

IAB UPDATE

A message from Malcolm Trotter, IAB Chief Executive



WE ARE ALREADY in the second month of an election year and I hope that it is proving a successful one for you.

Have you visited the 'IAB Privileges' web pages lately?

There you will find a long list of services, several of which have Price Promises guaranteeing to be the lowest in the UK (also see article below). Whether you have already renewed your IAB membership subscription for 2015 or are yet to do so, please do take the time to review the benefits, and I believe that you will see how beneficial it is to be an IAB member.

In this edition we have an item relating to the use of social media in the accounting profession and another regarding a peer support group called Friends

of Auto Enrolment. Also, exclusively for IAB members, we have arranged for CIPP to provide a Payroll Update Seminar relating to both Auto Enrolment and Shared Parental Leave.

The IAB continues to be very active in representing its members at national level, for example at HMRC, Treasury and Central Government consultation events. In the lead-up to the General Election this year – and when there is other opportunity to do so – we will also be active in making known to the main political parties our points of view on matters relating to small business, finance, taxation, banking and vocational education.

I wish you every success in 2015.

Malcolm Trotter, IAB Chief Executive

Don't forget to renew your membership

The IAB would like to remind members that renewal notices have now been dispatched so if you have changed your address and not notified the IAB or not received your notice please contact us as soon as possible.

Please remember that however you choose to renew your membership you must also return the Renewal Remittance and Update slip to us in order to validate your membership for 2015. Your membership number is not automatically printed on the slip so please add this so we are able to identify you and validate your membership (your membership number is on the top of your renewal notice). The slip can be returned by post or a scanned copy can be sent to membership@iab.org.uk.

If you would like to pay online you can do this by going to the following links:

- For overseas members: <https://iab.studypay.co.uk>
- For UK members: please login to the restricted area of the IAB website (<http://www.iab.org.uk/users/login>) and click on the annual subscription renewal tab.

If you have any queries regarding membership renewal please contact the membership team on membership@iab.org.uk, or call 01732 897750.

Benefits of IAB membership

Here is a review of some of the benefits available to you as an IAB member:

- Entitlement to use the IAB's designatory letters after your name, elevating your status to the most professional level in the industry.
- Regular email newsletters and print magazines to keep you up to speed with all the latest news, industry and legislation developments.
- Opportunities to continue your professional development through seminars and online modules – enabling you to learn new skills. Accountingcpd.net and The Professional Training Academy both offer members discounts on a range of online courses.
- Register to be supervised as a member in practice under the Money Laundering Regulations 2007*.
- Best practice advice: your members handbook is packed with invaluable information and sample documents to save you time such as Letters of Engagement, Compliance Checklists, etc.
- Access any technical advice you need from a team of experienced members.
- Preferential rates for personal and business insurance, discounts on business and lifestyle goods and services brought to you by IAB Privileges – a source of genuine savings that can easily exceed the IAB annual subscription.
- Special discounts on Sage products. For any new purchase of Sage 50 products, including Sage 50 Accounts and Sage 50 Payroll, the IAB have negotiated a 25% discount from the RRP.
- LEBC is a national independent financial adviser firm, who offer IAB members impartial solutions, at preferential rates, to guide you and your clients through the

highly complex and challenging legislative requirements of auto-enrolment. For more see www.lebcgroup.com.

- The IAB has partnered with LILA of Liverpool to offer English language and professional training courses at a discounted price. All members, students and staff of accredited centres are entitled to a 12.5% discount on any course offered by LILA. See www.lilalovetolearn.com.
- Members, accredited centres and businesses in which members are employed can gain access to a special discount on translation services offered by INTERLINGUAE, a leading international accredited company providing translation and interpreting services. Go to www.interlinguae.com.
- Net Lawman stocks a large collection of legal document templates online, from service contracts to draft minutes and notices for company meetings, that can be used by you or your clients. All documents are written in plain English and come with guidance notes, making editing easy. Net Lawman offers IAB members a 20% discount on any document templates. See www.netlawman.co.uk.

