



July - August - September 2024

connect

The Institute of Accountants and Bookkeepers

Navigating the **JUNGLE**

of AML Risk: Managing
High-Risk Lions and
Low-Risk Frogs



**IAB AWARDS
CEREMONY 2024**

**CELEBRATING
A YEAR OF AML
COMPLETE:
ENHANCING
COMPLIANCE
WITH EXPERT
TIPS**

**GROWTH,
TECHNOLOGY,
AND
SUSTAINABILITY
IN THE FINANCE
SECTOR**

**FINANCIAL
EXCELLENCE
IN A TIME OF
CHANGE**



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IAB



The Institute of Accountants and Bookkeepers



Welcome



Welcome to the latest issue of iabConnect! The second quarter of the year has brought us many exciting opportunities and events. From

the bustling Accountex exhibition, where engaging with fellow industry professionals and partners was a true highlight, to our annual awards ceremony at the House of Commons, which was a momentous occasion. In this edition, you can find photographs capturing the celebratory spirit of the ceremony and an article detailing the judges' experiences.

The echoes of our industry's success were not limited to the UK but resonated globally, acknowledging the achievements of our members

and partners worldwide. As evidenced by a recent trip to Bahrain, where the graduation of students following their IAB qualification emphasised the interconnected, global nature of our profession.

I would encourage you all to take advantage of exhibitions and events as platforms for innovation and networking. They serve as a great source of inspiration for your personal progression and for building a business. By engaging with these events, you can connect with like-minded individuals, discover new technologies and trends, and foster collaborations that can propel your career or business to new heights.

Sarah Palmer

Sarah Palmer
Chief Executive Officer

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Financial excellence in a time of change



David Taylor
IAB Director

We live in uncertain times and the world of finance is certainly not immune to the many changes taking place within our industry – most of which are driven by new technology.

From education to politics and from commerce to communications we can see large scale transformation in business practices due to automation, the rise of artificial intelligence, the use of smart software and data analysis.

Indeed, one of the IAB's core themes is about how finance professionals can harness this technology for both them and their clients, as well as future-proofing their business.

Yet, at the same time, many of the basic rules of accountancy and bookkeeping haven't changed. It's still about looking after your clients, staying on top of legislation and offering value for money.

This combination of great client relations and high take-up of new technological skills were all qualities shown by this year's finalists at the IAB Awards. Our judges were impressed by their enthusiasm, problem solving abilities and desire to embrace both innovation and change.

Thomas Harris, from **Begbies Traynor** who sponsored the Accountant of the Year Award, observed that the finalists demonstrated 'good knowledge of the current economic outlook' and how they planned to help clients overcome these challenges.

He added that "it was great to see how these professionals were developing their respective teams or themselves in order to keep ahead of the competition – whether human or tech-based."

Jill Smith from the **CIPP**, judging the Payroll Professional of the Year, said: "What I took away from the finalists was their

passion, drive and wanting to share their knowledge and experience to educate others to enable them to be the best they possibly can be in their roles."

Lisa Campbell, International Director of **Pure Bookkeeping**, sponsor of the Bookkeeper of the Year award, said: "In my work with bookkeepers across the globe I see a prevalent theme of being undervalued and/or wanting to offer higher-level services. I was overjoyed to see that none of the finalists I spoke with struggled with this. They seemed to know down to their core that their work was not just about crunching numbers, rather, it was about having positive impact on the business outcomes of their clients."

Michelle Griffiths, the IAB's new Deputy Chief Examiner who was in charge of judging the Innovation in Education award, said: "The finalists were so passionate about the projects they are involved in. In fact, that enthusiasm and drive for bringing about change for the better was inspiring as well as quite contagious!"

Meanwhile Head of Accountancy Partnerships at **Starling Bank**, **Oliver Krishnan** who was judging the Innovation in Business Award, said there were a number of themes common to the finalists which again chimed with two of those shared by the IAB – namely Technology and Strategic Advice.

Oliver says: "I was particularly impressed with not only the early adoption culture of the finalists but also their ability to drive and influence change – mostly through the use of technology within their practices.

