



# *Piecing it all together: Practice Assurance webinar*

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# *Your presenters*

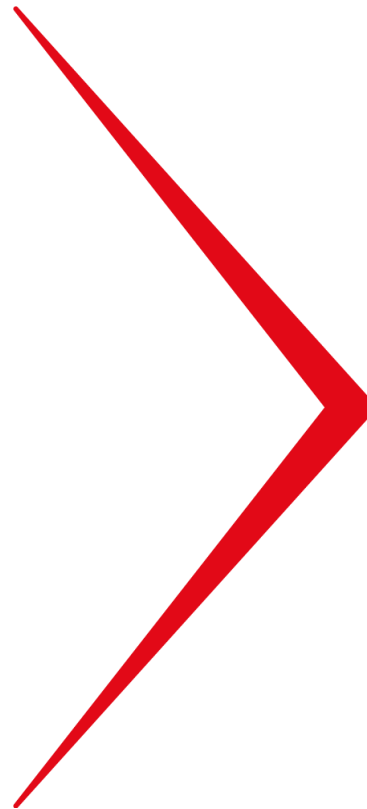
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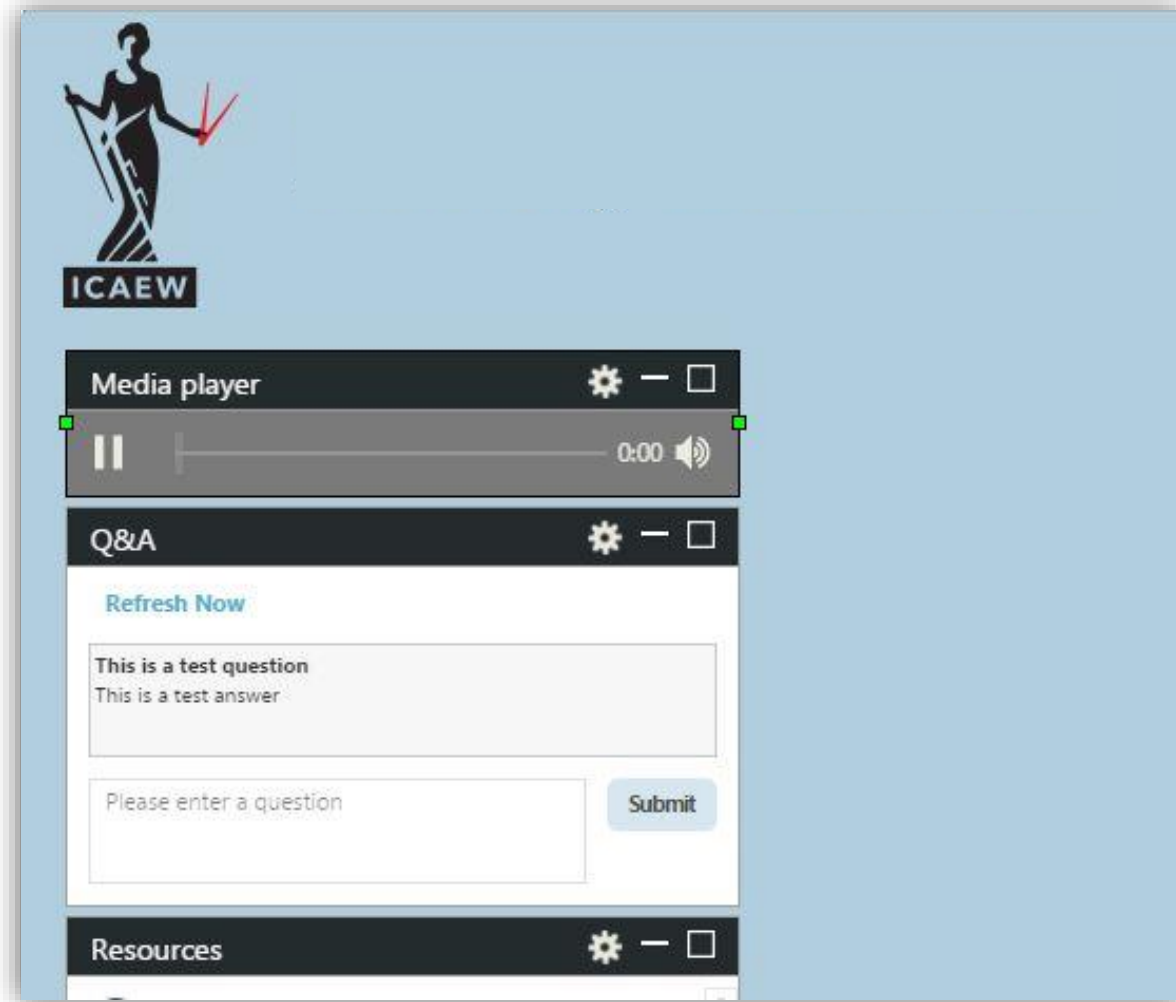