*These Regulations require that those who provide accountancy, bookkeeping and payroll services to clients to be registered. This applies to all those who provide such services for payment (however small) on a self-employed or other business basis. IAB Members and Fellows offering services to clients must apply for an IAB Certificate of Compliance (for an additional fee) that will ensure that they will be registered with and supervised by the IAB. Associate members must apply for a Certificate of Supervision. Failure to comply with the Regulations may lead to prosecution. To apply for a certificate please contact the Membership team via e-mail (membership@iab.org.uk) or by telephone 0844 330 3527 to register your interest and an appropriate application form will be sent to you as soon as possible.



The Word from Sarah



Join the revolution!

Every once in a while a wave of change sweeps through a profession or industry, bringing with it much-needed benefits to all those working at its heart. On this occasion I write in terms of the tidal wave that is about to hit the bookkeeping profession. For too long bookkeeping in the UK has been perceived as a cottage industry and not the skilled occupation that it is.

At Pure Bookkeeping our mission is “to transform the bookkeeping industry by helping great bookkeepers grow their business by empowering clients around their finances”.

I worked hard to gain my qualifications and have put in the required ‘years’ of experience, but the response I get from people if I tell them I’m a bookkeeper is typically underwhelming. This is even more marked when I compare with to the almost revered response accountants receive.

How have we let this happen? We can’t blame anyone other than

ourselves, when we present ourselves as mere ‘data inputters’, not the highly trained professionals that we are, and if we don’t charge accordingly we are only feeding this poor perception.

Stop this behaviour now! You empower small business owners around their finances, you are a key part of any business and you should be rewarded fairly. At Pure Bookkeeping we’re not only here to help you grow your business, but we are also here to give you the tools to grow your confidence.

We recently ran a series of seminars and I would like to take the time to welcome on-board all those that have decided to join the Pure Bookkeeping Team and urge those of you who are yet to sign up to take full advantage of our discount.

Register now for one of our upcoming Seminars or Webinars and I guarantee I can help you grow your business. Remember to use the code ‘IABWEB1NAR’ for or ‘IUSEM1NAR’ when you register for your discount.

So let’s stand up and make a difference together!

Love to know your thoughts,

Sarah Palmer, Pure Bookkeeping



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Sign up for the Auto-Enrolment/Shared Parental Leave seminar

The IAB is holding an Auto-Enrolment and Shared Parental Leave seminar on Tuesday 17 March 2015. The seminar will take place at 30 St Mary Axe, London EC3A 8EP (The Gherkin). There will be a presentation on auto-enrolment in the morning provided by LEBC, a national independent financial adviser firm, who will be speaking about helping SMEs and micro businesses plan for success.

The CIPP will then provide a half-day training course in the afternoon on shared parental leave and pay.

Who is the CIPP course aimed at?

This course is aimed at payroll managers, supervisors or individuals who are responsible for either managing or processing company payrolls. It will suit individuals from payroll, HR or finance as well as service delivery managers who manage this function on behalf of other organisations.

This is a half-day course filled with detailed information regarding shared parental leave. At the end of the presentation attendees will know what leave if any, employees are entitled to, when this can be taken, by whom, what notice periods are required, what options are available and what

processes are required to ensure that they meet their statutory obligations to their employees, HMRC and their employers.

Course content

- Shared parental leave
- Impact on maternity leave and pay
- Who can take this?
- How does this impact paternity pay and leave?
- New rights for fathers/partners
- Ante-natal appointments
- Changes to notice periods
- Paternity and maternity
- Time limits to take shared parental leave
- What is the flexibility?
- Period employees can be at work
- What impact this will have on shared parental leave/pay?
- Effect on keeping in touch days
- Protection and rights while on shared parental leave
- What applies to each parent?
- Adoption leave and pay
- Changes to adoption pay
- Time off to attend meetings
- Changes to age limits

- New rules for parents in surrogacy
- Criteria to be eligible
- Pay and leave
- Statutory rules and regulations
- Processes and documents

Course aims

On completion of this course delegates should be able to:

- Fully understand all the changes to the shared parental leave
- The flexibility that this gives both parents and employers
- What impact this has to maternity, paternity and adoption leave and pay
- Who is entitled to the leave and what new processes are required

A full programme can be found at www.iab.org.uk/pub/Shared_Parental_Leave_&_auto-enrolment_seminar_-_programme.pdf

For more information and to book a place please contact Kelly Pike on kellyp@iab.org.uk or 01732 897750. Each attendee will receive one CPD point per hour.

