



October - November - December 2024

# connect

The Institute of Accountants and Bookkeepers



**STAYING ON THE RIGHT  
SIDE: NAVIGATING  
COMPLIANCE TO  
SAFEGUARD YOUR  
BUSINESS AND  
REPUTATION**

# DIRTY MONEY.

**THE SECRET  
WORLD OF SAR  
PROCEDURES:  
A DETECTIVE'S  
PERSPECTIVE**

**EXPLORING  
SALARY  
SACRIFICE  
SCHEMES**

**LEVERAGING  
AI FOR SELF-  
ASSESSMENT:  
A PATH TO  
EFFICIENCY, ROI  
AND GROWTH**

**MAPPING YOUR  
CAREER JOURNEY:  
UNLOCKING  
THE POWER  
OF YOUR IAB  
MEMBERSHIP**



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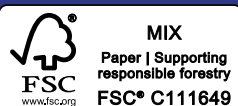
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The Institute of Accountants and Bookkeepers



# Welcome



Welcome to the final issue of 2024, marking the culmination of my first year as CEO of the IAB Group. It has

been an exhilarating year filled with strategic planning, exciting developments, and laying the groundwork for the future. As we look ahead to 2025, I am thrilled to announce a year of rapid progress, with a focus on creating new qualifications and courses tailored to industry needs and enhancing our engagement strategies to better serve you. The business scalability framework I presented at Accountex in May received positive feedback, and as promised we have been working as a team to unpack and align this proposition alongside our membership offering with a view to making the benefits of being with the IAB more tangible and accessible.

Having a period of reflection has been extremely worthwhile and is something I would recommend to you all as you come to the end of the year. It's a great way to fuel inspiration and innovation. Events like Accountex and my international travels have provided invaluable insights into the evolving landscape of our profession, some of these points are touched on in the article on globalisation. It's understandable that during normal day-to-day life the fast-paced changes happening around us may seem distant and irrelevant, and this is where we step in. Our aim is to translate these shifts into practical relevance, ensuring you stay updated and equipped to navigate your career and business successfully.

**Sarah Palmer**  
Chief Executive Officer

## Top Tips to Keep you Compliant

**aml**complete

[www.iab.org](http://www.iab.org)

### Top Tip #1

#### Keep Your Profile Updated



Press the edit button in the top right corner of your practice details page and make sure to save your changes!

### Top Tip #2

#### Review Your CDD Entries Regularly



Log-in to your dashboard today and check your CDD entries!

### Top Tip #3

#### Stay Up-to-Date with AML Training



Complete your training and upload your certificates to avoid delays in your renewal process.

### Top Tip #4

#### Assess Your Exposure to Proliferation Financing



This is crucial in adhering to updated AML policies. For more information - <https://www.iab.org.uk/what-is-proliferation-financing-and-what-does-it-mean-to-you/>



Supervision

Regulations

# Mapping Your Career Journey: Unlocking the POWER OF YOUR IAB MEMBERSHIP for Professional Growth



**Sarah Palmer**  
CEO

Given the state of our economy, the recent election and being told “it’s going to get worse before it

gets better” the need to support our small businesses has never been greater. We all know the stats - 97% of the UK economy is powered by Small Businesses, and they all need some form of financial support.

It has long been the job of the finance professional to empower business owners so they can make sound, financial decisions that will enable them to not only survive but thrive in what is an increasingly tough economic environment. With more regulations coming down the track such as the MTD roll-out, they will need our help more than ever.

Being in the business of supporting accountants and bookkeepers for over 50 years, the IAB have an insight into what is a lesser-known fact, the fact that too many of us are struggling to manage and grow our own businesses, and this matters. It matters hugely because if we are to support the small business community



**For some time now the IAB has been speaking about how the worlds of business and finance are merging, technology being the key driver, speeding up processes and driving efficiency, fuelling the evolution of the finance professional of the future...**

effectively, then we need to have as many of us operating successful businesses in a sustainable and rewarding way as possible.

For some time now the IAB has been speaking about how the worlds of business and finance are merging, technology being the key driver, speeding up processes and driving efficiency, fuelling the evolution of the finance professional of the future resulting in the demands of the role being centred around data analytics, business intelligence, strategic planning, ESG, not to mention the regulatory compliance and risk management that comes with more stringent regulations.

Through having my own practice, I am in a privileged position to see “behind the curtain” and understand the real issues affecting us. I have walked the path you are on and have the battle scars to prove it. In my role as CEO of the IAB I want to share my knowledge and experiences with you, ensuring that the support the IAB provides is useful, practical and most of all effective.

Your IAB membership has always been a valuable resource for advancing your career and growing your business. Our new approach aims to visually map out your path to success, identifying potential obstacles and suggesting actionable steps you can take to overcome them. By leveraging your IAB membership, you can access the right software and support at each stage of growth, creating a blueprint for your success.