# *Today's webinar*



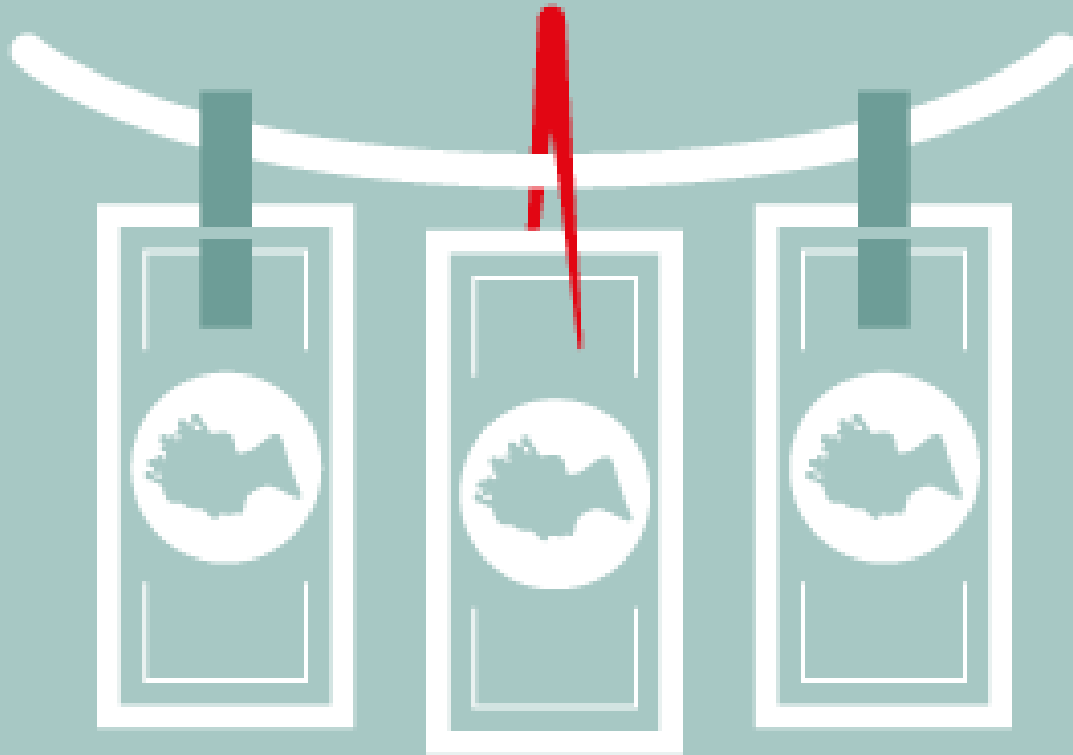
- Feedback on 2018 areas of focus
- 2019 areas of focus
- Findings from 2018 reviews
- Resources
- Questions?

# *Ask a question*



## ***Ask a question***

Type your question into the question box then click submit.



# *Money Laundering Regulations 2017*

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Reviews included:

- discussions with the money laundering reporting officer.
- evaluation of AML procedures, including the use of checklists for take-on and risk assessment.
- review of firm-wide risk assessments.
- review of training materials.
- review of AML compliance reviews.