Digital world creating stress for UK workers

Digital devices such as smartphones and tablets have resulted in longer working hours, higher levels of stress and the blurring of the boundaries between personal and working life, according to a new survey.

Researchers found that the so-called digital revolution has been bad news for employees, impacting on their health and happiness. The only clear advantage identified was a greater ability to attend 'immovable' family events such as a school sports day.

These one-off events were more than outweighed by reduced time spent with the family. Researchers at the University of Surrey examined 65 big studies on the subject, covering the experiences of about 50,000 employees. They found that handing out work phones and other gadgets to staff generally came with an expectation that employees were available for work at all times.

Few companies have clear policies about the limits of contacting staff in their free time, making it a virtual free-for-all.

The University of Surrey's Svenja Schlachter, said that many more companies needed to address the issue, or face the consequences of having a burnt-out workforce. "In the absence of a policy written down in black and white, employees tended to take guidance from their manager or their colleagues. If managers sent emails late at night, staff felt they were required to answer them,"



she said. "Employees generally showed great enthusiasm at first when they received phones from work but very quickly they felt an expectation was established that meant they had to be always available. They lost a sense of control and in the long-run it became a burden."

Smartphone technology is thought to have led to white-collar employees working an average of a full working day extra each week, and managers up to two days a week more.

Schlachter added: "Staying 'switched on' might increase flexibility and efficiency at first glance, but in the long run it can result in longer work hours and be detrimental to wellbeing due to stress and work-life balance issues."

Eight in 10 UK accountants use social media

The use of social media by UK accountants has seen a surge, up by almost 8% in the space of a year. The Wolters Kluwer UK Social Media Survey, which sampled the views of 1,300 accountants during October and November 2014, found that 83% of respondents are now using social media sites for professional and/or personal use. When the research was first conducted three years ago, the reported figure was just 69%.

Although social media was well established for personal use in 2011 it was a minority interest among accountancy firms. Now most large commercial companies and many accountancy firms have their own Twitter account.

"As a result, instead of asking 'do I need to bother with social media?' an increasing number of accountancy practices are asking about the best way to use social media," say the report's authors. "It is against this background that the Wolters Kluwer UK Social Media Survey has been conducted."

Mobility rules

To reflect the growing importance of mobile access, respondents were asked not just whether they accessed social media via PCs, phones and tablets but to state their preferences. Only 18% of those answering this question say they never access social media using a phone and less than a third (29%) say they never use a tablet.

	Never	Sometimes	Usually
Desktop or laptop	3%	46%	51%
Tablet	29%	44%	27%
Mobile phone	18%	36%	46%

Age, frequency and gender

Overall, more than eight in 10 survey respondents use some form of social media in either their professional or personal lives and the growing trend in usage is seen across all age groups:

Under 30: 100%
 Under 40: 94%
 Over 40: 79%
 Over 60: 55%

Accountants are also visiting social media sites more often. This year a third (33%) say they visit several times a day (19% in 2011) and another third visit at least once a day. Usage is higher among women. This year 89% of women report using it in either their personal or professional lives, as against 80% of men.

