

Inside out-sourcing

making a splash - sink or swim

the day job

from Vancouver to London

Q&A

Technical Work
Experience

What examiners want

key tips to exam answers

Welcome to /Vital



the information & support
magazine for ICAEW students
issue #22

/hard news

icaew tracking in the press

"Advanced Excellence by Students"

Students have achieved outstanding results in the latest Business Environment and Business Life Cycle examinations, the Institute has revealed. Aude Leonetti, ICAEW Head of Assessment, said: "The results for the TATC papers demonstrate that the candidates are able to apply the higher professional skills required to be successful in a real business environment. Excellent competence was demonstrated across the full range of technical skills."

"Higher Salaries are the big draw"

Research from market research group High Fliers indicates that accountancy applications from graduates are up by 11%, and industry experts believe this is due to the promise of high salaries and an improved profile, reported the FT on 9 September. The ICAEW's Anna Coen has emphasised the importance for new entrants to be able to recognise the principles of the profession against the different rules of various countries.

"Expanding Horizons"

The ICAEW has announced that the ACA qualification will now be available in Mauritius. ICAEW Deputy President, Ian Morris, said: "In today's globally competitive markets, it has become vital to build a strong accountancy profession . . . locally trained chartered accountants can contribute to that." There are already 176 ICAEW members residing in Mauritius.

Welcome to Vital#22
In this autumn edition of Vital we look at out-sourcing in on page 3.

We're also helping you to write great exam answers in "what examiners want" and we clarify what's required for membership in "Q&A: Technical Work Experience."

Don't forget to update your diary with the latest exam dates & deadlines on page 9.

retaining the gold standard

Hilary Lindsay is the Council member responsible for Provisional Member liaison. In this issue she tells us of the Council's most recent strategic review.

The external environment changes continuously. In order to ensure the Institute maintains and builds its value, relevance and reputation both to members and the wider world, every three years our governing Council carries out a strategic review geared towards identifying strategic and operational priorities.

At our Council conference in July we identified several 'givens', or foundation stones from our analysis and discussions:

- the status quo is not an option;
- we should retain a 'gold standard' suite of qualifications, and not opt for a 'mass production' model;
- we should embrace all sectors of the profession across business, practice and the public services;
- we should increase our international dimension – rapidly; and
- we should align our activities with member needs

Having decided on these foundation stones for the next three years and beyond, we need to consider how to build a strategy aimed at delivering them. Of course things never stand still. As we were reviewing our strategy, other institutes were also looking at theirs. Not surprisingly, as we had looked at the same external environment, we were reaching some parallel conclusions.

As a result we are currently in exploratory talks with CIMA and CIPFA on possible strategic consolidation. An alliance between the three bodies is not of itself a strategy. But it could be a valuable way of accelerating our strategy. In particular it could help us develop our reach across all sectors of our membership and to provide a fast track route to our international development.

Any proposals will of course be built on the foundation stones mentioned above, including our commitment to 'gold standards'. Council felt that anything less would be unacceptable. At the end of the day it will be up to our members to decide whether they choose to support any proposals we put to them.

It is early days in the process. If you have any queries or would like to share your views please email me at hl@hilarylindsay.co.uk. I look forward to hearing from you.

National Student Council helps the Institute plan for its 125 year anniversary

You may, or may not, be aware of the fact that the Institute was founded in 1880 meaning that 2005 is our 125th anniversary. To mark the occasion we are planning a number of projects involving members and students. Student Council Chairman, Alistair Smith and Vice-chairman Sarah Clark have both helped to identify activities which we hope all students will be able to get involved in.

We are hoping that students will be inspired to contribute their opinions on issues affecting the profession in 25 years time. The findings will be recorded and buried in a capsule at Chartered Accountants' Hall and will be unearthed as part of our 150th anniversary celebrations in 2030. To encourage participation by students, all entrants will be put into a prize draw for cash prizes.

We are also working with Student Council on identifying some local charitable challenges. We hope to run one project in each Student Society area with the society chairman and committee members running the project in their locality. Further details will be published on /students and by the societies themselves nearer the time.

Alistair can be contacted by emailing Alistair.Smith@bentley-jennison.co.uk. Alternatively please contact our 125 Project Manager direct by emailing tony.manos@icaew.co.uk

/inside out-sourcing

Making a splash - sink or swim

We're all used to the scenario: telephone your credit card company and find that you have been redirected to an overseas call centre. There are many who argue that this policy of business migration is destroying UK industry. As accountancy services are one of the many professions to be outsourced to Asia, should there be any cause for alarm?

