



January - February - March 2025

# connect

The Institute of Accountants and Bookkeepers

# TRANSFORM

THE GROWING  
IMPORTANCE OF  
ESG FACTORS  
IN FINANCIAL  
REPORTING

**TRANSFORMING  
YOUR PRACTICE  
INTO A SCALABLE  
BUSINESS**

LESSONS LEARNED  
FROM AN AML  
INSPECTION  
JOURNEY

**IAB'S  
TRANSFORMATIVE  
VISION**

MAKING TAX DIGITAL:  
MODERNISING TAX  
TO MAKE IT EASIER TO  
GET IT RIGHT

**EMBRACING  
DIGITAL  
TRANSFORMATION**



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# Welcome



**W**elcome to the first 2025 issue of iabConnect. During 2024, we have focused on business development and global outreach efforts, which

I am pleased to say are now yielding promising results. Building upon the strong foundation and legacy of the IAB brand, we have worked hard to enhance our reputation while adapting to the ever-evolving demands of the market and the needs of finance professionals. Our objective goes beyond providing mere membership support – we aim to ensure that you are equipped with cutting-edge finance insights on a global level, empowering you to thrive in your profession.

Although the impact of global finance may not be immediately apparent in your daily life, the growing demand for education in markets where UK finance standards are highly regarded underscores the competitiveness of our industry. Our core mission centres on bridging the education gap through relevant qualifications that result in higher earnings, embodying the principle of earning while learning. Be on the lookout for our upcoming entry into the Apprenticeship space later this year, in response to the escalating market demand, building on the strength of our level 1 to 3 offerings.

In our Coffee Morning last September, I introduced our practice scalability framework, a process unveiled to steer members towards success by identifying challenges and offering practical strategies or solutions to overcome them. The pricing article highlighted in this issue is a testament to our dedication to delivering actionable content supporting your business journey. Stay tuned for a course, authored by myself, that aligns with our scalability framework, providing hands-on guidance and support.

Finally, I take great pride in the AML case study, featuring our member Iwona Iwanicka on pages 12 and 13, reflecting her compliance journey. While acknowledging the stress and resource challenges of staying compliant, the IAB approach, including the introduction of AML Complete, aims to provide ease and guidance rather than obstruction. I am delighted that Iwona found our support valuable, reinforcing our commitment to maintaining this standard of service for all our members throughout 2025 across all our offerings.

**Sarah Palmer**  
Chief Executive Officer

## Important Update: Changes to AML Training Requirements

# Did you know?

**IAB are not accepting AMLCC certificates as evidence of AML compliance training.**

*From 1st January 2025 members and any relevant staff will be required to provide certificates from IAB AML **Module 1** and **Module 8** when renewing their AML supervision.*

Module 1 and 8 free to IAB members



**Membership@iab.org.uk.**  
**For more information**

Making Tax Digital:

# Modernising Tax to Make It Easier to Get It Right

Craig Ogilvie, HMRC, Director of Making Tax Digital

At HMRC, we are committed to improving and modernising the tax system to ensure we deliver the high standard of service our customers expect, whether they are individuals, businesses, or agents. To achieve this, we aim to make it easier for customers to manage their tax and customs affairs independently, with minimal intervention from us. This includes supporting more customers to get their tax right the first time and encouraging them to self-serve online wherever possible.

Making Tax Digital (MTD) plays a crucial role in our efforts to modernise the tax system, enhancing accuracy, accessibility, and efficiency for all users.

## Making Tax Digital for Income Tax

We are excited about the significant contribution MTD for Income Tax will make towards achieving this broader transformation. It offers tangible benefits for our customers, both in the immediate term and for years to come. These include reducing errors, which in turn supports business productivity and growth across the UK. Furthermore, it ensures customers have up-to-date information to assist with business planning, delivers a better customer experience by transitioning records onto a new system, and secures vital tax revenue to fund public services.

The introduction of MTD for Income Tax will occur in two key phases:

# 50K

### Phase 1

**From April 2026:** Self-employed individuals and landlords with gross income (turnover) from self-employment and property exceeding £50,000 will be legally required to keep digital records. They will also need to send quarterly updates to HMRC using compatible software. A customer's total income from these sources during the 2024/25 tax year will determine whether they need to adopt MTD from April 2026.

# 30K

### Phase 2

**From April 2027:** The requirement will extend to those with a total gross income above £30,000.

For individuals and landlords with income below £30,000, participation in MTD will remain voluntary, enabling them to benefit from the system's advantages if they choose to sign up.