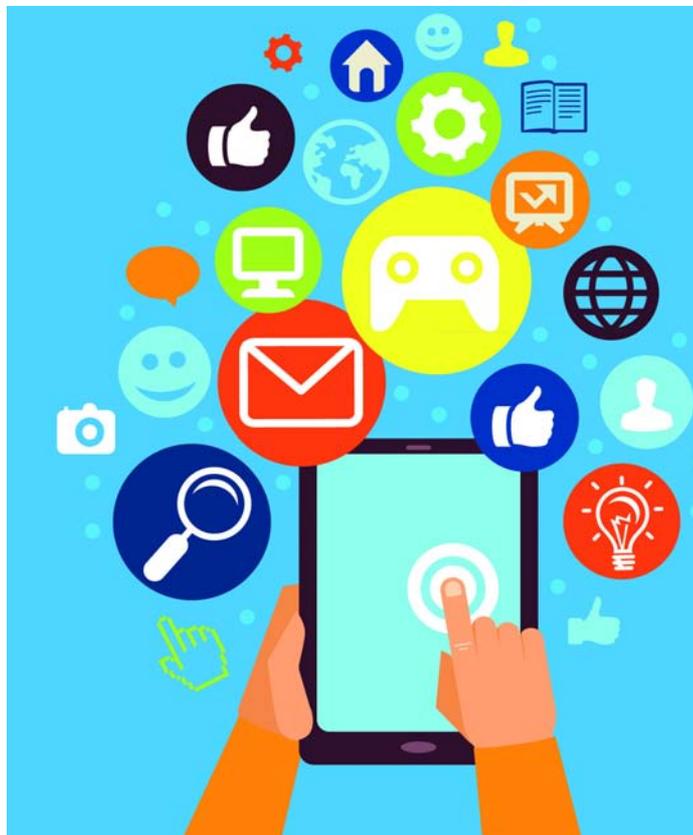
Listening and contributing

The vast majority of respondents characterise themselves as 'listeners' rather than 'contributors' to the social media world. In the previous three years the survey has been conducted the split has remained mostly static at 80:20 in favour of listeners. In the 2014 report the ratio has shifted slightly to 76:24. This suggests more accountants are using social media as a promotional platform rather than simply a way gathering intelligence and information from others. Among those that do not use social media at all, the largest group (58%) simply say they are not interested. The next largest group (33%) fail to see any benefit. When the survey was first conducted in 2011, 18% of respondents excused themselves on the grounds that they did not know how social media worked; the figure in 2014 has fallen to 11%.

In their additional comments a few respondents cite concerns over privacy, a reluctance to share information with others, and the dislike of being contacted by people they would not want to do business with.

Social media influence

• **LinkedIn:** Ever since the first Wolters Kluwer UK Social Media Survey in 2011, LinkedIn has consistently been rated the most important website for



professional use, with networking the clear winner for usage. However, only 27% of respondents say they use LinkedIn for building their commercial operations.

- **Twitter:** Usage has risen slightly among accountants in 2014, with 50% of respondents using it in their social or business lives and over a quarter (26%) for business alone. The most popular use is following individuals, groups and companies, followed by sharing knowledge and letting people know what they are doing. The influence of accountants in social media is also growing, with 53% saying they have more than 100 followers. Over a quarter (28%) have more than 400 followers.
- **Facebook:** The use of this virtually all-consuming site for personal communication and networking still remains low for business purposes. Although 80% of the Wolters Kluwer UK survey respondents use Facebook, just 18% of them do so for professional reasons and only 3% maintain an account solely for business purposes. Of those that do, generating business was the most popular use, just behind letting people know what they are doing.
- **Blogs:** Although they have the longest history of any types of social media, weblogs have consistently been one of the least used. Although usage figures are up slightly in 2014, over three-quarters (78%) do not use blogs at all.
- **Google+:** Almost three-quarters of respondents do not use Google+ at all, three years after its launch. The proportion using it for professional purposes remains unchanged from 2013 at 14%.
 "The simple truth is that the online conversation people are having about their accounting and tax needs will happen whether or not you take part in them," the report's authors conclude. "Social media sites play a valuable role in helping tax and accounting professionals share and acquire knowledge, establish their credentials, and extend and maintain their professional network."

The Friends of Auto Enrolment

There can be no doubt about the importance of pensions auto enrolment to the financial wellbeing of millions of people in old age. However, many organisations are increasingly concerned about how they will meet their employer duties and given the level of fines for non-compliance, it is understandable that those responsible for implementation are looking around for all the support they can get.

