

eNews

26 OCTOBER 2021

Welcome to haysmacintyre's regular "e-news alert" for corporates and private individuals.

BUDGET 2021 – THE SEQUEL

Tomorrow sees the Chancellor, Rishi Sunak, deliver his second Budget of 2021 following his Budget last spring. haysmacintyre will be publishing its comprehensive summary and analysis in order that you can understand what it means for you and your business. Please contact [Katharine Arthur](#) if you have any issues regarding your tax affairs.



ICAEW EXPLAINS ISA (UK) 240'S IMPACT

The Institute of Chartered Accountants in England and Wales (ICAEW) has [published an explanation of the revised ISA \(UK\) 240](#), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements. This clarifies the auditor's roles and objectives regarding fraud, with a focus on enhanced professional scepticism and a response to recent high profile cases involving fraud.

THE FRC REPORTS ON PROVISIONING AND CONTINGENCIES

The Financial Reporting Council (FRC) has published its [thematic review of disclosures on IAS 37](#), regarding provisions and contingencies, based on its review of 20 companies. Whilst finding many examples of good practice, the FRC found several areas for improvement. These included: explaining how the amounts of expected outflows had been estimated; identifying the key assumptions applied and associated uncertainties; disclosing the phasing of outflows companies expect to see as they utilise their provisions; and describing the underlying costs for which companies make provisions. The FRC also encourages more quantitative information about contingent liabilities.

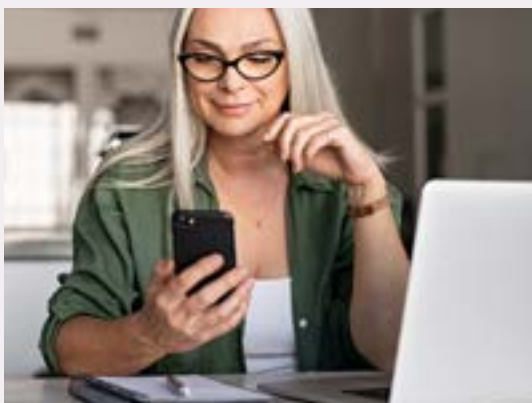


HMRC TARGETING CRYPTOCURRENCY PROFITS

HMRC has issued a statement warning individuals that they will soon be issuing 'nudge' letters specifically regarding crypto asset holdings. These are likely to be based upon information HMRC has obtained of individuals who have traded cryptocurrencies. The recipients will, therefore, include individuals whose tax affairs are beyond reproach. If you ignore the letter and have profits to disclose, HMRC is likely to consider any future disclosures warrant penalties consistent with making a deliberate mistake. Please contact our head of tax disputes and resolutions, [Danielle Ford](#), if you require assistance in making a voluntary disclosure to HMRC.

THE FRC REVIEWS DIGITAL ACCOUNTS

Under the Disclosure Guidance and Transparency Rules, companies on a regulated market will be required to publish annual reports in XHTML format for financial years starting on or after 1 January 2021. Prior to this requirement, the [FRC's Lab has reviewed](#) 50 annual reports and found that more than 70% of the files contained tagging errors, more than half had issues limiting their usability and more than 25% had design issues. On a positive note, the FRC stated that almost all issues could be resolved with appropriate care and attention.



THE FCA'S EXPECTATIONS IN A HYBRID WORLD

The [Financial Conduct Authority \(FCA\) has set out its expectations](#) as to how firms who are continuing with remote or hybrid working will continue to meet their regulatory responsibilities. The FCA expects firms to be able to operate in a manner that does not adversely impact the consumer, the market nor adversely impact standards. These expectations apply to existing firms, firms applying to be regulated, and firms proposing to submit further applications. Firms considering remote or hybrid working will be evaluated by the FCA on a case-by-case basis.

PERSONAL OR PROFESSIONAL?

The Consultative Committee of Accountancy Bodies (CCAB) has issued guidance on when an individual's personal behaviour could become of interest to their professional body as it could discredit the profession. The guidance sets out four principles which the professional bodies will consider in deciding whether there would be a disciplinary case to answer. These are: was the behaviour illegal; does the behaviour impact their perceived quality as a professional accountant; was the professional qualification identified; and was the misbehaviour serious?



AND FINALLY... CONTACTLESS INCREASES TO £100

Following the FCA's and the Treasury's decision earlier this year to increase the contactless limit from £45 to £100, 15 October saw the start of the national rollout of the new limit. However, as this will require payment terminals to be updated, the increase will take time as retailers adapt their systems.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



2021: Best auditor
2020: Best outsourced
finance service



Winner: Audit Team
of the Year



Top 15 auditor to quoted companies
in Adviser Ranking Listing



An eprivateclient
top accountancy firm 2020