## Working Together to Test the Service

We recognise that this represents a substantial shift for everyone involved. That is why collaboration with agents, the software industry, and customers is essential to ensure a smooth rollout of MTD for Income Tax.

Thorough testing is a critical aspect of this collaboration. Our testing programme allows us to refine the service and gives agents and customers the chance to participate in its development. By engaging in this process, you will have the opportunity to work closely with HMRC's dedicated support team, equipping yourself with confidence ahead of the mandatory adoption of MTD in April 2026.

# “

**Making Tax Digital plays a crucial role in our efforts to modernise the tax system, enhancing accuracy, accessibility, and efficiency for all users.**

## Steps to Get Involved in Testing

If you are interested in helping to shape the future of MTD for Income Tax, here's what you need to do:



**Check Eligibility:** Visit GOVUK to review the eligibility criteria and identify clients who can currently participate in testing. While many customers are already eligible, those who are not will likely be able to sign up later in 2025.



**Consult Your Clients:** Speak with your clients to confirm their willingness to join the testing programme. Ensure they have suitable and compatible record-keeping software in place.



**Secure MTD-Compatible Software:** Verify that your software meets MTD requirements. A list of compatible options is available on GOVUK. You may need to liaise with your software provider to gain access to their MTD-compatible product.



**Sign Up:** Once ready, sign-up eligible clients for testing on GOVUK.

In addition, from April 2026, customers will have the option to authorise more than one agent, such as an accountant and a bookkeeper, to act on their behalf.

## Building on Success

The implementation of MTD for VAT has already demonstrated the benefits of digital transformation. Nearly two million businesses now use compatible software to submit VAT returns digitally, and satisfaction with our digital services consistently exceeds 80%. Businesses have frequently described the new process as straightforward and effective.

We are leveraging the lessons learned from our success with VAT to ensure an even smoother journey for customers transitioning to MTD for Income Tax.

## Preparing for the Future

Now is the time to start preparing for MTD for Income Tax. By participating in the testing programme, you can gain firsthand experience of the new system, ensuring a seamless transition when it becomes mandatory.

To learn more and begin your preparations, search for "Making Tax Digital for Income Tax" on GOVUK.



## The Benefits of Digital Record-Keeping and MTD

Digital innovation increasingly permeates every aspect of our lives, and HMRC is dedicated to making it simpler for everyone to manage their tax affairs digitally. MTD provides the foundation for technological advancements that will enhance the tax system for all users.

### Key Advantages

#### Improved Accuracy and Reduced Errors:

MTD requires customers to send quarterly updates of their income and expenses to HMRC, reducing the likelihood of errors. Research indicates that 67% of businesses believe using compatible software for digital record-keeping and VAT submissions reduces the potential for mistakes.

#### Streamlined Processes:

For those maintaining accurate, up-to-date digital records, generating quarterly updates will involve minimal effort. Compatible software can produce a "check and send" report with ease. By the time self-employed individuals and landlords file their tax returns, much of the information will already be ready for submission, saving time and reducing stress.

#### Enhanced Business Planning:

Having access to up-to-date, accurate financial information empowers customers to make informed decisions for their business planning.

#### Improved Customer Experience:

By consolidating customers' tax records onto a new platform, HMRC will enhance user experience and free up resources to provide one-to-one support for those who need it most.

#### Increased Revenue for Public Services:

By reducing errors and ensuring tax compliance, MTD will help to minimise unpaid tax, ultimately directing more funds towards essential public services like the NHS and contributing to the UK's economic growth.



xero

# A PRACTICE POWER-UP AT YOUR FINGERTIPS

Not only are Xero's plans easy to recommend to clients, they streamline workflows and automate all those time-consuming tasks too

Scan here to find out more



# The Growing Importance of ESG Factors in Financial Reporting

**Nick Hunt**, Elephants Child,  
Chief Strategy and Impact Officer.



In recent years, Environmental, Social, and Governance (ESG) factors have become integral to financial reporting, reflecting a global shift toward sustainability and responsible business practices. With stakeholders, including investors, regulators, and consumers, demanding greater transparency, finance professionals now play a pivotal role in incorporating ESG metrics into financial statements and advising businesses on sustainable strategies. This aligns with the broader movement towards purposeful business models that focus on impact beyond profit.