In response to widespread market anxiety with automatic enrolment, particularly around 'capacity crunch' issues, the Chartered Institute of Payroll Professionals stepped up to the plate and launched the Friends of AE on 16 January 2014.

Its central aim is to be 'a capacity crunch task force' and is open to any organisation that wants to help prevent the failure of automatic enrolment, including employers that wish to find support and guidance on how to overcome the many AE challenges they face. There are a number of benefits of joining the group, which the IAB is also actively involved in, including:

- The group is free to join.
 - Keep informed with the latest updates on auto-enrolment, with regular presentations from the Pensions Regulator at monthly meetings in London.
 - It provides the perfect platform for a discussion forum to speak with others about auto-enrolment and any issues that are occurring.
 - It offers an excellent mechanism for employers to find solutions
- Members are just asked to do whatever they can to help with the running of the Friends of AE itself and, of course, to work together to help employers tackle the many AE-related challenges they are facing.

Free membership is open to any organisation that:

- Wants to help AE become a success (or help to stop it becoming a disaster).
- Is comfortable working collaboratively, even with direct competitors.
- Has a pragmatic, action-orientated approach to getting things done.
- Has a Corporate Social Responsibility perspective to the work we do together.
- For further information and to find out how to join see

<http://www.cipp.org.uk/en/the-pensions-faculty/friends-of-automatic-enrolment/joining-friends-of-ae.cfm>

SMEs have just 12 months to go – see page 6



IFA to amalgamate with Australia's IPA

Members of the Institute of Financial Accountants (IFA) have voted to amalgamate with Australia's Institute of Public Accountants (IPA) to form the world's largest SME-focused accountancy organisation.

Catherine Chamberlain, Chairman of the IFA Council, said the merger would lead to three key benefits: greater efficiency, greater effectiveness and greater value for members. She said: "We in the IFA acknowledge that we need to secure stepped growth in our membership numbers and enhancement of our current operating model to give us a leading role as the voice both of SMEs and of small and medium-sized professional practices."

Both institutes focus their attention on the accounting and taxation needs of SMEs and small and medium sized accountancy practices. The autonomy and brands of each Institute will be preserved and, the office-bearers of each believe, amalgamation will "provide the foundation of a stronger, more powerful voice for members and the sector generally".

The IFA brand will continue to operate as part of the IPA Group, which will have a worldwide membership, including students, in excess of 35,000 across more than 80 countries.

Wendy Leegel, President and Chairman of the IPA, said: "We are very pleased with the overwhelming decision of IFA members to endorse the coming together of the IPA and the IFA. We expect now to see a managed and structured transition which will drive member value and achieve substantial efficiencies. We see this amalgamation as a development which will enhance both the public interest and the accountancy profession globally."

Skills shortage a threat to UK firms

A shortage of skills in the UK could hamper firms' plans to expand, according to a new survey. Of 500 firms contacted by researchers, 39% said a lack of skilled workers would have negative impact on their business, according to the ICAEW.

A potential shortage of skills was a bigger worry for firms in production – 46% of firms in the manufacturing sector voiced concerns over skills shortages.

Despite firms saying shortages would be costly, 75% of businesses said the government's European Union immigration policy is likely to have a little or no impact on them in 2015. "The immigration debate being played out is ignoring the business case, to its detriment," said Stephen Ibbotson, ICAEW director of business. "Most businesses are less concerned about the government's immigration policy than skills shortages in 2015. The question should be how can we up-skill our workforce instead."

SMEs: you have 12 months to go



A letter from The Pensions Regulator will be hitting 100,000 in-trays across the UK alerting small businesses that they have 12 months to go before their automatic enrolment duties come into effect.

In the first quarter of 2015 all employers – from chip shops to florists to newsagents and pubs – will receive a letter telling them the date their legal automatic enrolment duties start. Each employer – even those with one worker – has a date that is specific to them and this is called the staging date.

The Pensions Regulator is calling on advisers to be ready to help their clients with automatic enrolment as research by the regulator has shown the majority of small businesses will be seeking help from their accountants and bookkeepers.