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**the common misconception that hiring someone will allow you to work less and earn more is simply not true** ”

### The Art of Growth

There is a general misconception that growth is linear, but if you plan well, some of the necessary growing pains can be reduced. Just over a decade ago, I worked with two inspiring people, Debbie Roberts and Peter Cook. They took their learning and decided to help others achieve the same level of success.

The fundamental basics of what we are sharing is the Profit versus Leverage Model, which they developed. I used this as the framework to grow my business, so I know it works! Using this framework I have added experience and enhancements and developed products and services with the IAB to support you every step of the way.

They may lack experience in marketing, human resources, or management. In fact, they often see themselves as technicians, unsure if they are even good at what they do. With no systems in place, everything tends to be kept in their heads. This lack of confidence can result in undercharging for their services, a common mistake in this phase.

#### Successful Practice

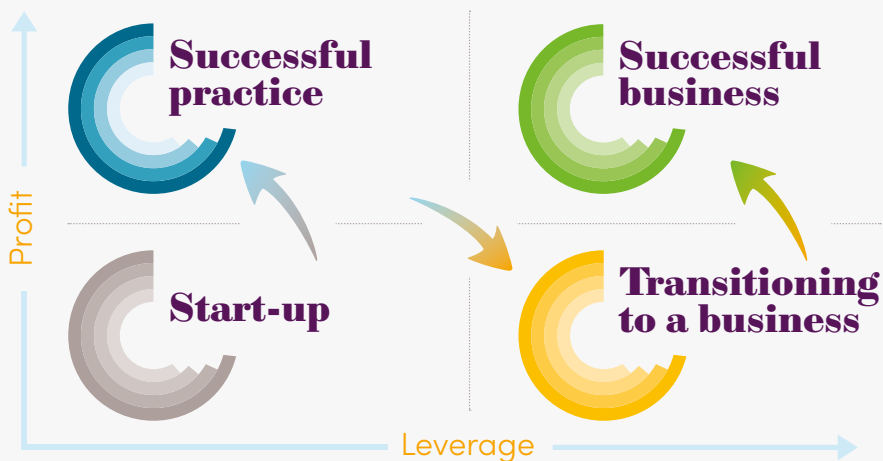
Moving on to the next phase, the successful practice phase, you find that you are now fully booked and billing out 30-35 hours per week. While the profit is higher than in the start-up phase, it's still just you running the show. Essentially, you have a well-paid job without a boss. Earning in the range of £60-70k, working from home with expenses limited to no more than 10% of turnover, this phase marks significant progress in your journey.

hiring additional staff can lead to a decrease in profits and an increase in workload. Bookkeepers who find themselves with multiple employees may end up working even harder due to the added responsibilities of managing clients, team members, and administrative tasks. Without thorough preparation from the successful practice phase, transitioning to a business model can be challenging and costly. To avoid the pitfalls of yo-yoing between phases, it's essential to establish solid systems and pricing strategies early on.

#### Successful Business

In the final phase of the journey, a successful business is defined by having a team of at least three bookkeepers working alongside you. Turning over £150,000 to £500,000 or more, with a net profit ranging from 25-35%, a successful business represents a significant achievement. The key difference between a successful practice and a successful business is the presence of an asset that can be grown further for increased income or sold as part of an exit strategy. With good systems in place for work, marketing, and recruitment, reaching the successful business phase signifies a major milestone in your bookkeeping career.

### Practice growth cycle



© E-Myth Bookkeeper, Michael E Gerber

#### Start-Up

In the first phase of the journey towards building a successful business, you find yourself in the start-up phase. At this point, you are just beginning, not making much money (if any), and have no leverage - it's just you. During the start-up phase, most people lack confidence as they have no skills or knowledge in running a business.

#### Transitioning to a Business

As your schedule becomes completely full in the successful practice phase, you may start thinking about hiring someone to help ease the workload. However, the common misconception that hiring someone will allow you to work less and earn more is simply not true. Without the right systems in place and proper pricing strategies,

### Where are you on the journey and where do you want to go?

The final quarter of the year is for many a time to review and make plans. The journey from start-up to a successful business involves overcoming various challenges and transitions especially in today's climate. The name of the game is to be in phase 2 or phase 4, you may be happy staying in a phase, if so, are you being as efficient as possible in that phase and making it work for you, your lifestyle, your family?

As we approach 2025 you will start to see the IAB's offering presented alongside the Profit vs Leverage model the aim being to demonstrate to you how you can unlock aspects of your IAB membership to successfully navigate each phase of your business journey wherever you might want it to take you. Watch this space!