## ESG in Financial Reporting – Progress and Priorities

The incorporation of ESG factors into financial reporting has moved from being a trend to a necessity. Investors increasingly view non-financial performance as a critical measure of a company's value, recognising that sustainable practices drive long-term stability and mitigate risks. Companies addressing environmental challenges, such as climate change, are less likely to face regulatory or reputational setbacks. Similarly, strong social and governance practices help businesses attract talent, maintain customer trust, and avoid legal complications.

With ESG considerations becoming central to investment decisions, the demand for clear and consistent disclosures has grown. Stakeholders expect transparent reporting to inform their decision-making, creating an urgent need for accurate and aligned ESG integration. This is where finance professionals come to the fore, ensuring ESG metrics are not only embedded within financial reporting but also meet the expectations of stakeholders.

## The Role of Finance Professionals in ESG Reporting

Finance professionals are uniquely equipped to lead the integration of ESG factors into financial reporting. Their expertise in financial analysis, compliance, and risk management provides the foundation for effective ESG reporting. However, this expanding role requires an understanding of industry-specific ESG metrics and the ability to translate them into meaningful financial data.

For example, carbon accounting has become an important area for many businesses. Specialist platforms such as *seedling.earth* and *greenly.earth* offer robust tools that cater to small and medium-sized enterprises (SMEs), simplifying the process of tracking and reporting carbon-related data. Leveraging such solutions can enable finance professionals to integrate accurate metrics into their clients' financial statements.

A solid grasp of ESG frameworks, such as the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB), is also essential. These frameworks provide guidance for disclosing ESG performance in a way that aligns with industry standards and stakeholder expectations.

Beyond reporting, finance professionals can advise businesses on sustainable practices that enhance their environmental impact, social contributions, and governance structures. This proactive role not only helps clients comply with regulations but also positions them as forward-thinking organisations. Collaborations with consultants such as Elephants Child and Murmuration Partners can provide additional support in integrating ESG into a broader business growth strategy.



## Overcoming Challenges and Seizing Opportunities

**elephants child**  
GROWTH | DEVELOPMENT | PROFIT

While ESG reporting brings significant opportunities, it also presents challenges. One of the most pressing issues is the lack of standardisation across ESG frameworks, which can make it difficult for businesses to determine the most relevant metrics. This inconsistency complicates reporting and can hinder comparability for investors.

However, these challenges highlight the value finance professionals bring to the table. By staying informed about evolving ESG standards and best practices, they can guide businesses through the complexities of reporting and ensure their disclosures are both comprehensive and compliant. In doing so, they help businesses navigate regulatory requirements while building credibility with stakeholders.

As ESG factors take on an increasingly central role in financial reporting, finance professionals are well-positioned to lead the charge. Their contributions go beyond enhancing the value of financial reporting, they play a key role in fostering sustainable, responsible business practices that benefit not only companies but also society and the environment. The future of finance is no longer just about managing numbers, it's about ensuring those numbers make a difference where it matters most.

# Pricing your Practice to become a **SCALABLE** business

**M**ost finance professionals believe they're in the business of bookkeeping, accounting, or compliance. But that's not entirely true. You're not just running a business - you're building a system. A system that works not because of you, but in spite of you. A system that delivers value predictably, profitably, and purposefully.

At the heart of that system lies your pricing strategy.

Pricing isn't simply about charging for your time or services. It's about crafting a process that ensures your business operates like a well-oiled machine. It's about creating a structure that functions independently, delivering consistent service to your clients while giving you the freedom to focus on growth.

If you're ready to stop being stuck working in your business and start working on it, mastering your pricing is the first step. Let's explore how.

## **1. Fixed Fees: The Foundation of a Scalable System**

In the day-to-day grind of running a practice, it's easy to slip into reactive mode. Hourly billing is a trap - it ties your income directly to your time and forces you to constantly justify

your worth. Fixed fees, by contrast, create predictability. Predictability for you, your clients, and your business.

Fixed fees are more than just a pricing model; they are a process. They allow you to systematise how you package, price, and deliver your services. With fixed fees, you can clearly outline what's included, avoid surprise invoices, and align your offerings with client expectations. No more scrambling to calculate hours or negotiating invoices. Instead, you create a repeatable system that runs efficiently.

The key is defining your fees properly. You must understand your costs, margins, and capacity. Fixed fees aren't about "charging less to keep clients happy"; they're about creating a win-win structure that supports growth through clarity and consistency.

