

# keeping in touch



Pat Delbridge summarises the issues raised at ACCA UK's recent series of consultative meetings with practitioners.

■ Each year a series of consultative meetings for practitioners is held under the auspices of the Practitioners' Network Panel, in the form of lunches around the country. They have provided a valuable insight into causes of concern, feedback on specific issues and helped to shape the Network's future strategy.

In 2006, consultative lunches were held in Aberdeen, Birmingham, Croydon, Leeds and Southampton. Some of the common themes identified over the course of the meetings are highlighted below.

#### audit related issues

Whilst audit work was generally viewed in a negative light last year for the resources required in return for small profit margins, the general consensus this year is that practitioners want to do audit work – practitioners who had given up their auditing certificates are now thinking of re-applying.

However, those with auditing certificates are struggling to obtain audit work or to keep it because of the APB Ethical Standards. A lack of audit work is still seen to impact on the ability to recruit and retain staff and one practice has formed an audit consortium with a London practice to deal with that problem. There is concern for the future of audit work in small practices.

#### Professional Oversight Board

There was good awareness of the work of the Professional Oversight Board (previously called the Professional Oversight Board for

Accountancy) and the need for care in filing company accounts. However, attendees were more interested in the Professional Oversight Board prosecuting unqualified accountants who filed incorrect accounts than qualified accountants who filed incorrect accounts.

#### Carter Report

These lunches were held before Lord Carter revised his recommendations on filing dates. At the time, there was a mixed response to the Carter Report with some attendees appalled by the recommendations whilst others were pleased that they might have Christmas off.

#### continuing professional development (CPD)

There was no change in the views of practitioners with regard to CPD provided by ACCA – it is still considered to be good value for money but there is still criticism that certain courses are only held in London.

#### staff recruitment and retention

One of the biggest concerns cited by practitioners was staff recruitment, retention and training. The quality of candidates in the job market is seen as very poor. Practitioners attributed this to the fact that many candidates had been trained with Big 4 firms, which resulted in specialised skills rather than the more varied skills set required in a small practice. Other problems related to staff not wanting to take on additional responsibility or become partners. Practitioners attributed this to a perceived poor work ethic amongst the

younger generation and a preoccupation with work-life balance.

The concerns about staff recruitment and retention were much more pronounced this year although the focus was more on the impact of this problem on running their practices right now and less on succession planning concerns which had been the main emphasis last year.

As with past years, the inability to recruit and retain staff if audit experience is not available was discussed. Accountants would rather work for Big 4 firms because they offer audit work – even though working for them is likely to be at the expense of partnership opportunities.

#### money laundering

Practitioners are more comfortable with the money laundering regulations than they were last year, with some filing NCIS reports on a regular basis in line with average figures. There is less resentment of the regulations and none has had any response from any of the NCIS reports filed. Rumoured confidentiality breaches by HMRC inspectors did cause concern although none had experienced such breaches themselves. There is still a lack of clarity on whether an NCIS report is always required.

#### HMRC

HMRC was very heavily criticised – much more so than last year. In Southampton HMRC was considered the biggest problem facing practices. HMRC's refusal to issue receipts for returns, the barriers it has set up to practitioners being able to speak to tax

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## practice marriage bureau

inspectors (much less form a relationship with one), its delays in processing 64-8 forms, and the issuing of incorrect penalty notices have culminated in sometimes ferocious comments from practitioners.

On a positive note, the online filing of returns works well and is widely used. Some practitioners are billing HMRC for professional fees involved in resolving incorrect penalty notices.

### competition

The overwhelming concern was the lack of distinction between qualified and unqualified accountants in the eyes of the public. Attendees in many of the venues believe ACCA should continue to lobby to protect the term 'accountant' and should promote the work of qualified accountants.

Unqualified accountants are the biggest source of competition. The attendees at last year's lunches were happy for the unqualifieds to pick up the bottom end of the market but some of the attendees at this year's lunches are losing clients to unqualifieds and want greater action by ACCA.

### moving forward

Consultative lunch meetings will be held in 2007 although venues have yet to be confirmed. If you would like to participate, please e-mail me at [patricia.delbridge@uk.accaglobal.com](mailto:patricia.delbridge@uk.accaglobal.com). ■

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