

eNews

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

Autumn Statement

Earlier this month, Jeremy Hunt unveiled his Autumn Statement in which he prioritised stability, growth and public services whilst addressing an estimated £55 billion shortfall in finances. Taxes were increased but largely through threshold freezes, or reductions, rather than in increases to headline rates of tax. Our in depth summary of the announcement sets out the various changes and can be read [here](#). If you have any queries on the Statement, please contact your usual haysmacintyre adviser or [Katharine Arthur](#), Head of Private Client.



HMRC move the goalposts

We are aware that HMRC is contacting some companies about their 2017 and later corporation tax returns claiming that the losses being reported on the CT600 form are different to the accompanying tax computations. These inconsistencies were caused by HMRC changes to the Company Tax Return guide to remove ambiguities regarding the reporting of losses carried forward. Whilst tax software providers subsequently updated their systems for the new guide, HMRC has taken the position that these updates should have applied from 2017. HMRC has indicated they will be using the loss amounts in the tax computations and our software provider has confirmed that the tax liability should be unaffected and no action is required.

Elements of a sceptical audit

The Financial Reporting Council (FRC) has [issued a report](#) which sets out examples of good practice to improve auditor scepticism and challenge. The FRC regards the right behaviour and mindset of an audit team to be vital in performing a good audit. The report considers four elements important in promoting a good environment for scepticism and challenge; the learning environment, culture, operating model of the audit firm, and the wider ecosystem. The report explains the key issue in each element and provides examples of good practice which the FRC has found supports improvements in the audit quality.



CBI calls for apprenticeship levy reform

The [CBI has called for reforms](#) to the apprenticeship levy to support the retail and wholesale industry, which accounts for a tenth of all training spend in the UK following the [issue of its report on the contribution](#) of the retail and wholesale sector. It is calling for the Government to make the levy more flexible so retailers can use the funds for high quality pre-employment courses, short in-work developmental courses and to cover other costs related to training. One major retail business claimed that they could create 8,000 new apprenticeship opportunities if the apprenticeship levy was reformed.

Updated high risk jurisdictions

The Treasury has [updated its advice regarding risks](#) posed by jurisdictions with unsatisfactory money laundering and terrorist financing controls. It sets out which jurisdictions will be included in the forthcoming amendment to the Money Laundering Regulations. The list replicates those countries listed by the Financial Action Task Force as high risk or under increased monitoring.



Dark days ahead?

The latest [Business Confidence Monitor \(BCM\)](#) from the ICAEW has shown business confidence deteriorating across the UK as difficult economic conditions have combined with political turmoil. The Business Confidence Index remains in negative territory with all sectors, regions and types of companies being affected. Whilst domestic sales growth has slowed, export sales are holding up, helped by sterling's weakness, and sales prices are rising, impacted by skill and labour shortages. Notwithstanding the negative signs, companies are expecting to increase employment to meet orders but plan to reduce investment as profits are squeezed which may affect.

In the public interest?

The FRC has [published a paper setting out the principles](#) that it will use to assess whether the public interest is best served by carrying out regulatory, supervisory and enforcement work that is outside of its primary regulatory perimeter as it transitions to the Audit, Reporting and Governance Authority (ARGA). The principles it will consider are: is regulatory action required to maintain public confidence; does the nature and seriousness create public concern; and is action proportionate and is regulatory action being undertaken by another regulator.



And finally... FCA developing conduct code for ESG

The [Financial Conduct Authority \(FCA\)](#) has announced the formation of a group to develop a Code of Conduct for Environmental Social and Governance (ESG) data and ratings providers.

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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 2022