Last year, the regulator announced five million workers had been automatically enrolled by nearly 43,000 employers. In the coming months and years, around four million more workers will be automatically enrolled by small employers across the country. Small employers are those with fewer than 50 workers.

The regulator will shortly be publishing the third in a series of quarterly bulletins showing the number of times it has used its powers. While the regulator takes an 'educate-and-enable' approach to ensuring compliance, deliberate or persistent failure is not acceptable. The regulator expects to see an increase in the use of powers – including £400 fines – as the size and type of employer changes.

The Pension Regulator's executive director of automatic enrolment, Charles Counsell, said: "Small businesses should leave 12 months to prepare – they may be more likely to leave things to the last minute – but doing this risks financial

penalty. It is better to leave extra time than not enough." Once employers know their staging date, they can then use the handy time line planner tool www.tpr.gov.uk/planner which will help show what they will need to do and by when www.tpr.gov.uk/staging. There is lots of information on the regulator's website www.tpr.gov.uk and it has recently been refreshed to make it easier for small employers to use.

Useful links

Help your clients prepare for automatic enrolment:

www.tpr.gov.uk/help-clients-prepare

The essential guide to automatic enrolment:

www.tpr.gov.uk/ae-essential-guide

Staging date tool:

www.tpr.gov.uk/staging

Nominate a contact:

www.tpr.gov.uk/nominate

Planning tool:

www.tpr.gov.uk/planner

Six-month checklist:

www.tpr.gov.uk/six-month

Subscribe to TPR's news by email:

www.tpr.gov.uk/subscribe

Free 'Meet A Mentor for Women' events

Are you a volunteer female enterprise mentor looking for a business to help, or a female business owner looking for mentoring support? Then 'Meet A Mentor for Women' is for you!

The Institute of Enterprise and Entrepreneurs (IOEE) and the Small Firms Enterprise Development Initiative (SFEDI) are pleased to announce free mentoring events for women taking place during February 2015.

SFEDI, IOEE and Government Equalities Office are working together to run a series of very special Meet A Mentor events for women in venues throughout the UK. We would be delighted if you could join us to help in celebrating, engaging and empowering female entrepreneurs in the UK. To further recognise your contribution all mentors and mentees attending these events will receive free Lifetime Affiliate Membership of IOEE. Locations and dates are below.

Places are strictly limited so we'd recommend signing up as soon as possible to secure your place. Book your free place by going to <http://ioee.uk/meetamentor>.

- Southampton – 5th February at Southampton Football Club
- Leeds – 18th February at Leeds Art Gallery
- Cardiff – 25th February (venue TBC)
- Birmingham – 25th March at The REP



Gold awards for IAB accredited centres

Further Education colleges and training providers from around the UK have been rewarded for their excellence by the IAB. Its UK Gold Centre Award programme celebrates further and adult education centres and other training institutions for their high performance, based on an overall assessment of pass rates over an extended period of time and across a range of IAB qualifications.

The 2014 ceremony took place at the House of Commons recently, when representatives of 21 centres from around the UK received their awards from Fabian Hamilton MP, President of the IAB and Janet Jack, Chair of the IAB Council.

"Education and training centres such as the ones represented at our 2014 awards give young people a vital head start in the world of business, as well as offering return to workers and those seeking a change in career support, encouragement and qualifications," said Hamilton. "It is only right that the skills and successes of the trainers of the bookkeepers of tomorrow are celebrated, and we are pleased so many were able to join us in Parliament to do that."

Malcolm Trotter, Chief Executive of the IAB, added: "As an organisation we are committed to promoting the highest standards of competence and excellence among bookkeepers, a body of



Top dogs: all the winners at the House of Commons event

professionals who play a key role in the day-to-day management and financial health of businesses of all sizes.

"Our accredited centres play a crucial part in our work, and those that have received Gold Awards have demonstrated consistently strong results over a long period of time. I congratulate them all."