## **2. Monthly Retainers: Creating Recurring Revenue**

Imagine a business where your bank account is replenished monthly, without the need for chasing invoices or worrying about cash flow. That's the power of monthly retainers.

Retainers not only provide cash flow consistency but also foster predictability.

By offering tiered packages (e.g., basic, standard, premium), you

create a scalable pricing structure. Each package becomes a defined product, easy to market and replicate.

For instance, a basic package might cover essential bookkeeping, while a premium package could include strategic advisory services and bespoke reporting. By 'productising' your services, you move beyond being "just an accountant" to becoming a trusted business partner offering dependable solutions.

Be cautious of scope creep, however. Without clear boundaries, you risk doing more than you're paid for. Defined deliverables, regular reviews, and structured processes ensure you remain in control.

## **3. Value-Based Pricing: Designing for Differentiation**

Every business needs a unique selling proposition - something that sets it apart. Value-based pricing is your opportunity to differentiate yourself through outcomes rather than inputs. Clients care less about the work itself and more about the



**If you're ready to stop being stuck working in your business and start working on it, mastering your pricing is the first step**

results it delivers. Value-based pricing shifts the focus to what your services achieve for clients, such as saving time, reducing stress, or increasing profits. This model is particularly suited to advisory services, which finance professionals are increasingly incorporating into their offerings.

To succeed with this approach, you need systems to understand client pain points, communicate value effectively, and position your services as indispensable solutions.

#### 4. Contingency Pricing: Sharing Success, Managing Risk

What if your success were tied directly to your clients' success? That's the premise of contingency pricing.

This model aligns your goals with those of your clients: when they win, you win. It's ideal for projects with measurable outcomes, such as securing tax credits or raising capital.

**“The key is defining your fees properly. You must understand your costs, margins, and capacity. Fixed fees aren't about “charging less to keep clients happy” ...**

“

**Every business needs a unique selling proposition - something that sets it apart. Value-based pricing is your opportunity to differentiate yourself through outcomes rather than inputs**



Sarah Palmer,  
IAB CEO

However, contingency pricing isn't without risk. Success depends on clear agreements, well-defined outcomes, and disciplined execution. Treat it as a product with structured agreements and systematised processes to ensure it scales effectively.

#### Your Brochure: A System for Sales

A well-designed brochure isn't just a marketing tool - it's a system for communicating value and closing sales. Done right, it becomes a vital part of your pricing strategy.

- ★ **Define Your Packages:** Show clients exactly what they're getting; clarity builds trust.
- ★ **Emphasise Results:** Focus on how your services solve problems and deliver value
- ★ **Design with Intention:** A polished, professional brochure reflects the quality of your business.

#### Automating Payments: Stabilising Cash Flow

Chasing payments is a barrier to scaling. Automating payments, for instance through Direct Debit, transforms cash flow management. Predictable income

creates stability, enabling you to focus on growth - a critical component for any scalable business.

#### Final Thoughts: Build the System, Free Yourself

Your pricing strategy isn't just a list of numbers - it's the foundation of a scalable system. A system that delivers value predictably, supports growth, and allows you to focus on building a business rather than simply doing the work.

The question isn't "What should I charge?" but "How can I design a business that works?" Master fixed fees, retainers, value-based pricing, or contingency models, and you're not just running a practice - you're creating a business that serves clients, supports your team, and frees you to lead.



# How Cyber-Safe Is Your Business?

Jason Chaplin,  
Director, IT Backbone



Nearly half of all cyberattacks are directed at small businesses. As digital tools become increasingly vital to business operations, safeguarding sensitive financial data from cyber threats is critical. Finance professionals must adopt robust cybersecurity measures and comply with data protection regulations to protect themselves and their clients from potential risks.

## Five of the Most Common Cyber Attacks

- 1. Phishing Attacks**  
Cybercriminals use deceptive emails to trick individuals into divulging sensitive information or downloading malware.
- 2. Ransomware**  
This malicious software encrypts data, demanding a ransom for the decryption key. Financial data is a prime target for such attacks.
- 3. Insider Threats**  
Employees or contractors with access to financial data can unintentionally or intentionally compromise security.
- 4. Man-in-the-Middle (MitM) Attacks**  
During financial transactions, attackers can intercept and manipulate data being transmitted between parties.
- 5. Data Breaches**  
Unauthorised access to financial data can result in identity theft, financial loss, and legal repercussions.

## Government Regulations to Mitigate Threats

In the UK, various regulations help mitigate cybersecurity risks and protect financial data.