He went on: "As judges we were impressed by the finalists' commitment to serving their clients with the best outcomes in mind. This included problem-solving and coming up with innovations and efficiencies to help small businesses succeed."

Sarah Palmer, CEO of the **IAB**, says: "I know from talking to many of the judges, how edifying we found the judging process this year. Despite the fact that the business environment is changing rapidly and we are facing numerous challenges – from the threat of AI to climate change – it is thrilling to see so many finance professionals not only adapting to this new environment but positively thriving."





IAB 2024 Awards

A fabulous occasion took place on Thursday, June 20th, as we celebrated the outstanding individuals in our industry at the House of Commons. Congratulations to all our finalists and winners, and a big thank you to everyone who attended.

IAB Innovation in Education Award 2024



Winner: **Tina Beeston**

Impact through Finance Award 2024



Winner: **Samantha Nicholson**

Accountant of the Year Award 2024



Winner: **Claire Butler**

IAB Excellence in Client Service Award 2024



Winner: **Veronica Keates**



Finalist: **Sheela Sharma**



Finalist: **Jennifer Barker**



Finalist: **Mohammed Koralia**



Finalist: **Karen Hollis**

Bookkeeper of the Year Award 2024



Winner: **Elle Matthews**

"Life Change and Progression through Education (30+) Award 2024"



Winner: **Ewa Gebel**

Innovation in Business Award 2024



Winner: **Sheila Chadha**

Payroll Professional of the Year Award 2024



Winner: **Rebecca Dillon**



Finalist: **Michael Taylor**



Finalist: **Joanne Plackett**



Finalist: **Jennifer Barker**



Finalist: **Meg Kirk**

IAB Group Malaysian Centre of the Year 2024



For the promotion of IAB, LCCI and IAAP qualifications: **Genesis Origo**

IAB Group Macau Centre of the Year 2024



For the promotion of IAB, LCCI and IAAP qualifications: **Leng Kuan Accounting Learning Centre**

IAB Group Hong Kong Centre of the Year 2024



For the promotion of IAB, LCCI and IAAP qualifications: **Hong Kong School of Commerce**

IAB Group Brunei Centre of the Year 2024



For the promotion of IAAP qualifications: **Laksamana College of Business**

IAB Centre of the Year



Winner: **Regal Gulf Training Centre, Bahrain**

IAB Distance Learning Centre of the Year



Winner: **Open Study College**

"IAB Honorary Award 2024 - Achievements in Education"



Professor **Dr Timothy Jackson**



Finalist: **South West College, Northern Ireland**



Finalist: **North East Scotland College**



What are the warning signs of insolvency?



As an Accountant/Bookkeeper, you're the financial caretaker of the businesses under your care which means keeping your finger on the pulse and casting a close eye on financial health. While cash flow is an essential factor for any active business, if this falls out of sync, it could threaten viability and increase the risk of insolvency.

If an Accountant/Bookkeeper raises the alarm bells pre-emptively, this could steer away potential hurdles, such as depleting cash flow, creditor pressure and mounting tax liabilities; all of which can seriously disrupt company operations and eventually push a business into the red.

A business on the road to becoming insolvent will often present warning signs before it runs out of cash or reaches a point of no recovery. Chelsea Williams, a company debt expert at Scotland Liquidators works closely with Accountants/Bookkeepers to help debt-ridden businesses navigate the company rescue or closure process. She shares what warning signs of insolvency Accountants/Bookkeepers should be on the lookout for and why it's essential to signpost clients towards insolvency help.

Warning signs of insolvency for Accountants or Bookkeepers

A business on the brink of insolvency will more than often deteriorate at a gradual pace, rather than nosedive with little notice. As Accountants/Bookkeepers are positioned in the control room of a

business, they are on the front line, and can therefore strategically identify the early signs of insolvency, such as:



Borrowing as a lifeline – If a business mostly depends on multiple lines of credit as its primary source of funds, and will be unlikely to survive without it, it could accumulate a combination of short and long-term debts which could lead to a cash flow crisis.