# *Money Laundering Regulations 2017 – reminders*

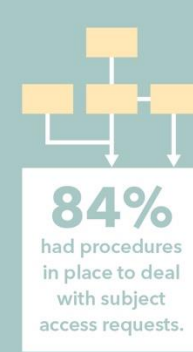
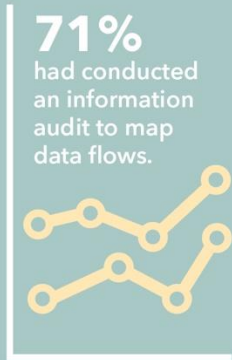
- Criminal record checks for beneficial owners, officers and managers (BOOMs):
  - original certificates
  - approval of new BOOMs
  - [icaew.com/criminalchecks](https://www.icaew.com/criminalchecks)
- HMRC's TCSP register:
  - [icaew.com/tcsp](https://www.icaew.com/tcsp)
- [icaew.com/moneylaundering](https://www.icaew.com/moneylaundering)



***GDPR***



## GOOD



**87%** of firms felt that they had appropriate action plans in place to mitigate any risks identified.

**14%** who had not appointed a data protection lead or DPO internally, planned on using an external data protection adviser.



## COMMON



## ROOM FOR IMPROVEMENT



\* Article 5 sets out the seven key principles (lawfulness, purpose limitation, data minimisation, accuracy, storage limitation, integrity and confidentiality and accountability) in relation to data held.

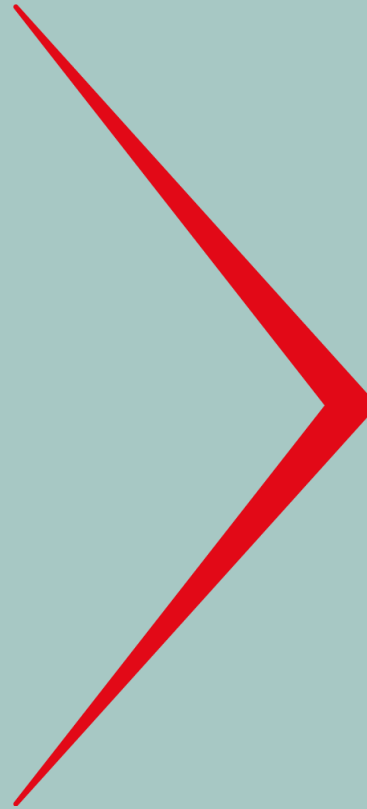
\*\* The right to be informed, to access, to rectification, to erasure, to restrict processing, to data portability, to object and the rights related to automated decision making including profiling.

# *GDPR take-aways*

- Consider what data is retained, for how long and where it is stored.
- Ensure data security policies and procedures are up to date.
- How are you transferring data to clients?
- Have your engagement letters been updated since the GDPR came in?
- Training – are all staff aware of your current policies and procedures?

## **Resources**

- [icaew.com/gdpr](https://icaew.com/gdpr)
- [ico.org.uk](https://ico.org.uk)



*Gifts and hospitality*

# *Gifts and hospitality*

- Range of policies covering audit and non-audit clients.
- Monetary limits for gifts at £25 - £100 for audit clients (slightly higher limit for non-audit clients).
- Monetary limits for hospitality at £25 - £200 per head for audit clients (higher limits for non-audit clients).
- Processes in place to monitor declarations and ensure compliance.

# *2019 areas of focus*



- Conflicts of interest
- Whistleblowing/speaking up
- Payroll



# *Conflict management*

# *Identifying and managing conflicts*

- A conflict arises when a member's ability to act loyally for their client is or might reasonably be perceived to be affected.
- An accountant in public practice is not prohibited from acting in situations where there are conflicts but the test is whether a reasonable and informed observer would perceive that the objectivity of the professional accountant or their firm is likely to be impaired.

# *Conflict management – take-aways*

- Have policies and procedures in place:
  - identify conflicts
  - what action is needed
  - safeguards
- Include identification of conflicts of interest in client take-on procedures.
- Staff:
  - identify and monitor relationships between staff and clients
  - think about training your staff in this area
- ICAEW ethics helpline +44 (0)1908 240 250.
- [icaew.com/ethicsguidance](https://www.icaew.com/ethicsguidance)





# *Whistleblowing*



## *A definition*

A worker raising a concern about wrongdoing, risk or malpractice with someone in authority either internally and/or externally (eg, regulators, media, MPs).