The arguments for Business Process outsourcing (BPO) seem to be unshakeable – annual costs cut by 50%, dedicated and trained teams of professionals, improved internal controls, relief for departments previously acting as overflow and a vital expansion of global brand awareness.

In addition, the dedication and professionalism of many of the Asian companies to absorb the business opportunities is enough to make any UK company look hard at its own training methods. Indian employees are the cream of a very large crop and are very well educated with exemplary academic records. They are trained to speak in regional dialects and accents and are exposed regularly to the culture which matches their market; pop music, politics, sport - even soap operas are on the training agenda.

India is not the only outsourcing option, the emerging markets of China, Vietnam, Eastern Europe and Russia also pose competition. Companies such as BT, Lloyds TSB, HSBC, British Airways and Marks & Spencer have exported their services to Asia; in all 28 companies have adopted BPO in the last two years. So how much should the accountancy industry worry?

Despite the fears of job security there is much cause to celebrate. If anything, the continuing trend to export services will raise the domestic bar in terms of service values. Now good service at great prices is available from around the world, so UK-trained accountants will have to rise to the challenge to remain competitive. This will ensure that ACA remains an internationally recognised and respected qualification.

Some chartered accountancy practices are even pessimistic regarding BPO and advise a halt to the exodus across the ocean. They argue that the figures are wrong – 50% costs saving is wishful thinking; 20% being more realistic. Relocation also entails massive logistical problems; securing new and well-serviced

office space, supplying networked computer systems, providing employee support in all its forms and conducting much business travel by senior executives to monitor compliance. Offshore departments cannot take over from day one – anything up to a year is required for service levels to reach required standards and for cultural differences and foreign concepts to be overcome. These problems have often divided opinion over the merits of accepting overseas business at the ICAI (Institute of Chartered Accountants in India).

So not everyone is fighting over the latest New Delhi office space. As a consequence of the Indian model, practices must realise the importance of face to face business in the best traditions of the industry. There is a strong opinion among many that business will be lost if it is only possible to conduct it over the phone; establishing trust, sharing humour and shaking hands are but a few of the personal touches only possible face-to-face. Business handled within the UK makes this contact possible.

Overall improvements, worldwide success and improved career opportunities will evolve by maintaining domestic accountancy businesses and the BPO. As financial forecasts make it apparent that the initial enthusiasm to outsource will wane in years to come, the domestic accountancy industry looks to have a bright future.

/in focus



During July and August we ran a series of student focus groups with the aim of finding out what you, our students, think about various elements of the support we provide to you.

In particular we were looking for feedback on the student website, Vital, email updates and the student help-line.

Here's what you told us:

/students

The website is generally well used, although you are quite discerning in what you chose to look at. You tend to use the website primarily for accessing exam related information and resources such as the exam application process and past exam papers.

You are happy with the fact that some of the site is password protected but would welcome the opportunity to choose your own password.

The quick links on the professional stage and advanced stage homepages are well used and make accessing specific information quick and easy.

You would like to use the website as a means of updating changes to personal details, such as postal address, email or phone numbers.

Vital

You knew you received it, you all opened the shrink wrapping and most of you tend to flick through and look for articles that look eye-catching or are of interest.

You like the profiles of recently qualified ACAs, featured in the centre of the magazine and the career route map featured in the centre of the last issue of Vital was quoted as being particularly interesting.

Email updates

Many of you felt that email updates and newsletters are an effective way of ensuring essential information is cascaded.

However, you would not like to be inundated with email updates from the Institute, quoting optimum frequency as being no more than every 4-6 weeks.

You all told us that we need to keep the format of emails simple as you often access your mailboxes from home, after a day with clients, and if the content is too lengthy, or the graphics too big, you tend to cancel the download request due to the time it takes for the message to open. You asked whether we could include a bulleted list at the top of the email so that it was easy to see what the content of the message was.

Student help-line

Most of you had used the help-line and found the service to be of value. There were a couple of you that had experienced problems such as being cut off whilst in the queue.

All in all, you would certainly use the service again if you had a query you felt we could help with.

What next?

We are now looking at the detailed feedback we noted and will be making sure we implement some of your suggestions in the coming months.