The 2014 IAB Gold Centres are:

- Bromley Adult Education Centre
- Chichester College
- City of Bristol College
- Cornwall Adult Education
- Highlands College, Jersey
- Home Learning College
- Mary Ward Centre, London
- Newcastle College

- Northumberland CC Adult Learning Service
- Preston College
- Samuel Cody, Farnborough, Hants
- Skills and Learning Bournemouth and Poole
- South Staffordshire College
- South West College
- Southern Regional College
- Stockton Riverside
- Tameside College
- The Manchester College
- Thurrock Adult Community College
- Truro College
- Wiltshire College

The IAB's Ofqual accredited qualifications are available through 233 UK and 36 overseas centres.

Third of callers to tax helpline get cut off

Callers to the government's tax helpline are having to wait twice as long to speak to an adviser as a year ago, new figures have revealed. HMRC is under fire for providing an "unacceptable" level of service as it also emerged that, in a single month, more than two million callers had hung up before speaking to anyone.

It comes despite a previous warning from the spending watchdog, the parliamentary Public Accounts Committee, that HMRC needed to improve its "abysmal record" on answering calls and replying to letters.

Official data published by the Revenue showed that callers were on hold for an average of 10 minutes and 53 seconds in September, the latest month for which figures are available.

A year earlier in September 2013, the average waiting time for callers to its contact centre was 5 minutes 21 seconds. Over the same period, the proportion of calls answered in under 2 minutes halved from 50% to just 24%.

Callers phoning about their taxes had to wait an average of 11 minutes 51

seconds, up from 4 minutes 42 seconds. Those phoning about child benefit had to wait just over 9 minutes, more than three minutes more than a year before.

People contacting the department about their tax credits had to hold for more than 14 minutes, double the wait endured in September 2013.

There was also a huge jump in the number of calls that went unanswered. The number of callers hanging up before speaking to an adviser rose from 1,227,363 in September 2013 to 2,366,241 calls in September 2014.

This backs up research released last month by the consumer group Which?. Its researchers made 100 calls to the department's self-assessment and general inquiries helplines, but nearly a third were cut off "before we could speak to anyone".

Of the 71 calls that did get past HMRC's automated system, it took an average 18 minutes for the researchers to speak to a "real person", with one caller waiting for 41 minutes.

An HMRC spokesman said that the department was working hard to improve our handling of customer calls. "We are moving up to 1,500 extra people on to the phones during January as the self-assessment deadline approaches," he said. "HMRC receives 70 million calls a year and we know that some of our customers can struggle to get through on our helplines at very busy times."

He added: "This year we are introducing new technology to help us to answer more calls quicker at busy times, and we are improving the digital services we offer so that more customers can find all they need online. Customers can get help with general self-assessment queries by tweeting @HMRCcustomers."

Beware the perils of social media

A stockbroker has lost his job after boasting on Twitter that he had hit a cyclist in his car and driven off. Rayhan Qadar apologised for any offence caused by the tweet, which said: "Think I just hit a cyclist. But I'm late for work so had to drive off lol." Qadar now says he is 'shocked' after his 'joke' lost him his job.

Police were alerted and outraged Twitter users blasted the graduate, who worked for Hargreaves Lansdown in Bristol.

Despite a retraction and apology online hours later, the company said the comments were "totally unacceptable" and Qadar had failed to conduct himself "to the standards we expect of our staff", adding: "Upon becoming aware of this issue we have terminated this person's employment with immediate effect."

Qadar is not the first person to be dismissed for an ill-advised comment on social media – and he almost certainly won't be the last.

Obesity can be a disability, EU court rules

Obesity can constitute a disability in certain circumstances, the EU's highest court has ruled. The European Court of Justice was asked to consider the case of a male childminder in Denmark who says he was sacked for being too fat. The court said that if obesity could hinder "full and effective participation" at work then it could count as a disability. The ruling is binding across the EU.

Judges said that obesity in itself was not a disability – but if a person had a long-term impairment because of their obesity, then they would be protected by disability legislation.

