all while burning calories.

STREAMLINING THE PROCESS

One of the simplest ways to make the most of a trip, whether long or short, is to make it as pain-free as possible. One way to do this is to take away the fear of having forgotten a confirmation number or booking document. Using TripIt allows you to compile all of your information into one master itinerary by forwarding emails of all of your plans.

And if you find yourself with a couple of hours to kill and don't fancy trawling through a bunch of forums then use Triposo for a useful compendium of all kinds of travel content. The app uses algorithms to trawl the web, compiling a quick and easy on-the-go guide. It claims to deliver the best recommendations using a mix of "fact and opinion" and promises some hidden gems. ●

CABA

YOU ARE WHAT YOU EAT

Kelly Feehan, CABA's services director, has some tips

It's not unusual to feel low when you're encountering stressful situations, such as upcoming exams, high-pressure deadlines or a spell in a strange place. An important part of dealing with stress is resilience – the ability to recover quickly from difficulties. What you eat can have a direct impact on how you feel. Changes in blood sugar levels affect mood and energy levels, while deficiencies in nutrients, such as zinc, some vitamins and essential fatty acids, have also been linked with mental health problems. What you eat may also affect your brain's production of mood-altering neurotransmitters (or chemicals), such as serotonin and dopamine. So what should you do?

Cut down on caffeine

Most people drink coffee because it gives them a boost, which can be helpful in some situations. But drinking too much caffeine may lead to emotional problems, or a reliance on the effects. Try to limit yourself to one or two cups of caffeinated drinks a day, and try to find energy from other sources, such as getting fresh air or taking regular breaks.

Feast on oily fish

Studies have found that omega-3 essential fatty acids are important for healthy brain function. Some experts think omega-3 supplements can even help treat problems such as depression.

Eat more bananas

Experts believe serotonin levels are depleted by stress. The good news is that certain foods are believed to help boost serotonin release. That's because they contain a nutrient (or amino acid) called tryptophan, which is converted into serotonin in your brain. These foods include bananas, turkey, chicken, fish, and avocados. So sit back, relax and peel away!

For more information and tips on wellbeing visit caba.org.uk
CABA provides free independent support for ACA students and ICAEW Chartered Accountants.

Countertop assistants

Whether you're looking to streamline your cooking experience or simply spruce up your kitchen, here are some gadgets to get you going



1 Nutri Ninja blender & smoothie maker 700W

Compact but powerful enough to take on a range of foodstuffs. **£59.99**



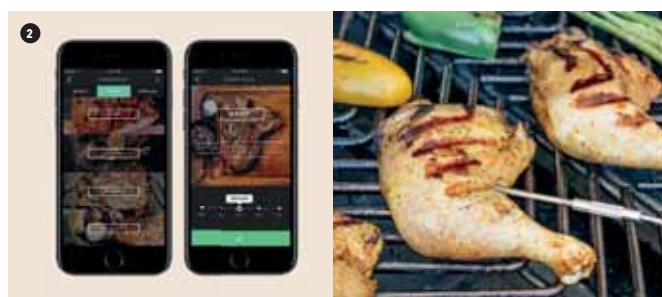
4 Lavatools Carbon Lite bluetooth thermometer

For tech lovers, this includes its own app with cooking alerts **\$39.99**



5 Williams Sonoma Microplane Multi-Slicer

A compact yet handy tool for bulk dicing and slicing. **\$19.95**



2 Chef'n mini zoom garlic chopper

This handy wheeled implement removes the risk of garlic fingers. **£14**



6 Tower 6L digital pressure cooker and multi cooker

There aren't many ways this can't be used - slow cooker, pressure cooker, smoker, rice cooker. **£109.99**



3 Taylor measuring cup digital kitchen scale

Two-in-one functional way to never mismeasure a recipe again. **\$39.99**



7 Lakeland digital ice cream maker 1.5L

Making the art of home-made ice cream as easy as flicking a switch. **£47.99**



Making a change

Alieu Fofanah, enterprise manager, the Foyer Federation, on developing the way the charity works

How did you become involved?

In 2014, I underwent a leadership programme through an organisation called Changemakers. Six months after I'd finished, Foyer Federation merged with Changemakers. Meanwhile, I'd launched my own consulting business. When I was in Kenya, I got an email from Foyer Federation outlining the role. It aligned with a lot of things I was doing to harness different corporate partners in Africa.

They're trying to develop innovative products and technology-driven products to help their beneficiaries. I appreciate their way of seeing the world and seeing young people as an advantage.

What is your role there?

I am in between the charity and corporate partners, trying to harness

a few of the ways to work with different corporates to deliver our purpose, and allow the corporates to deliver to its clients.

What is GoGetters?

It was something that came to me when I had qualified as an ICAEW Chartered Accountant and I felt that it was a good time to take time off and explore the world. It was at the point when there was so much noise around Africa.

I wanted to find out the truth for myself, and I wanted to go to the country where I was born - I'm Sierra Leonean. I needed to meet stakeholders, entrepreneurs and local consumers. To be able to connect with them properly I felt I couldn't just go and speak to them; I needed to be part of the ecosystem. I did projects in those countries, to



build trust and see what it's like to do something. I outlined a plan and put together a team, and then tried to get sponsorship. That didn't really work, so we sponsored ourselves - and that's how GoGetters came to be.

We went to six different countries in Africa (South Africa, Kenya, Rwanda, Ghana, Nigeria and Sierra Leone) over six months. We filmed documentaries and put together leadership and entrepreneurship workshops for students in Nigeria, Ghana and Sierra Leone.

Why did you start a consultancy?

The consultancy is an offshoot off GoGetters. We saw a lack of talent on the ground that could execute at a decent price point. There were consultancies that would charge an arm and a leg for somebody who just came out of university to do a strategy report that the partner would review and give to a company.

We felt we could leverage MBA students looking for placements, who were interested in working on a project in Africa but didn't have the right network.

We could connect them with companies that wanted someone to do a short-term analysis around strategy and implementation, and was able to see things from a different point of view.

What are your ambitions?

I want to build on what the Foyer Federation already has. The charity has been around for 25 years, but the current funding environment means the charity has been depleted. My role is a new one and they're really investing in me to build the role. At the moment it's only me, but I'd like to build it into a five-person team, and use them to develop innovative ways to work with corporates.

I'm really trying to think out of the box and be creative. In the next couple of years I'm really focused on making this the best it can be. ●



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