Major changes will be communicated through future issues of Vital and on the website.

In the meantime, if you have something you would like to see us changing or a service you wish to have offered, please send us an email: vital@icaew.co.uk

Impact

Variety, Responsibility,

Following the response we received from our career development map in the last issue of Vital, **Jamie Hart** from Michael Page Finance gives us an insight to some of the opportunities for Qualified ACAs in Industry & Commerce.

Embarking on a financial career in industry and commerce will present you with some of the most varied and exciting challenges you will face. The diversity, in terms of types of companies, sectors and roles, is immense but perhaps most importantly because your skills are so transferable it is rare that you will be pigeon-holed into a particular role or sector, unless of course you specifically chose to be.

The environments will differ according to the type of business you are in, be it a Publicly Limited Company, an entrepreneur-owned business, a partnership or even a start-up company. However you will consistently have the opportunity to make an impact across a wide variety of business functions and people: chief executive officers, directors and managers; company creatives, sales and marketing executives, operations, procurement, research and development, and IT facilities to name a few.

Industry & commerce covers a range of sectors that include retail, media, technology, telecoms, business services, pharmaceuticals and energy. Within these sectors four key areas act as entry points into industry as a qualified ACA:

Group Reporting - Immediate exposure to the board, international operations, acquisitions & mergers, investor relations, stock exchange reporting and strategic business planning. It is a great way to build your network across a large business and because of your profile you can then drive your career path in whichever direction you wish. This firm grounding in the mechanics of group finance is one of the most sought after skills in the market.

Management Accounts/Analyst - Throws you in at the deep end, dealing with operational staff who may not be as financially literate as you. Delivering commercial support demands strong IT skills and excellent communication skills as you guide the

operations through budgets, forecasts, investment appraisals, cost control and their key performance indicators.

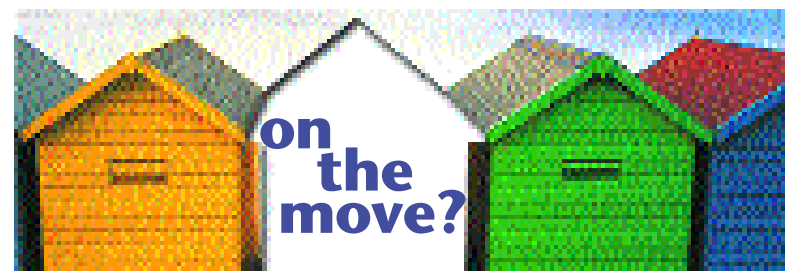
Operational Review/Internal Audit - you may have felt you have had enough of audit but internally this is very different and has become strategically critical to all large businesses. Risk assessment of controls and systems, Sarbanes Oxley compliance, pre and post acquisition analysis and disaster planning are just some of the responsibilities. Travelling and seeing the world as part of the board's specialist "SWAT" team and getting to know literally everybody are just some of the highlights.

Finance Manager/Controller - small to medium size companies often seek newly qualified accountants to help run their finance teams. Taking early responsibility for staff management, systems development, statutory and management reporting as well as dealing with the board and operational functions, you will immediately become a central "cog" in the business and this often suits individuals who are entrepreneurially minded.

Specialist Tax/Treasury - most large businesses employ in-house tax and treasury teams. Intellectually and technically challenging, the impact an individual can have on a multi-billion pound balance sheet ensures that these roles have significant strategic importance. These roles nearly always have an international flavour and individuals gain exposure to ever changing legislation and currency markets.



/looking after #1



Don't forget to update your details, email us on studentsupport@icaew.co.uk or call us on +44 (0)1908 248040