Cashflow crisis – Limited cashflow can exacerbate the financial health of a business as if it's unable to afford basic costs to maintain company operations, the debts will build up, and so will the number of disgruntled creditors.



Liabilities outweigh assets – If the debt-to-asset ratio is exceptionally high, the business may be unable to raise enough money to pay off its debts. This can create a long chain of problems as lenders may refuse or restrict borrowing to businesses with high debt-to-asset ratios.



Long term creditors – If a business has long term creditors, this may show that it's consistently unable to make debt repayments as it's under financial distress. If there's no prospect of clearing company debts, the long-term success of the business may be limited, and its viability brought into question.



Long term debtors – A business with a track record of accumulating long-term debtors may signal deeper rooting issues with credit control practices. This may relate to a lack of checks, lenient terms, or a relaxed debt collection process. Long-term debtors often fall into the bad debt category which means lost income for the business which can seriously damage its financial position.



Overdue tax bills – The business will be held responsible for old and historic tax bills, so if these are ignored as they are unaffordable, the viability of the business could be brought into question by HMRC. They may issue a winding up order to shut the business down following suspicions that it is insolvent. HMRC will impose penalties and interest for overdue tax bills.

What insolvency support is available for my client?

If you suspect that your client may be at risk of insolvency, refer them to a reputable insolvency practitioner. Licensed insolvency practitioners are best positioned to advise business owners on business rescue methods, from negotiating payment plans with creditors and securing competitive business finance, to realising company assets and raising funds for debt repayments.



Sarah Palmer CEO

Growth, Technology, and Sustainability in the Finance Sector

In May I was honoured to be asked to be a speaker at Accountex London. I very much enjoy teaching, and this gave me an opportunity to share a tried and tested formula to growing a successful business in the sector. I believe it is important to share this information as I see too many highly qualified and competent people struggling to be rewarded in a way that reflects the worth they bring to their clients and the marketplace. Unfortunately, this kind of information is not freely available in the marketplace and is creating an unwelcome barrier to growth especially at a time when business owners particularly need our skills and knowledge to help them navigate the tough economic climate. I hope those who attended found the information useful.

Our aim at the IAB is to raise the bar of financial literacy and we have a two-pronged approach, at the individual level, primarily through education, both academic and vocational training and through practical support, for example, our ambassador programme. We also support through creating the right environment

for the financial sector to flourish. I am actively involved with the Raising Standards consultation which the treasury is currently holding, with the aim to get proper recognition for the work we carry out.

I am constantly impressed with how the finance sector has embraced the adoption of technology and automation. Fifteen years ago, when I set up my bookkeeping and payroll business, “cloud software” was spoken about as some alien concept whereas today it is completely the norm. This sector has been through a period of real disruption and has fully embraced the changes and the opportunities it has brought about. Automation of basic tasks has enabled finance professional to offer much more rewarding and valuable services to the business community who they serve.

The 4th Revolution is now being spoken about in the way cloud accounting was a decade ago. Embracing technologies like Artificial Intelligence (AI), machine learning, smart software and blockchain.

This will speed up processes and enable more accurate delivery of services. It's exciting and confusing time again for the industry. I will be interested to see how this plays out. One thing is for sure, those who do not embrace the new will soon be redundant. I am in a privileged position to see how other countries are fully adopting the new tech and we need to be on the front foot and not be caught sleeping!

At Cop27 it was announced that International Reporting Standards will become mandatory across the globe. Companies will be required to report ESG (environmental, social, and governance) data in a uniform way, so it is easy to identify good or poor behaviour therefore empowering stakeholders to make a conscience decision about the level of engagement they wish to have with the organisation. For me, this is incredibly exciting as it means accountants and finance professionals are at the forefront of leading the sustainability conversation. I have personally been inspired by the UN SDG sustainability goals and I am proud to say that the IAB has aligned itself with Goal 4, committing to provide Quality Education.