# What is an Accountant's Role in Corporate **INSOLVENCY** proceedings?



Your knowledge of a client company's financial situation and trading history, and the potential issues that may have caused its decline, helps you play a key role in corporate insolvency events as an accountant.

Whether you've taken the lead and spotted the warning signs of insolvency or been approached for professional advice proactively by the company's directors, your guidance can help directors avoid unintended wrongdoing and protect their creditors' interests.

As professional support is essential even at the earliest signs of financial distress, you may play a part at every stage of a corporate insolvency event. Your role is distinct from an insolvency practitioner (IP), who is the only person who can conduct an insolvency process.

So, in more detail, what role does an accountant take in corporate insolvency proceedings?

## **Financial guidance and support**

As a first port of call for trusted financial guidance, you provide invaluable advice for directors when their company has unmanageable debt. Steering a company that's being pursued relentlessly by creditors is very difficult and directors may simply be 'firefighting' issues day-to-day.

Directors need to understand their changed legal obligations if their business is approaching insolvency – to cease trading and prioritise creditor interests. As their accountant, you're able to protect your clients from unintentionally wrongful actions or negligence.

If you're qualified to explain the potential options available to insolvent companies in general – for example, formal debt restructuring, company administration, or insolvent liquidation, you can also offer directors a better understanding of what might happen to their company.

## **Financial reporting and asset valuation**

Accurate and reliable financial reporting is essential for companies approaching insolvency, but also for those already insolvent. An insolvency practitioner requires a clear view of the company's financial situation to make the correct decision on how to proceed, and initially, you as the accountant are best placed to provide this.

## **Statement of Affairs**

As part of your role in a corporate insolvency situation, you may prepare the statement of affairs or assist the officeholder in doing so. The statement of affairs is an important and complex document that lays out the insolvent company's assets and liabilities and details how much is owed to each creditor.

## **Valuation of company assets**

You might also be involved in calculating a professional valuation of the company's assets, which helps to establish how much money unsecured creditors may receive once the assets are sold. Asset valuation is a key element in company insolvency as unsecured creditors commonly receive very little in terms of repayment.

## **Intermediary for the client and the appointed IP**

In a corporate insolvency case, you can support both your client and the IP – being an intermediary during the initial discussions with the appointed insolvency practitioner and a vital source of reliable financial information throughout proceedings.

Your presence as a professional advisor who is familiar with the business may also offer some reassurance for the directors at this stressful time when their future and that of their company is uncertain.

## **The importance of an accountant in company insolvency**

When a business is on a downward trajectory and is carrying unmanageable debt, an accountant is typically the first-person directors' approach for trustworthy professional guidance.

If your client company becomes unable to pay its bills as they're due and falls into insolvency, your input can continue in various ways to provide both practical and moral support.

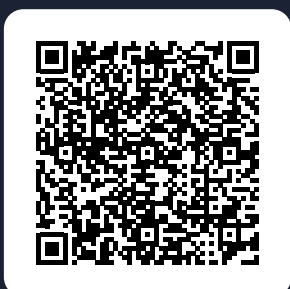
In fact, being a 'sounding board' for directors who are concerned about their company's future, as well as a professional link between directors and the liquidator, eases insolvency proceedings for all the parties involved.





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members. Scan the QR code below.



# Staying on the Right Side:

## Navigating Compliance to Safeguard Your Business and Reputation

As a professional membership organisation focused on promoting excellence in accountancy and bookkeeping, the IAB's dedication to upholding high standards is of the utmost importance. Recently, we have seen a rise in disciplinary actions due to non-compliance, unregulated practice, and dishonesty. This article aims to outline essential steps that can be taken to avoid penalties and maintain a strong reputation within our respected profession.

### Stay Informed: Read All Communications

One of the simplest yet most crucial actions you can take to stay compliant is to thoroughly read all communications from our Compliance or Membership Department. We understand that managing multiple emails can be overwhelming, but it's essential to pay attention to any correspondence we send. Our communications are generally limited to four per month, except in cases where direct contact is necessary. Missing or ignoring these emails can lead to missed deadlines and non-compliance.

Recent cases show that failure to act on compliance notifications often results in severe consequences. Members who do not respond or address required actions have faced fines ranging from £100 to £5,000 + costs, and in some instances, even exclusion from membership. By reading and responding to our communications promptly, you can avoid these penalties and ensure that you meet all necessary requirements.

1



### Address Compliance Requirements Promptly

Non-compliance with required actions can have serious repercussions. Members must adhere to guidelines such as maintaining up-to-date Anti-Money Laundering (AML) supervision and ensuring their practices are regulated. Failing to do so not only risks your professional standing but also affects your clients and the public.