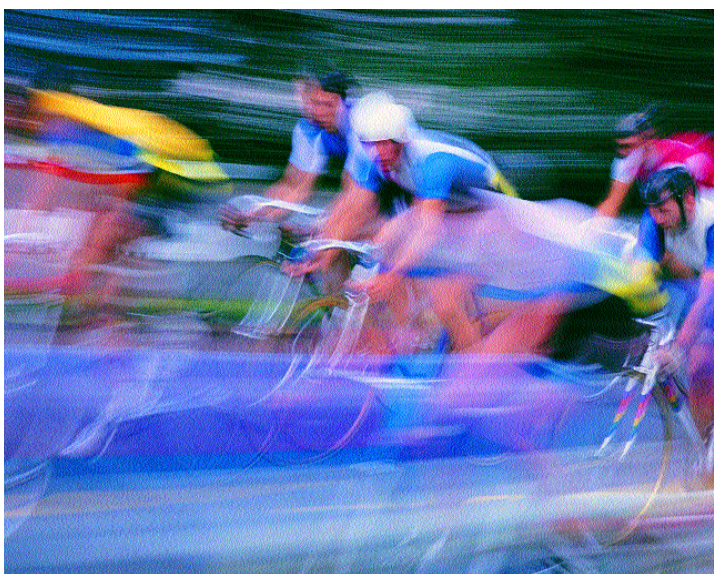


Christmas Opening Times

The Student Support Helpline will be operating a restricted service over the Christmas period. The Helpline will **close at 4pm on Thursday 23 December** and will operate between the hours of **10am and 2pm on Wednesday 29, Thursday 30 & Friday 31 December 2004**. Normal hours will recommence from **Tuesday 4 January 2005**.

/the day job

Interview with Kristina Neels Qualified as a Chartered Accountant in 2000 in Vancouver, Canada. Manager - Accounting and Finance at Heineken UK



Where are you working now?

After 7 years of working in professional practice in Canada and the UK I decided to make a move into industry and now am working as Manager in Finance & Accounting at Heineken UK.

And what exactly does your job involve?

I report to the Finance Director and manage two accounting staff. My role is to ensure the month-end process runs efficiently and effectively. I deal with complicated accounting issues and other ad-hoc projects. Ensuring all internal control procedures are in place is another area I am involved in. I will also be involved with the corporate tax return and ensuring the year-end audit is well prepared so that it will run smoothly. My role is extremely varied. Not only do I face complex accounting issues or problems but I also help with everyday accounting duties when needed.

How did you find the change from a medium size practice to industry and commerce

Working in industry is very different to working in public practice. It's a nice change to focus on one company rather than on a number of different organisations where you only ever see a little bit of each. I enjoy the prospect of helping the company grow in the future and being part of that development.

However, both environments offer a good variety of work. In public accounting, not only did I manage audits, I also did a variety of special work which included:

- Tax planning
- Business plans
- Projections



What do you like most about your job?

At Heineken I like the fact that everyone works in a team and the fact that my colleagues are willing to help out. Everyone is incredibly friendly and hard-working.

I have already travelled once to Holland for a course and am looking forward to another trip in September for my official orientation.

Heineken sponsored the Olympics in Athens and I won a company draw for a 3-day weekend trip to see the athletics events and the closing ceremony. A once in a lifetime trip that I will never forget.

What do you do to relax?

My partner and I are avid cyclists and went to France this summer to watch some of the "Tour de France". I also like Yoga and being physically active during my time away from work. This provides the work life balance necessary to remain content and motivated.

When did you decide on Chartered Accountancy as a career.

In my third year at University I realised that getting my designation as a Chartered Accountant would open up so many doors and would give me amazing opportunities to choose anything I wanted to pursue. This has definitely come true with my move to London and my current situation of working for a company like Heineken.

*Chartered Accountancy
has opened up so many
doors - like my move
from Vancouver
to London*

Reciprocal membership & Mutual Recognition Directive

The ACA is one of the most prestigious financially based business qualifications, with worldwide recognition. Over 16,000 of our 126,000 members live and work overseas.

Many students choose to embark on the ACA because of the portability of the qualification.

If the idea of working overseas appeals to you, there are two arrangements that may interest you.

The ICAEW has an arrangement with some overseas professional accountancy bodies that allows a member of the ICAEW to become a member of their local body. This arrangement is referred to as reciprocal membership, and there are currently arrangements with the Institutes in the following countries: **Australia, Canada, New Zealand, South Africa, Zimbabwe and Hong Kong.**

The Treaty of Rome makes provisions for citizens of European Union (EU) Member States to have the freedom to work in any member state and for appropriate qualifications to be recognised. The Mutual Recognition Directive allows EU and European Economic Area citizens possessing a professional qualification recognised under the directive to become members of a comparable professional body and practice in another Member State.