The case centres on childminder Karsten Kaltoft, who weighs about 160kg (25 stone). He brought a discrimination case against his employers of 15 years,

Billund local authority, after he was sacked four years ago. The authority said a fall in the number of children meant Kaltoft was no longer required. But Kaltoft said he was dismissed because he was overweight.

The Danish courts asked the European Court of Justice (ECJ) to clarify whether obesity was a disability.

The ECJ ruled that if the obesity of the worker "hinders the full and effective participation of that person in professional life on an equal basis with other workers", then obesity can fall within the concept of "disability".

Rulings from the European Court of Justice are binding for all EU member nations. The courts in Denmark will now have to assess Kaltoft's weight to see if his case can be classed as a disability.



BBA to speed up auditing for thousands of businesses

Banks, auditors and hundreds of thousands of businesses, charities and other organisations will be able to harness a new online service, BBA Confirmations, to make auditing safer, faster, more secure and less stressful in the New Year. This new service should cut response times by up to 90% saving hundreds of thousands of businesses valuable time.

Whenever a company or other body wants to file their accounts their auditors must send an audit confirmation letter to the entity's banks – to check that the financial statements' figures are accurate.

Until now this process has been conducted using the postal service, often posing serious difficulties for the organisation filing its accounts:

- 40% of auditors say they have had to delay signing an audit opinion due to missing confirmations.
- 66% of clients have had to contact their bank due to a missing confirmation.
- the current system costs European organisations more than £250 million a year, auditors say.

This is why the BBA and technology partner Confirmation.com are introducing a new service that gives banks and auditors greater control of the audit confirmation process.

The new service will allow accountants to upload their audit requests to an online platform enabling banks to respond much more quickly. This could cut the time taken to confirm an audit from months to a matter of days. It will also provide visibility to customers over how they obtain audit confirmation letters, which are vital to complying with audit regulations. Confirmation.com is already the preferred provider for the American Institute of Certified Public Accountants and is endorsed by the American Bankers Association.

Anthony Browne, the Chief Executive of the BBA, said: "This safe new system will pull a key part of the auditing process into the 21st century. BBA Confirmations is a secure platform that will help banks, businesses, and auditors save millions of hours so they can get back to helping power the economic recovery."

Chris Schellhorn, CEO of Confirmation.com, said: "We are seeing rapid adoption of electronic audit confirmations in the UK and are thrilled to be working with the BBA to provide secure online audit confirmations to its members."

Samuel O'Connor, Commercial Director of Confirmation.com UK, said: "BBA Confirmations is a no-brainer as it reduces the time it takes to complete an audit confirmation from several weeks to a few days and eliminates costs for all parties."

See www.bbaconfirmations.com for more.

Terrible tax excuses – this time from HMRC

HMRC recently published 10 of the worst excuses from taxpayers for missing the 31st January tax return deadline. Here Baker Tilly shares some of the excuses given to it by HMRC for not dealing promptly with the affairs of taxpayers. A Baker Tilly spokesman said: "Judge for yourself whether these are funny, or a desperately sad indictment of an under-resourced government department."

1. Please can you call back in about an hour, Mr X (the Inspector) has just gone for a lie-down.
2. We can't issue your tax repayment, as shown in your Corporate Tax Self-Assessment, because it's on a work list.
3. It's in a pile and because it hasn't been two weeks since we received it we don't have to look at it yet.
4. Automated HMRC message: 'If it's less than four weeks since you submitted the return to us please call later'.

5. Automated HMRC message: 'We are very busy at this time' and the call cuts out.

6. Letter in connection with the taxation of a lump sum termination-of-employment payment and the underlying rationale for its payment as compensation: 'I cannot comment on employment law or the other [tax] references you make, but I can tell you what my [internal guidance] Employment Income Manual says.'

7. 'HMRC does not have the budget for the inspector to travel to the meeting'. The business had a complex R+D claim. It is HMRC's view that the best way of understanding the basis of an R+D claim is for the HMRC specialist to meet the business to understand the issues. The business was keen to have a meeting but HMRC said that they could not hold a meeting at the client's premises as the inspector dealing with the case was in a different part of the country and there was no budget for the inspector to travel to the client's premises.