To support the industry changes The IAB has developed the IFRS International Reporting Standards Level 4 qualification, which is proving to be in high demand. At a recent graduation in Bahrain, Janet and I congratulated 120 students who had recently gained this qualification. It is encouraging to see so many students empowered to make a difference. I look forward to seeing how this develops.



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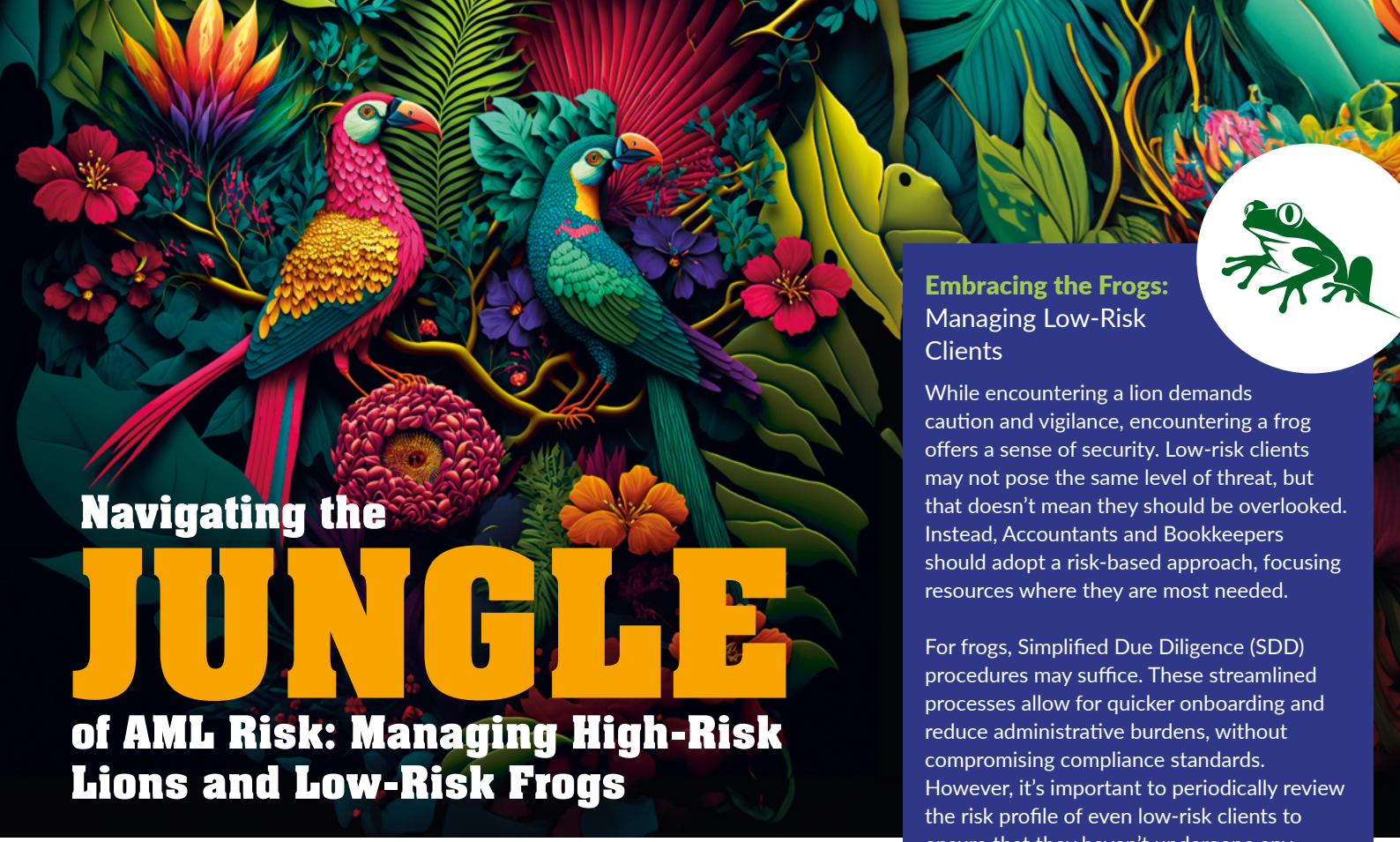


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Navigating the JUNGLE of AML Risk: Managing High-Risk Lions and Low-Risk Frogs

Embracing the Frogs: Managing Low-Risk Clients

While encountering a lion demands caution and vigilance, encountering a frog offers a sense of security. Low-risk clients may not pose the same level of threat, but that doesn't mean they should be overlooked. Instead, Accountants and Bookkeepers should adopt a risk-based approach, focusing resources where they are most needed.