For instance, members who failed to comply with AML requirements faced substantial fines and, in some cases, exclusion from membership. One member was fined £3,000 and given a deadline to submit requested information. A follow-up case saw the same member excluded from membership due to ongoing non-compliance. Another member faced an initial fine of £200, which escalated to exclusion and revocation of AML supervision due to continued non-compliance.

To avoid such outcomes, it is crucial to act promptly on any compliance requests. If you are unsure about any requirements or need clarification, please contact our Compliance or Membership Department for support. Proactive engagement is key to ensuring that you meet all obligations and avoid escalating penalties.

2

To help you stay compliant and avoid fines, consider the following steps:

- 1. Read and Respond to Emails:** Ensure you read all communications from our Compliance or Membership Department and respond promptly. We limit our communications to four per month to manage information overload, but it is crucial to act on these to avoid missing deadlines.
- 2. Act on Compliance Requests:** Address any requests for information or actions as soon as possible. Delays or failures to comply can result in fines and other penalties.
- 3. Maintain Up-to-Date Practices:** Regularly review and ensure that all aspects of your practice, including AML supervision and regulatory status, are current. Stay informed about any changes in regulations that may affect your compliance.
- 4. Seek Help if Needed:** If you are uncertain about any requirements or need assistance, contact our Compliance or Membership Department. We are here to help you understand and meet your obligations.
- 5. Ensure Honesty:** Always provide accurate and honest information in all dealings with the Institute and other authorities. Dishonesty can lead to serious professional repercussions, including exclusion from membership.

### Uphold Honesty and Transparency

Honesty and transparency are fundamental to maintaining professional integrity. Members are expected to provide accurate and truthful information in all dealings with the Institute, clients, and regulatory authorities. Dishonesty, whether intentional or accidental, can lead to severe consequences.

We have recently seen cases where members were penalised for providing inaccurate information. In one instance, a member was barred from submitting an application for 24 months due to dishonesty. Such cases highlight the importance of maintaining high ethical standards and being transparent in all professional interactions.

3



# LEVERAGING AI FOR SELF-ASSESSMENT:

## A PATH TO EFFICIENCY, ROI AND GROWTH

Sudesh Sud Founder and CEO at APARI

Artificial Intelligence (AI) has the potential to bring about a productivity shift as significant as the industrial revolution. Just as machines once automated labour-intensive processes, AI is now poised to revolutionise the way accountants manage Self-Assessment, offering unprecedented opportunities for efficiency, cost savings and practice growth.

### The Impact of AI on Time and Cost Efficiency

One of the most immediate and impactful benefits AI offers to the Self-Assessment sector is its ability to save time and reduce costs. Traditionally, Self-Assessment tasks have been laborious, requiring accountants to manually collect data through spreadsheets, sift through stacks of paperwork and manage countless emails. Often this is only after the frustration of repeatedly chasing clients for the information.

AI-driven automation tools can revolutionise these tasks by handling them swiftly and accurately. For example, AI can automatically deliver tailored reminders to clients, reconcile transactions and even generate reports, allowing accountants to shift their focus from routine tasks to more strategic activities. This shift not only reduces operational costs but also enables accountants to provide greater value to their clients. By automating these time-consuming processes, firms can serve more clients without a proportional increase in workload, ultimately enhancing profitability and return on investment (ROI).

### Meeting Evolving Client Expectations

In today's digital age, clients are more informed than ever before. With a wealth of information at their fingertips, they

are increasingly questioning the level of service they receive from their advisors. Clients expect more than just basic compliance services; they want personalised advice to optimise their tax position.

AI can help accounting firms meet these evolving expectations by delivering more tailored and insightful services. For instance, AI-powered tools can analyse a client's financial data, identify trends, and enable decision making before the tax year ends. These advanced capabilities allow accountants to scale up a service that goes beyond compliance.

By leveraging AI to provide these higher-value services, firms can strengthen client relationships and

foster loyalty, ensuring that clients continue to see the value in the services they receive.

### Growing Your Practice with AI

The efficiencies and service enhancements made possible by AI directly translate into growth opportunities for accounting practices specialising in personal tax. With more time to engage with clients, accountants can offer deeper, more personalised advice, uncovering further fee-earning opportunities. Additionally, the streamlined processes enabled by AI allow firms to handle an increased number of clients, reduce the January peak and grow the practice sustainably.

As clients become more discerning and demand more value from their advisors, firms that leverage AI to enhance their services will be better positioned to attract new clients and retain existing ones.

AI is here right now and is set to fundamentally change Self-Assessment for the accounting industry, offering significant opportunities for efficiency, return on investment and growth. By adopting AI, accounting practices can streamline processes, reduce operational costs and meet the evolving expectations of their clients.



>apari pro

# EXPLORING SALARY SACRIFICE SCHEMES

A salary sacrifice occurs when the employee agrees to accept a lower contractual salary, usually in return for receiving an additional non-cash benefit of approximately equivalent value.