Thursday 30 September
Sheffield Student Society New Starters Quiz Night
Get along to the Society's New Starters quiz night to meet and greet some new faces by contacting Carmel Smithson on 0114 2922415 or by email at carmel.smithson@icaew.co.uk

Friday 1 October 2004
BBHCASS London Riverboat Party
A launch event for new and old students on a Thames Riverboat leaving Westminster Pier at 7pm and returning at 11pm. Tickets are £10 and include entry, a disco, a buffet supper and a welcome drink. Details and booking forms are available on the BBHCASS website at www.bbhcass.co.uk

Friday 1 – Sunday 3 October
BCASS Annual Conference and Activities Weekend
After two very successful years the activities weekend will again be held at the Mount Severn Centre in Wales. Expect activities such as rock climbing, abseiling, caving and kayaking to be on the agenda. For more details contact your training partners or email admin@bcass.co.uk

Friday 8 October
CASSL New Member's Party
Join the New Members Party at Oxygen bar – a top night out in London! To get involved and to meet some new faces contact Deborah Hartog on 020 7556 7764 or by email at deborah.hartog@icaew.co.uk. You can also visit the CASSL website at www.cassl.com

Sunday 24 October
BBHCASS 5-a-side Football Tournament
Pull on your soccer boots and bend it like Beckham by registering for BBHCASS's 5-a-side football tournament. Play against other students and match your team against other training firms at the University of Hertfordshire on the de Havilland Campus in Hatfield. From 11:30am to 3pm with packed lunch included. Details and booking forms are on the BBHCASS website www.bbhcass.co.uk

Friday 5 November
BCASS Annual Dinner
Make a note in your diaries for 5 November 2004 for one of BCASS's biggest events of the year! The venue is the Birmingham Hilton Metropole Hotel and you'll need to contact admin@bcass.co.uk to book your place.

Thursday 11 November
BADCASS New Members Evening
Working at a smaller firm? Come and share your thoughts and meet some new faces at Clifton's Wine Bar in Bristol. For further information please contact Ruth Rogers at badcass@kaliba.net

Thursday 16 December
BADCASS Pool Night
Show your prowess with a cue by going along to Riley's bar for BADCASS's pool night. Contact Ruth Rogers at badcass@kaliba.net for more information.

/get out more

Next Student Seminars
Thursday 11 November – Manchester
Thursday 18 November – Nottingham
ICAEW Student Seminars
An opportunity for you to find out more about completing your contract and becoming a member of the Institute. The buffet starts at 5:30pm and the seminar follows, including a presentation on Accelerated Learning Techniques with Andy Bounds of Abnormal Results. For more information on what's involved please contact student support support@icaew.co.uk or call 01908 248040.

To find out what is happening in your society go to **/students**, click on **professional or advanced stage** and select **student societies** from the menu.

exams dates & deadlines

Professional Stage exam	Advanced Stage exam
Exam – 7~9 September 04 Results – 15 October 04	Exam – 2~4 November 04 Results – 10 December 04
Closing date – 4 November 04 Admission letter – 15 October 04 Exam – 7~9 December 04 Results – 21 January 05	exam results service You can call the student helpline on +44 (0)1908 248040 between 5~7pm on the day the results are released.

what examiners want

If you've ever sat an exam, you'll know that your success is based on how well you can demonstrate your understanding of the questions. ICAEW's Professional and Advanced stage exams are no exception, and they require you to draw on your knowledge and experience to achieve the best mark.

- There are some key characteristics that should feature in your answer. Some might sound obvious, but following the tips below will enable you to focus on what the examiners will expect to see.
- Apply your arguments to the specific circumstances in the scenario of the question
 - Show knowledge of at least some relevant studies or models and apply these in appropriate context
 - Consider the wider range of implications in the question; for example not just the company in question but the response of a competitor
 - Demonstrate higher skills by synthesising, integrating and analysing the material in question
 - Ensure computations are correct and show workings
- The examining team will be looking to see relevant information and will be seeking clear, precise responses to the scenarios presented. They will expect to see all calculations presented logically.
- Just as in any exam you'll have taken previously, you will need to answer the question actually set and follow the requirements precisely. If there are several parts to a question, ensure that you have addressed them all and pay particular attention to the quality of your written English. Finally, remember this isn't the only script your examiner will be marking, so ensure that your handwriting is legible.
- It's best to remember that the questions aren't designed to intimidate you – they are designed to test your skills and experience, and your ability to focus on the given tasks.
- Remember** - you will be awarded marks for following the requirements of the question, not otherwise!