For frogs, Simplified Due Diligence (SDD) procedures may suffice. These streamlined processes allow for quicker onboarding and reduce administrative burdens, without compromising compliance standards. However, it's important to periodically review the risk profile of even low-risk clients to ensure that they haven't undergone any significant changes that might elevate their risk status.

Navigating the Jungle: Striking the Balance

In the jungle of AML risk management, Accountants and Bookkeepers must strike a delicate balance between caution and efficiency. While lions may pose a greater threat, effective mitigation measures can minimise the risks they present. Conversely, while frogs may seem harmless, prudent oversight is necessary to maintain compliance standards.

Just as a skilled navigator relies on a compass to chart their course through the wilderness, Accountants and Bookkeepers must rely on robust risk assessment frameworks and regulatory guidance to guide their AML efforts. By understanding the unique characteristics of high-risk lions and low-risk frogs, and implementing appropriate risk management strategies, institutions can navigate the jungle of AML risk with confidence.

With this strategic approach, Accountants and Bookkeepers can effectively manage the diverse array of clients they encounter in the AML landscape, ensuring compliance while mitigating the risks posed by both lions and frogs alike.

In the constantly shifting terrain of Anti-Money Laundering (AML) regulations, Accountants and Bookkeepers find themselves traversing a jungle teeming with risks. Just as in the wild, some clients resemble lions, while others resemble frogs. Understanding how to manage both high-risk lions and low-risk frogs is crucial for ensuring compliance and safeguarding against financial crime.

Identifying the Lions and Frogs

In this jungle, our lions represent high-risk clients. They possess characteristics that

make them potentially more susceptible to money laundering or terrorist financing activities. These characteristics might include complex ownership structures, involvement in high-risk jurisdictions, or operating in industries prone to financial crime.

Conversely, our frogs embody low-risk clients. They typically exhibit straightforward financial behaviour, have transparent ownership structures, and operate within low-risk jurisdictions and industries.

Taming the Lions: Managing High-Risk Clients

Encountering a lion in the jungle can be daunting, but with the right tools and strategies, it's possible to mitigate the risks they pose. Firstly, robust Customer Due Diligence (CDD) processes are essential. This involves thoroughly researching and verifying the identity of high-risk clients, understanding their business activities, and assessing the source of their wealth.

Furthermore, implementing Enhanced Due Diligence (EDD) measures is akin to strengthening the perimeter around your campsite. This may involve ongoing monitoring of transactions, conducting regular reviews of the client's activities, and scrutinising any unusual patterns or red flags.

Just as a lion tamer establishes boundaries and controls within the circus ring, instituting transaction monitoring systems and suspicious activity reporting mechanisms can help detect and prevent illicit financial activities. Additionally, establishing clear policies and procedures, coupled with robust staff training, ensures that everyone in the institution is equipped to handle high-risk clients effectively.



The 2024 Spring Budget announced that furnished holiday let (FHL) status will be abolished from April 2025. This article examines the practical implications for FHL business owners who choose to continue their operations and for those considering selling their properties.



Shape of Furnished Holiday Lettings

FHL Status – A Recap

Currently, a letting business that qualifies as an FHL (see here for the qualifying conditions) does not amount to a trade, but it enjoys several tax benefits not available to general letting businesses, including:

- Business asset disposal relief (BADR) on business disposal.
- Holdover and rollover relief.
- Full deduction of finance costs.
- Plant and machinery capital allowances.
- Strategic allocation of profits to co-owners.
- Profits counted as relevant earnings for calculating the pension annual allowance.