Popular salary sacrifice arrangements include enhanced employer pension contributions, childcare, and bicycles under the cycle to work scheme.

Such arrangements have been around for many years but are still often misunderstood.

It is important to appreciate at the outset that a salary sacrifice is effectively a contractual pay cut and entails the employee giving up the right to receive future salary, rather than simply accepting a temporary deduction from an existing salary.

It is therefore a *reduction* in pay rather than a *deduction* from pay. For tax and National Insurance contributions (NICs) purposes, the employee is not 'paying' anything, so the sacrifice does not reduce the taxable amount (the P11D value) of benefits which have been provided in place of the salary foregone.

The incentive for the employee to agree to a salary sacrifice is that the new, lower rate of salary will be subject to lower deductions in respect of PAYE and Class 1 National Insurance contributions. Depending upon which benefit-in-kind is then substituted, the employee may still have to pay income tax on the value (as most benefits will be taxable and must be reported on form P11D) but they will still be better off overall because there are no employees' NICs on benefits-in-kind. The recent reductions in employees' NICs have eroded this saving from 12% to 8%, but it still represents a worthwhile exchange.

In general, this is not necessarily so for the employer because what is gained in Class 1 NICs on the reduced salary may be offset by the equivalent Class 1A NICs charged on the benefit-in-kind.

However, crucially there are some benefits (principally pension

contributions) which do not give rise to either an income tax or Class 1A charge and which therefore present an opportunity for both the employer and the employee to gain on the deal.

There may be other valuable tax implications. Reducing the employee's taxable income by substituting non-taxable pension contributions will be especially effective for higher rate taxpayers, and even more so for those with income between £100k and £125.4k who would otherwise lose their personal allowance. The higher income child benefit charge (HICBC) is also based on 'adjusted net income' which will be reduced by a salary sacrifice.

## Practical considerations

Before committing to a salary sacrifice, there are considerations other than the possible tax and NICs savings to consider. Lower paid and part-time workers should be particularly mindful that (in some cases) the reduction in NICs could be detrimental to their entitlement to State Retirement Pension and other state benefits. If the salary sacrifice takes them below the Lower Earnings Limit for NICs, whilst there will be no National Insurance to pay, the consequence could be that the tax year would not be a *qualifying* year for benefits and pensions purposes. Note that if the earnings remain at least equal to the lower earnings limit (£123 per week in 2024–25), although no NICs are physically payable, the employee is treated as having paid NICs, so a qualifying year is still achievable.

Employers should also be aware that any salary sacrifice is not permitted to reduce an employee's pay to a level below the National Minimum Wage. Benefits-in-kind (other than accommodation and then only to a limited extent) do not count towards the National Minimum Wage. In this context, it makes no difference that the employee may have consented to, or even requested, the salary sacrifice – it must not be allowed to reduce pay below the National Living Wage/National Minimum Wage in any circumstances.



**There are some exceptions to the OpRA rules, and pension contributions remain unaffected, as is employer-provided childcare and the cycle to work scheme**



Anything dependent on the employee's gross pay will be affected by a salary sacrifice. For example, average pay for the purposes of Statutory Maternity Pay and other statutory payments (APP, ShPP, SPBP) will be reduced.

Mortgage lenders normally only consider the cash salary, so mortgage applications could be affected.

Other pay rates could also be affected by a salary sacrifice. It follows that if the standard pay rate is reduced, then anything which is calculated by reference to that rate will also be reduced, for example future pay increases and enhanced overtime rates. To avoid this problem, it may be sensible to make contractual provision for certain calculations to continue to be based on the original pay rate as it was before the sacrifice – often referred to as 'reference pay' or 'notional pay'.

### Implementation

To be effective for tax and NIC purposes, it is important to ensure that the salary is formerly waived before the individual is entitled to the payment, i.e. before they are due to be paid. Provided the agreement is in place before the entitlement to be paid arises, no income tax or NICs are due on the amount given up. This principle applies equally to one-off sacrifices in respect of bonuses – if a bonus is waived on or after its due date then tax and NICs will still be payable, even if the bonus is not paid over.

If an employee (or director) subsequently gives back part of their salary to the employer after they have been paid, tax and NICs are still due and cannot be reclaimed.

HMRC agree (EIM42771) that the use of the use of reference or notional salary does not invalidate the salary sacrifice.

### Optional remuneration arrangements (OpRA)

Because of the obvious potential savings, salary sacrifice schemes were becoming very popular and began to be abused (in HMRC's view), largely in cases where alleged travel and subsistence expenses were being combined with salary sacrifice. Concerned over the potential fall in Government revenue, the result was that the Finance Act 2017 introduced legislation to remove the income tax and employer's NICs advantages from most salary sacrifice (described in the legislation as 'optional remuneration arrangements') schemes.