/get out less

- The new time-bar regulations became effective on 1 September 2004.
- The new regulations mean that:
- The time-bar now runs for 8 years
 - This time commences from the date a student application is processed by the Institute
 - There are no permitted breaks in this time-bar
 - For students whose situation may be affected by these new regulations, the Institute offers a concessionary period to permit time-bar transitions.
- For further information and clarification, please email studentsupport@icaew.co.uk

Fridge almost empty of edible content?

Only a few non-descript tins in the cupboard? Allay your culinary nightmares by visiting www.cookingbynumbers.com where you will be able to select from a wide choice of recipes created from the ingredients left in your larder.

Resolve money issues

by visiting www.moneysupermarket.com to compare everything from credit cards and loans through to insurance, savings and utility providers. The website even enables you to view all your account balances on one page.

Get your hands on

a range of student discounts and a valid form of ID by applying for the NUS/ICAEW Associate card. See our feature below and visit www.nus.co.uk/associate

/things that make you go www

Tell it like it is

Our recruitment team is visiting many top universities in October and November. They need current students to talk with undergraduates considering a career in Chartered Accountancy. For a full list visit

www.icaew.co.uk/careers

Ever wanted to learn an exotic language?

Heard your friends waxing lyrical in foreign tongues? Amaze them all with a quick visit to the Klingon Language Institute at www.kli.org. Whether a Star Trek fan or not, you're sure to pick up some insults and battle cries that few others will know. Qa'pla!

The ICAEW is pleased to be working in partnership with NUS to bring you the NUS Associate card.

The NUS associate card will be available on an annual basis, for a fee of £6.50, and will enable you to access a range of offers and discounts from national companies such as **Endsleigh Insurance, Top Shop, Top Man, STA Travel and HMV.**

Applications should be made on the application form which can be downloaded from www.icaew.co.uk/students, Professional Stage or Advanced Stage, Support and Services. All applications must be accompanied by a letter from your training organisation confirming you are studying for the ACA.

We believe the associate scheme is a valuable addition to the range of services already provided by the Institute and hope you will enjoy the benefits it will provide.

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Technical Work Experience

Vital assists with un-muddling the process of your TWE

What are the 6 Monthly Reviews?

"...does exactly what it says on the tin." Your response to the WBL questions will help your MRT to follow and record your progress and to find out how your knowledge is growing and how your experience will enable your answers to the questions to develop. All of this is recorded in the 6 monthly review.

What is Work Based Learning?

This focuses on the 4 key skills of communication, business awareness, technical knowledge and professional judgement. The two online WBL questions you'll answer every month will enable you to discuss your on-going experiences. Put simply, the more experience you'll gain at work, the better the answer you'll provide.

Why do I need Technical Work Experience?

Learning in the work place instead of the classroom gives you an edge over others, and your TWE will expose you to a wide range of technical experience to support your training as a Chartered Accountant. Your TWE programme is designed to give you the full 450 days experience vital to your qualification as an ACA.

What is the Evidence of Work Based Learning form?

This form is the record for all the TWE hours you've built up which all go to making up the 450 days of TWE necessary for qualification. Application for membership cannot be made unless your forms are fully completed and witnessed.

Where can I download the documents I need?

Remember that you can download all the documents and formal paperwork you'll need from our website by visiting www.icaew.co.uk/students and clicking the Downloads icon to the right. All the downloads are all in handy PDF format

What is the role of my Member Responsible for Training?

Your MRT or Counsellor will be responsible for guiding you through your training process whilst you work for your company. Your MRT will closely monitor your progress and review your achievements every 6 months, helping you towards signing and completing your training records.

When can I apply for Membership?

Once you've fulfilled your contract and completed your training records and they've been signed off by your MRT, you'll be eligible to apply for membership of the ICAEW. This is when all the hard work and your experience so far comes together to give you those enviable three letters after your name – ACA.

What about the Future?

What's next for you? Whichever your choice, visit our Young Professionals site at www.icaew.co.uk/professionals where amongst other things you'll find careers guidance and useful information on where your path can take you next

Stand out from the crowd



apply for ACA membership -
you've earned it.



The Institute of Chartered Accountants in England & Wales
Gloucester House
399 Silbury Boulevard
Central Milton Keynes
MK9 2HL

Tel +44 (0)1908 248040
www.icaew.co.uk/students

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