The abolition of FHL status means these benefits will be lost. Although this change will not take effect until 2025, an anti-forestalling rule has been announced to prevent gaining tax advantages through unconditional contracts for capital gains relief under current FHL rules, effective from 6 March 2024. However, details on this rule are still pending, creating uncertainty around capital gains reliefs on disposal.

Continuing to Let

One of the most significant changes for continuing businesses will be the restriction of relief for financing costs (especially mortgage interest). Relief will be given as a reduction at the basic rate, restricted to 20% on the lesser of:

- Finance costs
- Rental profit
- Owner's adjusted total income

This change can have a significant impact, potentially leading to a tax liability even if the letting business incurs a cash loss. Let's consider a simple case study.

Case Study: Now and Then

Yulia is a higher-rate taxpayer with a salary of £70,000. She lets seaside cottages as a qualifying FHL. In 2024–25, her FHL income is £20,000 with allowable expenses (excluding financing costs) of £9,000. She also pays £12,000 in interest on loans used to purchase and improve the properties. For 2024–25, the interest is deductible, resulting in a £1,000 loss. Although losses from FHLs can't offset general income, there's no tax on the FHL income.

In 2025–26, assuming the same figures, her profits before financing costs are £11,000. The tax reduction is restricted to 20% of:

- Interest: £12,000 × 20% = £2,400
- Rental profits: £11,000 × 20% = £2,200

Her salary less personal allowance exceeds either amount, so Yulia will pay 40% tax on £11,000, i.e. £4,400, less £2,200 = £2,200, despite a £1,000 cash loss. Only £11,000 of interest is used for the tax reducer; the remaining £1,000 can carry forward to augment the relievable amount at the basic rate next year. This scenario is more complex with losses, highlighting the need for clear records, especially with MTD ITSA for landlords from 2026. Owners with lower debt burdens will be less affected.

Additionally, plant and machinery allowances will no longer be available; instead, the more restrictive relief for replacing domestic items will need to be claimed.

Impact on Pensions Annual Allowance

The exclusion of FHL profits may affect the pensions annual allowance in two ways:

- For those with modest other income, FHL profits may have increased the annual allowance, which is the lower of £60,000 and 'relevant earnings'. This must be considered when planning contributions.
- For those with high other income, FHL profits may have triggered tapering rules, which may no longer apply.

Selling Up

Many Budget measures related to property aim to encourage the sale of second properties. The window before the abolition of FHL status allows owners to reflect and still take advantage of CGT breaks (subject to anti-forestalling rules).

If the changes prompt cessation of the business, securing BADR entitlement is crucial. For unincorporated businesses, cessation triggers BADR. The business assets (properties) can then be sold and qualified as associated disposals within three years.

Celebrating

a Year of AML Complete: Enhancing Compliance with Expert Tips



As we near the one-year mark of AML Complete's launch in June 2023, it's the perfect moment to reflect on the remarkable journey we've undertaken together. Over the past twelve months, our engagement with AML supervised members has been both enriching and insightful. By providing guidance and collecting invaluable feedback, we have continuously enhanced your experience with AML Complete. Our unwavering commitment is to assist you in maintaining compliance and streamlining your processes. Here are some top tips to maximise your use of AML Complete:

1

Integrate AML Complete into Your Daily Workflow

Incorporate AML Complete into your daily routine, using it alongside your CRM system and accountancy software. By reviewing your clients' information daily as you work on their accounts, you can ensure that you stay abreast of any updates or changes. Consistent daily checks are crucial, making compliance management less burdensome and more efficient.

2

Utilise the Dashboard for Essential Insights

Our intuitive dashboard, shaped by your feedback, is a powerful tool designed to keep your practice compliant. It features critical information such as client risk scores, responses indicating non-compliance, and overdue Customer Due Diligence (CDD). Regularly consulting this dashboard allows you to swiftly identify and address potential issues, ensuring that you stay on top of compliance requirements.