- ▣ **General Data Protection Regulation (GDPR):** Incorporated into UK law, GDPR mandates stringent data protection measures, including those related to financial information.
- ▣ **Data Protection Act 2018:** Complementing GDPR, this act ensures personal data is processed lawfully, fairly, and transparently.
- ▣ **Financial Reporting Council (FRC):** For public companies, the FRC enforces standards that uphold the integrity and security of financial reporting.
- ▣ **Payment Card Industry Data Security Standard (PCI DSS):** Businesses handling credit card transactions must comply with PCI DSS to safeguard cardholder data.

## Essential Cybersecurity Measures

To protect your business from cybersecurity risks, implementing robust measures and scheduling regular reviews is crucial.

- ➔ **Encrypt Data:** Secure sensitive information both at rest and in transit.
- ➔ **Enforce Access Controls:** Ensure only authorised personnel can access financial data.
- ➔ **Conduct Regular Audits:** Perform security reviews and continuously monitor systems to identify unusual activity.
- ➔ **Utilise Secure Software:** Adopt accounting and bookkeeping platforms with multi-factor authentication (MFA) and regular updates.
- ➔ **Employee Training:** Equip staff to recognise phishing attempts and securely handle sensitive data. People often remain the weakest link in cybersecurity.

## Cyber Challenges

As a financial professional, your focus is on delivering excellent service, not managing cybersecurity threats - something cybercriminals exploit. They often target:

- ◆ **Weak Password Practices:** Using easily guessable passwords or reusing them across multiple systems.
- ◆ **Mobile Devices:** Increased reliance on mobile technology raises the risk of unauthorised access to sensitive information.
- ◆ **Third-Party Vendors:** External partners may lack adequate security measures, introducing vulnerabilities.
- ◆ **Cloud Security Risks:** Migrating data to the cloud requires a thorough understanding of cloud security, including storage locations, security protocols, and compliance with UK regulations.

## Protecting Your Business

Emerging technologies provide new opportunities to strengthen cybersecurity in financial services. For instance:

- 🕒 **Blockchain Technology** is being explored in the UK to enhance the security and transparency of financial transactions.
- 🕒 **Artificial Intelligence (AI)** helps detect fraudulent activity and identify emerging threats.

However, these technologies must be complemented by comprehensive cybersecurity audits to identify risks and implement appropriate protections. Robust cybersecurity isn't just about tools and technologies - it's about creating a holistic approach to safeguard your business and client data.

# Embracing Digital Transformation: A Path to Success with AI, Machine Learning, and Data Analytics

Will Rush XBert, UK General Manager



The buzzwords *Digital Transformation*, *Automation*, and *Advisory* are practically everywhere. But what do these concepts truly mean for finance professionals? For many, they might seem like just another wave of jargon. However, understanding and embracing these ideas could be transformative for finance professionals and the small businesses they support.

## Digital Transformation: More Than Just Moving Online

It's easy to assume that most finance firms have already gone digital. After all, platforms like Xero, Capium, Intuit, and Sage are omnipresent, with advertisements on every street corner and TV channel. Yet the reality paints a different picture. According to a startling statistic from Xero, only a third of its users in the UK have even connected their bank feeds.

Connecting bank feeds is a fundamental feature - akin to discovering that only a third of people use a mouse with their computer. It's not just basic; it's essential!

While more businesses are adopting cloud-based accounting software and automated tools to streamline processes and reduce errors, many are still far from achieving effective adoption. Some firms continue to grapple with the basics, clinging to outdated methods and resisting change. It's as if they believe technology is out to steal their calculators or profits.

## The Rise of Digital Transformation Teams

To address this, many large and mid-sized firms - and even smaller ones - have set up *digital transformation teams*. These teams are tasked with guiding clients into the brave new world of cloud-based platforms and

reporting tools. Yet ironically, these same firms often struggle internally to adopt technology effectively. It's a case of the cobbler's children going barefoot.

However, exceptions exist. Some forward-thinking firms are not only adopting new technologies but are using them effectively, setting themselves apart from the competition. These trailblazers are embracing AI, machine learning, and data analytics, creating significant advantages in efficiency, productivity, and profitability. The message is clear: evolve or get left behind.

## AI and Machine Learning: Making Life Easier

For many finance professionals, diving into the "scary" world of AI feels like jumping into the deep end without knowing how to swim. But today, entry into AI is easier than ever. Familiar tools now integrate AI capabilities, automating tasks such as categorising emails or generating timely responses.

