

Meeting: Practitioners' Network Panel
Location: Virtual meeting
Date: 21 February 2024 – 11.00 AM

PRESENT

Eriona Bajrakurtaj (Vice Chair), Aidan Tucker, Lee Brocklehurst, Orvil Plummer, Peter Jarman, Alex Black, Adrian Harris, Greg Houston, Anthony Brice, Sach Yadav, Gavin Spencer, Graham Parker, Bethan Evans, James Slatter, James Lizars, Alistair Barlow, Sarmad Khan and David Nicholls.

APOLOGIES

Carl Reader (Chair), Barry Gill, Glenn Collins (Head of Policy, Technical & Strategic Engagement, ACCA UK)

IN ATTENDANCE

Yogesh Dhanak (Senior Technical Advisory Manager, ACCA UK), Mark Jackson (Partnership Development Manager, ACCA UK), Melanie Venes (Sectors & Communities Lead, ACCA UK), Susan Love (Strategic Engagement Lead, ACCA UK) Sophie Hall (Sectors & Communities Manager, ACCA UK) and Pat Delbridge (Sectors & Communities Manager, ACCA UK).

1. MARKET INTELLIGENCE – SPRING BUDGET & HMRC

Yogesh Dhanak – Senior Technical Advisory Manager at ACCA UK – updated the panel on the continued communication between Glenn Collins and HMRC regarding their service levels. The panel were asked for examples of any specific issues they were aware of that are impacting practitioners or the profession as a whole. General feedback included:

- Poorly trained or unqualified staff dealing with technical queries.
- Both telephone & postal communication is antiquated. Long wait times to reach HMRC on the telephone only to reach someone reading from a script who is not equipped to provide support.
- Letters from HMRC received sent too late for businesses to respond in the allocated time frame. Reply times to emails and letters by HMRC can be months.
- Employees at practices are constantly frustrated with dealing with HMRC, and having to justify HMRC's poor service to clients which can reflect negatively on the practice. This a broader issue that impacts on teams in practices and their morale. For the practice, time spent waiting to get through to HMRC on the telephone cannot be charged to the client.
- Enquiries take years and HMRC withholds payments whilst they are ongoing. Inspectors are inadequately trained and naïve.
- HMRC does not process corporation tax loss carry backs where an amended return has been submitted without being chased. This has been an issue for several years and the suspicion is that this is cashflow management by HMRC.

- HMRC has an issue with unqualified rogue agents – CCAB regulated agents should not be lumped in with these rogue agents. HMRC should introduce a tiered approach to agents with priority and additional access for CCAB regulated agents
- General practices are withdrawing from doing R&D work themselves and outsourcing it to specialists because R&D claims have become so problematic. Some clients have become reluctant to put in an R&D claim because HMRC seems to have a blanket refusal on claims until it reaches the ADR stage. The work is becoming too labour intensive and expensive for practices – one enquiry can ruin your margin for multiple claims of if you have to deal with HMRC for a number of years
- Time to pay arrangements with HMRC have been ad hoc – in one instance, a business director was refused a time to pay arrangement for his personal tax and a few months later HMRC sent the business to bankruptcy.

The Panel suggested that an HMRC representative sit in on one of these meetings to hear directly from practitioners about what is happening on the ground. ACCA could also approach members of the Select Committee and provide them with evidence directly from practitioners of HMRC failings so that they can hold HMRC to account for their service levels.

2. SUPPORT FOR PRACTITIONERS

Our spring series of three free technical webinars for practitioners is now confirmed and open for registration:

- o Associated companies - understanding the principles and avoiding the pitfalls – 10 April – presented by Dr Ros Martin
- o Protecting yourself and your client during an HMRC enquiry – 21 May – presented by Phil Berwick of Berwick Tax Ltd
- o An introduction to Trusts – 27 June – presented by Vanessa Clark FCCA of Azets.

You can register for any or all of these webinars at: <https://bit.ly/3UO2LHS>

ACCA will be attending the Spring accountancy shows

- o 13/14 March - Festival of Accounting and Bookkeeping
- o 16/17 April - Digital Accountancy Show
- o 15/16 May - Accountex London

The accountancy shows are a good opportunity to showcase ACCA and the profession to students. Although a good number attend the ACCA stand, Mark Jackson – ACCA Partnership Development Manager – will explore other ways to highlight the shows & encourage students & trainees to attend.

3. GOVERNANCE UPDATE

Rulebook changes – Control description changes

ACCA's regulations around the descriptions of firms changed with effect from 15 December 2023. You can read more about the changes at <https://www.accaglobal.com/uk/en/technical-activities/uk-tech/in-practice/2024/January/Changes-ACCA-Rulebook-2024.html>.

The Panel suggested that further guidance was needed on what is meant by 'an appropriate qualification'. This is assumed to refer to Employee Ownership Trusts where there are members of a panel that control the Trust. The current information does not provide an exhaustive list of appropriate qualifications which would be helpful.

The Panel asked what would happen in extreme circumstances such as one where there is an ACCA majority but then a member resigns/quits/is fired/dies and you are left with a period where you do not have a majority ACCA control. How would that affect the firm's ACCA status at that point?

Many investment vehicles will have ACCA team members - potentially from analysts through to partners and founders. How does ACCA manage the risk of a 'lackey' being put on the board merely to secure the description, but who is acting under the remit of someone without the qualification? Provided the practical control and decision making with regard to regulatory requirements are made by those who would ordinarily be partners, this will not be an issue. However the current wording is ambiguous. There needs to be a clear definition between ownership and control.

Increasingly, private equity is coming into accountancy practices. Even if you have an ACCA member as the figurehead, if private equity is involved then realistically it will be exercising significant control. Whilst there is wording in the current guidance that non-regulated people cannot exercise control, where private equity is involved, the person at the top is mostly likely not going to have an appropriate qualification. Whilst there will still be ACCA people in the day-to-day operations, there is going to be significant control exercised by non-regulated people. Will the regulations accommodate that?

4. LINK UPS

The Panel was encouraged to explore hosting Link Ups to bring members together in their local areas. If you would be interested in hosting a Link Up in your area, sign up on our website at <https://www.accaglobal.com/uk/en/member/member-networks/uk-networks/ACCALinkUp/host-an-acca-link-up.html>.

5. NEXT MEETING AND CLOSE

The next meeting will be an all day (10am-5pm) in-person meeting for all sector panels on 5 June. Location & further details will be circulated shortly.