3

Make the Most of Comment Boxes for Clarity

The comment boxes within AML Complete are invaluable for documenting the rationale behind each answer. This practice is particularly beneficial if your work ever comes under scrutiny. Detailed comments create a clear record of your decision-making process, showcasing diligence and transparency. Don't underestimate the importance of these notes, they can be a lifeline in demonstrating your compliance efforts.

4

Upload Only Current Documents

It's crucial to upload only current and valid letters of engagement and identification documents. We've observed that some members inadvertently upload outdated or expired documents. Keeping your submissions up to date not only ensures compliance but also streamlines the review process. Regularly checking the validity of your documents can save time and prevent potential compliance issues.

5

Submit Regular Updates to IAB

Frequent submissions to the IAB are essential. There's no restriction on how many times you can submit updates in a day. Regular submissions ensure that we have the most accurate and current reflection of your records. This practice keeps your compliance status updated and reduces the risk of discrepancies, helping you to stay ahead in your compliance journey.

6

Seek Support When Needed

Whenever you face challenges or simply need some guidance, don't hesitate to book a support call. Our team is here to assist you with any questions or issues you might encounter. Whether it's a quick query or more extensive support, we are dedicated to helping you navigate your compliance responsibilities smoothly.

7

Keep Abreast of Regulatory Changes

The regulatory landscape is continually evolving. Stay informed about any changes in AML regulations and how they might impact on your practice. Regularly reviewing updates and integrating these changes into your AML Complete usage ensures you remain compliant and up to date.

8

Train Your Team Regularly

Ensure that all team members are proficient in using AML Complete. Regular training sessions can help keep everyone informed about best practices and new features. A well-trained team can significantly enhance the efficiency and effectiveness of your compliance efforts.

9

Conduct Internal Audits

Periodically conducting internal audits using AML Complete can help identify any potential gaps in your compliance processes. Regular internal reviews ensure that you catch and rectify issues before they escalate, maintaining a robust compliance framework.

National Payroll Week 2024



Mathew Akrigg ACIPP MAAT, CIPP policy and research officer, explains the importance of recognising and appreciating the contributions of payroll professionals during National Payroll Week and beyond

It's that time of year again when we can celebrate and acknowledge payroll as a career and the contributions of industry professionals!

National Payroll Week 2024 is taking place from 2-6 September and the Chartered Institute of Payroll Professionals (CIPP) is so excited to get everyone involved and generate a buzz around payroll. In short, we want to ensure that payroll teams all over the country – and the world – are appreciated, and that their efforts are recognised.

National Payroll Week was introduced by the CIPP in 1998 to raise the industry's profile. Since then, it has grown to be so much more. Last year, the Institute received a letter from HM Treasury and chancellor of the exchequer, Jeremy Hunt, supporting the valuable work of our important sector. Since payroll staff were named 'key workers' during the pandemic, it is great to see that the profession has gained recognition from senior levels in government. As payroll complexity further increases, we hope this support continues and is shown in tangible ways.

The growing legislative and administrative burden is an issue we want to highlight during National Payroll Week. The complexity has increased dramatically since 1998 and it's now more important than ever to stay on top of all the changes and updates in the industry.

That is why the CIPP now hosts a full week of free events and webinars, as well as providing useful information for employers, to promote payroll within local areas and workplaces. These sessions can form part of an employee's continued professional development (CPD) and, with a variety to choose from, there's something for everyone.

This year we have 12 online sessions, including:



Bookings opened in June for the 2024 CIPP webinars, but if you can't wait until then you can access last year's to see the type of content that's available during the week. So, get involved and spread the word about the hard work a dedication of the payroll profession.

This year, we want to focus on financial well-being and financial literacy as it is key that employees understand how they are affected by different aspects of the financial system and the benefits they receive. This is something a lot more businesses are increasing their awareness of, and it can make a huge difference to recruitment and retention initiatives. After a few years of instability in the job market, this is more important than ever to get right, as well as to understand how to plan.

National Payroll Week is not just a chance to shout to the world about how great payroll is, but also a fantastic opportunity to appreciate the payrollers within your own organisation.