But does the real value of AI stop there? Hardly. According to a Deloitte report, AI could save businesses up to 70% of their time on data entry and reconciliation tasks. Imagine the hours freed up from the monotony of manual tasks, allowing finance professionals to focus on higher-value activities. The real potential of AI lies in saving time and unlocking the capacity for enhanced advisory services.

## Unlocking the True Potential: Advisory Services

Advisory services present a significant opportunity for finance professionals to leverage digital transformation. With AI and data analytics, firms can transcend basic compliance work, offering strategic insights that empower clients to make informed decisions.

AI can provide insights at scale while ensuring data accuracy through tools like XBert, which identifies anomalies and missing information.

McKinsey reports that data-driven organisations are:



These are not just impressive statistics - they're a wake-up call.

By incorporating AI-driven insights, finance professionals can deliver predictive analysis and proactive advice. Imagine telling a client, "Based on your cash flow and market trends, it's wise to prepare for a downturn in six months," instead of simply stating, "Your transactions are reconciled." That's the difference between being viewed as a necessary expense and being seen as a strategic partner.

Digital transformation may sound like an intimidating buzzword, but it's a necessary evolution for finance professionals. Embracing AI, machine learning, and data analytics isn't just about staying relevant; it's about staying ahead.

The firms that adapt and innovate will lead the charge, leaving others wondering where their clients have gone. So, let's not resist the future. Let's embrace it - one bank feed at a time.

# Lessons Learned from an AML Inspection Journey

**Iwona Iwanicka**  
MD, Iwona Accountancy Services Ltd



When I had my first Anti-Money Laundering (AML) inspection over three years ago, it was an eye-opening experience. Having run my practice for over a decade, with seven employees and more than 200 clients, I thought I had been managing AML compliance fairly well. However, the inspection revealed otherwise.

The process was far more thorough than I had anticipated, lasting four hours and involving a series of detailed and challenging questions. I naively hoped the report would suggest only minor improvements. Instead, I was faced with eight mandatory actions and a sobering “Requiring Improvement” assessment. It was a stark wake-up call for me and my practice.

## Turning Challenges Into Opportunities

The outcome of the inspection forced me to take a hard look at how my business approached AML compliance. Initially, the magnitude of the changes required felt overwhelming. Yet, I knew these changes were essential to ensure my practice operated with integrity and met regulatory standards. To tackle this challenge, I engaged external consultancy support to help us navigate the process and implement the necessary improvements.

One of the first steps I took was a full audit of my client base. This included categorising each client based on risk levels and developing a detailed risk register. This exercise not only helped me prioritise compliance efforts but also provided a clear overview of where vulnerabilities might lie.

To enhance and streamline our compliance processes, I turned to technology. I adopted SmartSearch, which offered robust AML tools such as Know Your Customer (KYC) checks, Politically Exposed Persons (PEP) and sanctions screening, ongoing monitoring, and enhanced due diligence. Its live alerts and facial recognition features brought a new level of accuracy and efficiency to our operations, saving countless hours of manual work.

Additionally, I implemented AML Complete, a platform that provided regular due diligence alerts, a sophisticated risk assessment module, and comprehensive staff training resources. These tools not only bolstered our compliance measures but also empowered my team with the knowledge and confidence to handle AML responsibilities effectively.

## Embedding AML into Everyday Practice

At first, integrating these changes into our business was a significant challenge. It required a considerable investment of time, effort, and resources, which felt daunting. However, as these procedures became ingrained in our daily operations, their value became increasingly evident.



**I naively hoped the report would suggest only minor improvements. Instead, I was faced with eight mandatory actions and a sobering “Requiring Improvement” assessment.**