*Source: Protect*

# *Key areas*

- Policies and procedures:
  - clear and understandable
  - what is a concern and who to tell
  - ensures confidentiality
- Staff and training:
  - open culture/tone from the top
  - communications
- Monitoring and investigating incidents:
  - who/how
  - logs and follow up



# *Payroll*

# *Key areas*

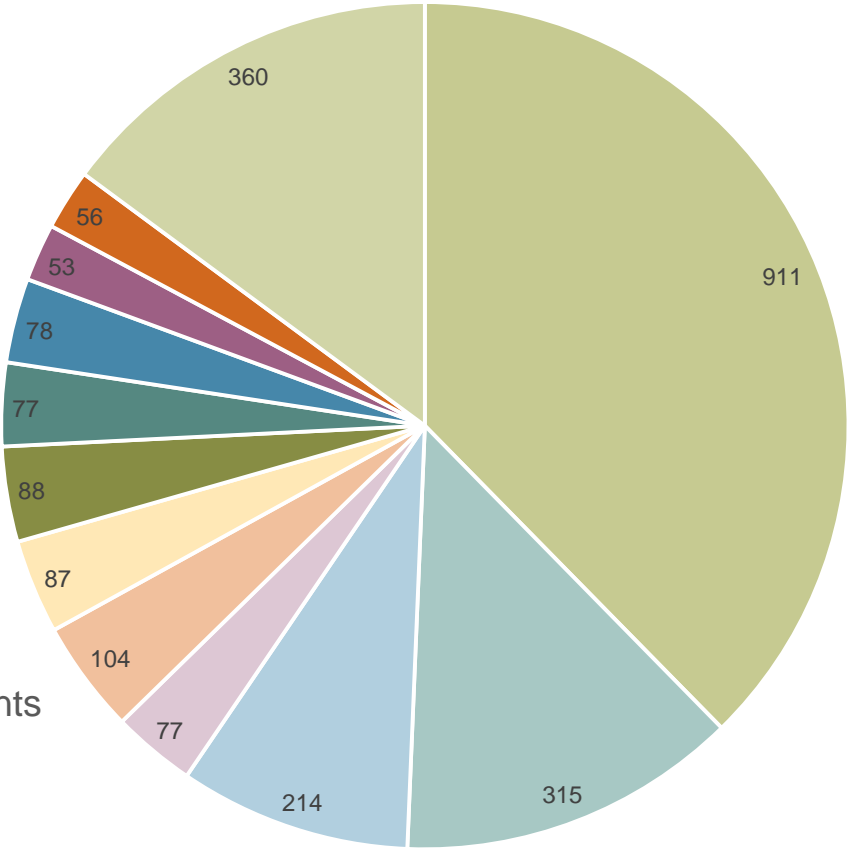
- Services
- Staff
- Software
- Documentation of work and quality control procedures
- Payroll payments
- Auto enrolment
- Client file reviews



*What were the most common findings in 2018?*

# 2018 Top PA findings

- AML
- Client Money Regulations
- Data Protection Act
- Computer procedures
- Annual Return
- Eligibility
- Notifying ICAEW of changes
- PII
- Commission received
- Companies Act and other disclosure requirements
- Letters of engagement and terms of business
- Consumer Credit
- Other isolated findings



# *Quick reminders*

- Anti-money laundering:
  - DBS checks
  - whole-firm risk assessment
  - document your client risk assessments
  - keep client due diligence up to date – and document it
- Commissions and referrals:
  - identify them
  - tell your clients how much and get permission to retain
- Letters of engagement/terms of business:
  - fees and complaints
  - updated helpsheet ‘What if you have not issued an engagement letter?’



# *Quick reminders*

- Clients' money:
  - obtain a trust letter
  - do your reconciliations
  - don't deduct your fees without permission
  - don't use your office account for tax refunds
- Do your compliance reviews:
  - Practice Assurance
  - Clients' Money
  - Anti-money Laundering
  - DPB

# *Resources available to help you*

- [icaew.com/practiceassurance](https://icaew.com/practiceassurance)
- [icaew.com/moneylaundering](https://icaew.com/moneylaundering)
- Practitioner Business Advisor Community - [icaew.com/technical/pba-community](https://icaew.com/technical/pba-community)
- Technical Advisory helpline +44 (0)1908 248 250
- Regulatory eNewsletters



# *Q&A*