CPD and learning are for everyone and improving the knowledge base in your payroll team is always a good thing. For many companies, payroll will be their largest outgoing. This is surely reason enough to ensure that you have dedicated, knowledgeable and motivated staff at the helm who are processing compliantly.

Many staff members in the wider business are unaware of the work that goes into their payslip, only needing to interact with the payroll department when a question arises, or an unfortunate error occurs. Use this opportunity to educate them on the issues payroll faces, the stumbling blocks of processing and the rules we need to follow to stay within the law.

Download the CIPP's National Payroll Week pack, which will be available soon, and register your interest to receive updates. This will provide a range of activities, ideas and materials to raise the importance of payroll within your office or remote working environment – not just for your payrollers, but also for your other departments too, as mentioned above.

However you choose to celebrate National Payroll Week, we hope you have a fantastic time and show the people around you how much hard work payroll professionals put into keeping the world paid. We look forward to seeing how you celebrate on social media; please use #NPW24 #ChoosePayroll in your posts.





The Power of Strategic Advice

When clients seek advice from professionals, they usually do so to draw on their knowledge, expertise and insight. Most business owners have very little knowledge of matters outside their own area of specialism. Mechanics, for example, may be total experts in the combustion engine and a range of vehicular complaints but, in most cases, won't have a clue how to read a balance sheet.

Over the years, countless businesses have been observed which, at first glance, appear to be highly successful operations. Yet, behind the scenes, and due to a lack of specialist knowledge in key operational matters, they end up being forced to close unnecessarily.

Specialist advice from someone 'in the know' can literally mean the difference between success and failure. When this specialist advice is tailored to the business and strategic in nature, the effects can be incredible. From conversations with several Accountants and Bookkeepers in the past, it is evident that many fail to see or truly appreciate the value or power of their own advice. The benefits and impact of external advice cannot be understated. However, there is a distinct difference between executing client instructions and giving professional advice.

This is something frequently debated in the insurance industry. Due to a fear that giving advice somehow makes one culpable and more responsible for client outcomes, many advisers focus on client 'wants', not 'needs'. This approach does not benefit anyone.

When someone solicits the advice of a professional, that is exactly what they want. They want to be given explicit instruction and guidance by someone who knows more about the subject matter than they do. Conviction by the adviser in what they are saying instils confidence and empowers the client, whereas being given options or simply doing as asked does the exact opposite. It devalues the adviser and erodes trust and confidence in their capabilities.

Advisers are often encouraged to see the value of what they offer and are reminded that, in most cases, clients would prefer their explicit advice and instruction to help make sense of what they do not understand.

As Accountants and Bookkeepers, clients just want them to provide strategic advice in areas of their business where they lack knowledge and experience. Clients recognise their ability to help them be more effective in business simply by drawing on, and making use of, their invaluable expertise and market insights.

To their clients, they are trusted advisers and subject matter experts. Clients look to them for guidance and support across a variety of different business matters. Of course, clients are most likely to want help in making sense of their accounts and looking at what they can do to free up cash, reduce their tax liability, or operate more efficiently.

But because of the trusted relationship and perceived level of insight, clients may also look to them for strategic advice in other areas of their business. Specifically, in areas where they might not necessarily be experts themselves but will be expected to guide or signpost clients towards other advisers who can help.

Taking the subject of financial resilience, for example, and what is done at Company Protection. The notion of operating a cash buoyant business (a concept for which clients look to them for support) and ensuring that the very people who generate the cash that fuels the organisation are inextricably linked. They go hand-in-hand.

On that basis, it would be entirely logical to expect an Accountant or Bookkeeper, as a 'financial guide to the business', to recommend services that help the business owner get closer to the very goals they solicited their services for.

Working and collaborating with trusted partners to deliver this advice should not be feared. Clients will appreciate your insight and initiative and value you even more.



UPDATES



Dates for forthcoming coffee mornings

Monthly meetings on:

Wednesday 17th July 2024

Wednesday 21st August 2024

Wednesday 18th September 2024

from 11 am – 12 pm



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