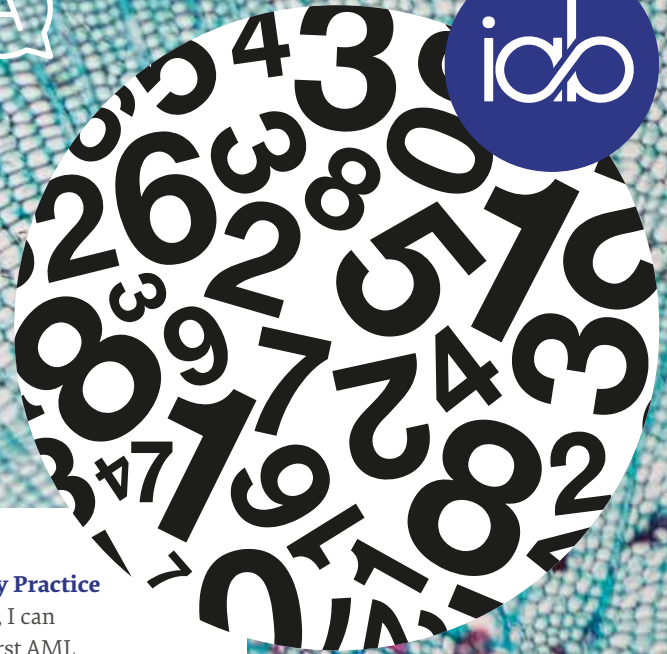
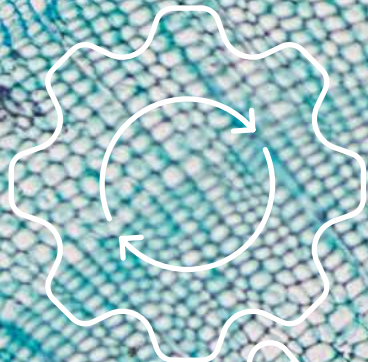


**Our clients began to notice the higher standards we upheld, and their trust in our professionalism grew. Over time, these changes not only enhanced our operational efficiency but also elevated our reputation in the market.**

The new systems and processes provided structure and clarity, making compliance a seamless part of our routine. My team developed a far deeper understanding of AML requirements, fostering a culture of accountability and vigilance. Our clients began to notice the higher standards we upheld, and their trust in our professionalism grew. Over time, these changes not only enhanced our operational efficiency but also elevated our reputation in the market.

By the time of our second inspection in 2024, the results spoke for themselves. I was immensely proud to receive an “Outstanding” assessment, a testament to the transformation we had achieved. A key factor in this success was the development of bespoke AML policies tailored to my practice. Previously, I had relied on generic templates, which proved insufficient during the first inspection. Customised policies not only ensured compliance but also deepened my understanding of AML and its importance in safeguarding the financial system.





## Key Takeaways for Preparing for an AML Inspection

Drawing on my experience, I'd like to share three essential pieces of advice for anyone preparing for an AML inspection:

# 1

### Integrate AML into Daily Operations

Compliance shouldn't be treated as an afterthought or a periodic exercise.

Make AML processes an integral part of your day-to-day operations. This proactive approach reduces stress during inspections and ensures your business remains compliant at all times.

# 2

### Leverage Industry Resources

Professional bodies like the IAB offer invaluable resources, from inspection guides to training materials. These tools can provide clarity, structure, and practical advice as you prepare for an inspection. Take full advantage of what's available.

# 3

### Customise Your Policies and Procedures

Avoid the temptation of relying on generic templates. Tailored policies that reflect the unique nature of your practice are far more effective in meeting regulatory requirements and demonstrating your commitment to compliance.

### A Brighter Future for My Practice

Reflecting on this journey, I can confidently say that my first AML inspection was a turning point for my business. While the initial findings were difficult to accept, they served as a catalyst for meaningful change. Today, compliance is not just a regulatory obligation but a core aspect of how we operate.

The journey from "Requiring Improvement" to "Outstanding" wasn't easy, but it was undoubtedly worthwhile. The investment in time, tools, and training has paid dividends, not only in improved compliance but also in enhanced client trust and a stronger reputation. My advice to others is simple: see inspections as an opportunity to improve, invest in the right solutions, and never underestimate the value of a tailored approach. The rewards for your practice, your team, and your clients are well worth the effort.

This experience has not only strengthened my business but also my resolve to uphold the highest standards in the industry. I hope my story inspires others to view AML compliance as a pathway to growth and excellence.



Empowering the  
Future of Finance:

# IAB's Transformative Vision



**T**he financial profession is currently experiencing a significant transformation, and the IAB is at the forefront of this paradigm shift by modernising qualifications to meet the demands of a changing marketplace.

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## Transformative Vision of the IAB

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## Integration of Emerging Topics

Michelle highlighted the integration of emerging topics such as data analytics and ESG (Environmental, Social, and Governance) reporting into the curriculum. These updates will equip students not only with technical expertise but also with the skills to engage in strategic discussions that influence business decisions.

She emphasised the significant changes in areas like payroll, which has evolved from a simple administrative task to a highly digitised function requiring a focus on advisory services. Finance professionals now need to apply their expertise across various business areas and adopt a consultative approach to drive value across the organisation.