The effect of OpRA is that (with certain exceptions) the taxable value of benefits provided under the arrangement is adjusted to whichever is the higher of either the normal taxable benefit or the 'amount foregone'. The 'amount foregone' in relation to an optional remuneration arrangement, means the amount of earnings the employee has either sacrificed (Type A) or could have chosen to receive (Type B).

Fortunately, there are some exceptions to the OpRA rules, and pension contributions remain unaffected, as is employer-provided childcare and the cycle to work scheme. Ultra-low emission cars (those with CO<sub>2</sub> emissions of no more than 75 grams per kilometre) are also excepted from OpRA.

### An example using pension contributions.

Depending upon the pension arrangements, the position can be slightly complicated by the availability of tax relief in the pension fund itself, but as a simple example, if we look at the position of an employee with annual taxable and NICable income of £36,000 (after applying the tax/NICs thresholds) and making contributions of 5% from their net pay, rather than through a salary sacrifice, this can be shown as:

Employee	Employer	Pension fund
<b>£3,000 monthly gross pay</b>	£3,000 employee's salary	
<b>£600 basic rate tax</b>		
<b>£240 employee's NICs</b>	£414 employer's NICs	
<b>£2,160 net pay</b>		£150 employee's contribution
<b>£150 pension contribution</b>		£37.50 tax relief in the fund
<b>£2,010 take home pay</b>	£3,414 total employer's cost	£187.50 total receipts

By introducing a 5% salary sacrifice and thus keeping the pension contribution constant but simply changing it to an employer contribution, the position is then:

Employee	Employer	Pension fund
<b>£2,850 monthly gross pay</b>	£2,850 employee's salary	
<b>£570 basic rate tax</b>		
	£150 pension contribution	£150 employer's contribution
<b>£228 employee's NICs</b>	£393.30 employer's NICs	(no tax relief in the fund)
<b>£2,052 take home pay</b>	£3,393.30 total employer's cost	£150 total in the fund

So, the employee receives an extra £42 in take-home pay, whilst the employer has saved £20.70 – and though the pension fund has lost out by £37.50, overall, the employee is still £4.50 better off. But with a little arithmetic and a sharp pencil, we can adjust the figures to ensure the employees' pension fund receipts remain constant. By increasing the salary sacrifice to £187.50 (6.25%) we get:

Employee	Employer	Pension fund
<b>£2,812.50 monthly gross pay</b>	£2,812.50 employee's salary	
<b>£562.50 basic rate tax</b>		
	£187.50 pension contribution	£187.50 employer's contribution
<b>£225 employee's NICs</b>	£388.12 employer's NICs	(no tax relief in the fund)
<b>£2,025 take home pay</b>	£3,388.12 total employer's cost	£187.50 total in the fund

So now we are in a position where the employee takes home an additional £15 in pay, the employer's costs have been reduced by roughly £25 and the pension fund receives the same amount as when we started.

A generous employer may choose to give up part or all the NICs savings and increase the pension contribution even further. With a little planning, this can be an arrangement in which everybody wins.



## The Secret World of SAR Procedures: A Detective's Perspective

In the gritty, enigmatic world of financial investigations, internal procedures for handling Suspicious Activity Reports (SARs) are our bread and butter. It's not just about where we stash the templates – the real detective work lies in how we handle these confidential operations and protect the sensitive information within.



### Confidentiality:

#### The Cardinal Rule

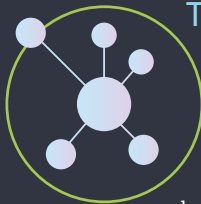
In our line of work, confidentiality is the cardinal rule. SARs are chock-full of sensitive information that could compromise investigations or expose the identities of key individuals. Every detective in the squad, from the new recruits to the old hands, must understand the importance of keeping things under wraps. A single leak could lead to disastrous consequences, including legal trouble and a tarnished reputation for the department.



### Storing SAR Templates:

#### The Evidence Locker

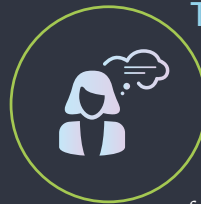
Where to store them is like deciding on the location of our evidence locker. They need to be accessible enough for quick access during an investigation but secure enough to prevent any unauthorised tampering. A high-tech, encrypted digital vault is our go-to, preferably cloud-based with rock-solid security measures. Only detectives with the right clearance should have access, ensuring the integrity of our operations.



### The NCA Portal:

#### Our Secure Hub

Think of the National Crime Agency (NCA) portal as our secure hub. It's the headquarters for SAR submissions, ensuring our reports are transmitted with the highest level of security. But here's the kicker – the portal's guidelines leave it up to us to establish our own internal protocols. This means it's on us to create a foolproof system that ensures every detective knows their role.



### Training and Awareness:

#### Detective Training

No successful investigation is complete without thorough training and awareness. Every detective needs to know the drill: how to spot suspicious activities, the correct protocol for reporting, and the importance of keeping everything confidential. Regular training sessions and updates ensure our team stays sharp and ready to tackle any new challenges that come our way.



### Reporting to the MLRO:

#### The Chain of Command

In our detective squad, the Money Laundering Reporting Officer (MLRO) is the chief inspector. Every suspicious activity spotted by our detectives must be reported up the chain to the MLRO. This top cop has the expertise to evaluate the intel and decide if it's worth escalating to the NCA. The smooth functioning of this chain of command is crucial to cracking the case.



### Audit and Review:

#### The Case Review

Finally, every investigation needs a thorough case review. Regular audits and reviews of our SAR procedures help us identify any weaknesses and fine-tune our methods. It's a continuous process of improvement, keeping us one step ahead of the criminals. These reviews also reinforce the importance of our work, reminding every detective of their critical role in our operations.

## Solving the Case

In the world of financial crime investigation, the logistics of storing SAR templates are just a small piece of the puzzle. The real detective work is in maintaining strict confidentiality and ensuring a seamless, well-understood process for reporting suspicious activities. From detective training to secure storage and regular case reviews, every element must work together to protect the department and stay ahead of the crooks. By prioritising these elements, we can effectively combat financial crime and uphold our commitment to justice. So, sharpen your pencils, detectives – the world of SARs needs your expertise and vigilance.

# The Human Element in Cybersecurity:

## A Growing Threat to Corporate Networks



gather information about their targets – often without them realising it. They scour social media profiles, track online reviews, and note seemingly innocuous details like favourite restaurants, sports teams, or hobbies. This information is then weaponised to craft convincing and personalised attacks. A simple email that

references a person's favourite football team or a recent dining experience can lower their guard, leading them to click on malicious links or divulge sensitive information.

At The OSINT Group, we help clients globally with Digital Vulnerability Assessments, and what we uncover often shocks them. Through open-source research, we are consistently able to find a staggering amount of their information online. This includes passwords, easily hackable PayPal accounts, geotagged information that leads us to their homes and private places, internal images of their properties, signatures, emails, phone numbers, and even social security and passport numbers. The extent of this exposure underscores the urgent need for a more comprehensive approach to cybersecurity – one that includes monitoring personal digital footprints as a critical aspect of corporate security.

These attacks are not just hypothetical; they are happening with increasing frequency. The human mind is wired to trust familiarity, and hackers exploit this

psychological tendency to breach even the most secure systems. For example, an employee who receives an email that appears to be from a colleague, mentioning a shared interest or recent social media post, is far more likely to engage with it without suspicion. Once the hacker gains access through this social engineering attack, they can pivot into the corporate network, bypassing many of the technical defenses that companies rely on.

This is why I always emphasise the importance of understanding how humans work, not just how systems operate. Cybersecurity is as much about people as it is about technology. It's crucial for businesses to not only educate their staff about these risks but also to monitor their digital footprints. Employees should be aware of the information they're sharing online and how it can be used against them.

While it's essential to maintain strong technical defences, we must not overlook the human element in cybersecurity. Hackers are becoming increasingly sophisticated in their methods, and it's up to all of us – especially those in financial sectors like accounting – to stay one step ahead. By understanding the tactics used by cybercriminals and the vulnerabilities

in our personal digital lives, we can better protect the corporate networks that are the backbone of our economy.



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This tactic, known as social engineering, is alarmingly effective because it preys on human nature. Hackers meticulously



# Time Off

## Done Right: Crafting an Effective Annual Leave Policy

**A**re you tired of the hassle of managing staff holiday? Sick of manual tracking and processing of holiday requests? An annual leave policy is the solution to these problems. In this article, we will discuss what an annual leave policy is and what key elements it should include to ensure fairness and efficiency in administering staff holidays.

### What is an Annual Leave Policy?

An annual leave policy is a written document that outlines how much holiday staff are entitled to, the application process, and how leave will be managed within an organisation. This policy clarifies entitlements, grant procedures, and situations where leave may be refused, such as during peak business periods.

Having a written policy in place prevents disputes between employers and staff regarding entitlements. It also ensures transparency and fairness in holiday administration.

### Key Elements to Include

**Purpose of the Policy:** Clearly explain the purpose of the policy and define terms like pro-rata entitlement and public holidays. Address situations where staff feel pressured to work during their leave and outline consequences for misuse of leave.

**Holiday Year:** Specify the start and end dates of your holiday year. Decide whether leave must be used within the year or if carryover is allowed. Determine the maximum carryover days for employees exceeding the legal entitlement.