## Broadening Horizons Beyond Finance

Recognising the need for versatility in the future of work, the IAB is expanding its qualifications beyond traditional finance disciplines to include areas like sales, marketing, retail, customer service, and HR. This shift reflects the demand for finance professionals to have cross-disciplinary knowledge and adapt their skills to new contexts.

The analytical and organisational skills developed through bookkeeping and payroll are increasingly relevant in fields like HR and project management. By diversifying their expertise, professionals can function as strategic advisors who contribute to various business functions.



## Creating Opportunities for Lifelong Learning

Chief Examiner Mike Donald emphasised the IAB's commitment to providing members with opportunities for growth and success. The focus on customised learning journeys will enable professionals to remain competitive, grow their businesses, or develop new skills to meet changing industry demands.

The IAB plans to unveil an expanded program of courses throughout the year and encourages members to stay connected through Coffee Mornings, newsletters, and other communication channels for the latest updates.



## Shaping the Finance Professional of Tomorrow

Reflecting on the progress made by the organisation in recent years, Mike stated, "The IAB's aim is to empower

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finance professionals to embrace the future with confidence. By investing in innovative technologies, modernising qualifications, and expanding into new subject areas, we are preparing our members to thrive in a dynamic, consultative, and interconnected world."

Together, the IAB and its members are shaping the next generation of finance leaders who not only manage numbers but also drive strategy, foster collaboration, and deliver value across every aspect of the business.

The future of finance is here, and with the IAB leading the way, the possibilities for advancement and success are endless.



# Video Highlights:

## Scan QR Codes for a Quick Recap



Over the past year, we have created engaging video content centred on our seven strategic themes that we believe are intrinsically linked to the evolution of the finance industry. If you have missed any, this is your chance to catch up and revisit or keep safe for future reference.

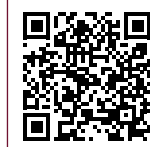
### January:



#### AML.

In this video, we introduced a video update to highlight key industry topics. The first update focused on AML, outlining what the IAB has done to strengthen compliance and support members in evolving regulations.

### February:



#### Expanding Service Offerings.

This month's video update focused on the experience of expanding service offerings, exploring how technology and upskilling can help make this a reality.

### March:



#### Data.

This month's video update explored the importance of data in today's business landscape.

It highlighted how finance professionals can use data insights to drive decisions, understand customer behaviours, and optimise strategies for growth.

### April:



#### Education.

This month's video update focused on education at the IAB, highlighting formal qualifications, CPD opportunities, and the importance of staying ahead of industry trends like AML. It also covered the IAB's collaboration with the International Advisory Board to ensure innovative and workplace-ready qualifications.

### May:



#### Technology.

This month's update focused on technology, emphasising its vital role in driving business success and efficiency. It covered the importance of integrating the right tech solutions while managing costs, particularly for new businesses.

### June:



#### Innovation & Sustainability.

This month's update highlighted the exploration of market needs in the Middle

East and the value of the awards process in understanding business approaches. It also mentions the importance of integrating sustainability and ESG principles into modern business practices.

### July:



#### Global Business.

This month's update focused on the challenges and opportunities for finance professionals in a global marketplace. It covered key topics such as regulatory environments, outsourcing, AML, and the importance of education in navigating international business.

### August:



#### Financial Regulations.

This month's update focused on the growing importance of compliance, particularly in anti-money laundering (AML). It covered the launch of AML Complete, a tool for risk assessment and monitoring, and highlighted how strong regulatory frameworks can drive practice growth and efficiency.

### September:



#### Education.

This month's update focused on the exciting developments in education, with IAB Director David Taylor and Deputy Chief Examiner

Michelle Griffiths discussing updates to qualifications. Topics covered included refreshed Level 1-3 qualifications, an update on the IFRS Level 4, and news about the new Level 2 apprenticeship qualification.

### October:



#### Data Protection.

This month's update focused on data protection, with IAB Director David Taylor speaking with Derek Mann, the IAB's Data Protection Officer. They discussed the importance of having a proper data plan in place and shared simple tips for getting your 'data house' in order.

### November:



#### Globalisation.

This video update Sarah recorded a presentation on what makes a global bookkeeper and why it matters to members. She discussed the globalisation of business, its implications for finance professionals, and how IAB is supporting members in navigating the challenges this brings.

Cut along the dotted line and keep for reference