**Entitlement Calculation:** Detail the number of days employees are entitled to per year. Part-time and irregular workers receive pro-rata entitlements. Use online calculators to determine individual entitlements accurately.

**Leave Request Process:** Explain the process for requesting leave, including application methods, notice periods, and approval procedures by line managers. Specify that leave must be confirmed in writing and outline steps for disputes or unauthorised leave.

**Unique Situations:** Address unique situations that may impact leave entitlement, based on previous scenarios you have experienced. For example, how

accrued leave is handled for employees leaving mid-year or sickness before or during annual leave.

Establishing a clear policy benefits both employers and employees, fostering a harmonious work environment and a lot less stress at what can be key times of the year for a lot of businesses.

Consider utilising resources like IAB member benefit Breathe HR, which offers a free trial of its Holiday Planning Software and expert advice in this area to ensure your annual leave policy is up to par.



**Visit the Member Benefits page at [www.iab.org.uk](http://www.iab.org.uk) and remember to be logged in as a member!**

# Globalisation – future-proofing the financial career path.

**In the present interconnected world, globalisation plays a crucial role in influencing the financial sector. As a financial professional, it is vital to comprehend and adjust to the dynamics of globalisation to effectively navigate the complexities of the world we live in.**

**G**lobalisation refers to the interconnectedness of economies, cultures, and societies worldwide. It has resulted in market integration, the free movement of capital, goods, and services, and the rise of multinational corporations. For financial professionals, globalisation presents both opportunities and challenges. At the IAB we want to highlight these and also support you in evolving whilst also equipping professionals of the future with the qualifications to succeed on a global level.

The transfer of economic power from West to East offers significant growth prospects for finance professionals willing to venture beyond conventional markets. Nations like the Gulf States and India are considered key areas for investment and expansion. As developed countries' traditional markets encounter difficulties, emerging markets offer new pathways to success.

The global market is incredibly intricate, with various dynamic situations and factors at play. Events such as sanctions on countries like Russia, upcoming US elections (at the time of going to print), and shifts in international trade can create economic volatility and uncertainty. For example, a knock-on effect is that it is nearly impossible to open a business bank account today. There are reports of clients waiting up to 9-12 months to open a new bank account and a business can't operate without a bank account!

That's why it's important to stay informed, one notable aspect to consider is the cultural lens through which international news stories are filtered. The global reach

of the IAB means we have a steer on this and are aware of the stark differences between news stories delivered internationally and those at home. On this basis we would recommend ensuring you have a broader range of sources to refer to so to inform your opinions and strategies and gain a more comprehensive understanding.

To address the challenges and opportunities presented by globalisation, we created the International Educational Advisory Board at the start of 2023. The board comprises of leading academics and business experts from around the world. It convenes regularly to discuss global trends, threats and opportunities.

Through exploring innovative concepts and devising strategies to future-proof the finance industry we can ensure that IAB product development is aligned with market demand and that individuals taking an IAB course or qualification can be assured that it will be recognised and relevant.

It's understandable that you may feel the era of globalisation brings with it a lot of uncertainty, it's true that finance professionals, now more than ever, need

**Through exploring innovative concepts and devising strategies to future-proof the finance industry we can ensure that IAB product development is aligned with market demand...**

to be on their A Game. They need to be very savvy about what's going on, for example, with international bank transfers, understanding their clients' activities such as who they are trading with and, if exporting and importing, from which countries?

They need to understand supply chains as these typically cross borders. There needs to be a huge amount of vigilance demonstrated, not only to support their clients but also to protect themselves so they are not an accidental pawn in some larger scam.

If you think about that last point, this is enough of a reason to warrant your time understanding about what is going on, you don't need to be an expert in geopolitics, but you absolutely do need to have a basic awareness of what is going on outside of your immediate geography.

Layer this knowledge with the advancement in technology such as AI, which is essentially posing a major threat to the very existence of finance professionals because there is a very strong argument to say that AI can do a lot of the work you can do. It can be quite daunting but embracing it, enhancing it with a new qualification and packaging it with the opportunity of being able to deliver services that come from on the ground experience and knowledge you have a strong offering.





# UPDATES



## Dates for forthcoming coffee mornings

Monthly meetings on:

**Wednesday 23rd October 2024**

**Wednesday 20th November 2024**

**Wednesday 11th December 2024**

from 11 am – 12 pm



## Need Support with AML Complete?

**Book an AML Complete discovery call today!**

<https://calendly.com/sujayp/aml-complete-support-call>

**aml**complete



You can also visit the AML Complete support site [www.support.amlcomplete.co.uk](http://www.support.amlcomplete.co.uk) for video tutorials and FAQs