

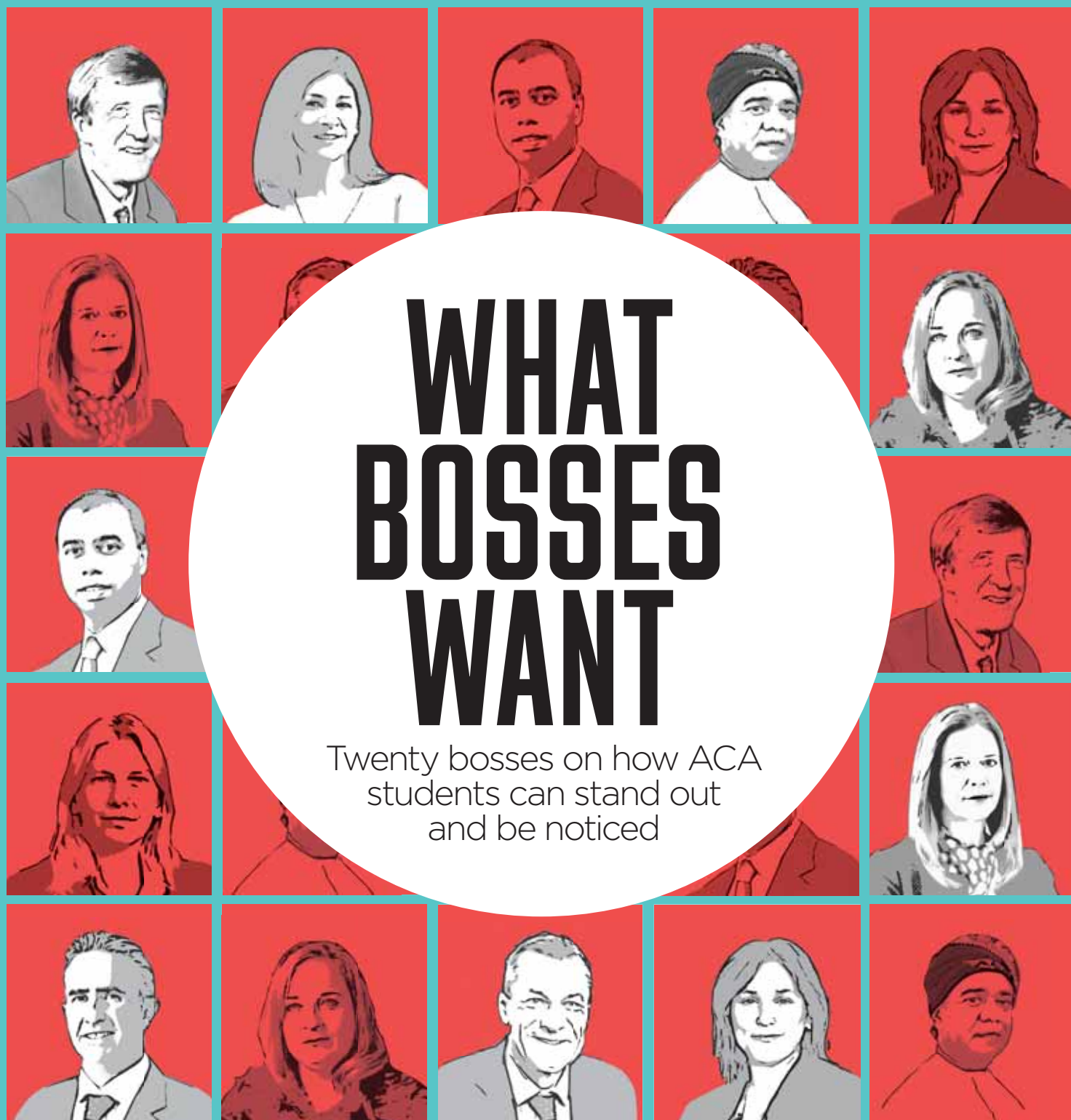
# vital

THE QUARTERLY MAGAZINE FOR ACA STUDENTS

ISSUE 64  
APRIL 2015  
[ICAEW.COM/VITAL](http://ICAEW.COM/VITAL)

## WHAT BOSSES WANT

Twenty bosses on how ACA  
students can stand out  
and be noticed



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Issue 64  
April 2015



"I like working with junior team members who challenge the way things are done"

**Naomi Bowman,**  
global risk  
director, HSBC



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# Welcome to *Vital*



Welcome to the April edition of *Vital*. With spring in the air, it feels like a good time for a little bit of online spring cleaning...



...and, in particular, dusting off the subject of data protection and the internet. First up, and obvious though it sounds, we should always be aware of our online presence and the information that is out there about us in the virtual world. We touched on this in the January issue when David Stevens, ICAEW's integrity and law manager, gave a great overview of ethics and social media. Social media is led by you; by what you contribute to or are tagged in. So be aware.

But the same necessity for diligence applies to us. And it has come to our attention that a student was approached by a third party, congratulating them about

their results before the results were officially released. To clarify, this information did not come from ICAEW. At times, we do need to collect certain personal information about the people we deal with and communicate to, and this includes students. But we take data protection seriously, so no student data or results are sent or sold to third parties.

Information in the public domain includes the pass and credit lists which will contain your initial, surname, candidate number and town. If you achieve an order of merit by subject or level, your name, employer, town and prize is released, but all this information is only available from 12pm UK time on the exam results day and not before. And not forgetting that if you have passed or received credit for the Advanced Level, the results listing with orders of merit will be published in the *Financial Times* a month or so later. So if you are approached with offers of congratulations before the results are released, ignore them - they are likely speculative. Start the celebrations when the results are out.

*Marie*

**Marie Lake**  
*Vital* Editor

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# You and your views

Tell us what you've been up to by email, LinkedIn, Twitter, Facebook or [icaew.com](http://icaew.com)

## Blogs

### WE LIKE... THE EQUITABLOG

Run by US think tank the Washington Center for Equitable Growth and billed as "The Conversation About Economic Growth and Equity That Washington Should Be Having", it covers broad global economic issues. From "The Obama recovery" to "Can Japan reboot?" [equitablegrowth.org/blog/](http://equitablegrowth.org/blog/)

Congrats to those who passed their @ Advanced Stage exams of the ACA and feature in today's @FT

Northern Society Graduation and Prizegiving Event #Newcastle 18 April

## Tweets



Congratulations to our colleagues @HurstTweets for passing all three @ICAEW exams! #ICAEW #ACA #results

ICAEW chief executive Michael Izza is taking part in an online #askicaew Q&A on 13 May from 9am. Tweet questions to @icaew

### THE ESCAPE FROM BALANCE SHEET RECESSION AND THE QE TRAP: A HAZARDOUS ROAD FOR THE WORLD ECONOMY

by Richard C. Koo

*It tackles the idea of a "balance sheet recession", and analyses the US, eurozone and China since the global financial crisis.*

## Book Review



[twitter.com/economiamag](https://twitter.com/economiamag)

### IN THE NEW ISSUE OF ECONOMIA

- Interview: Barry Hearn, accountant turned sports promoter
- Alik Whitworth, former Yahoo FD, on working for Marissa Mayer
- General election and party policies
- Lowdown on pensions and auto enrolment
- Analysis: power of the "intra-preneur"
- Technical: all new governance review



### ★ COMPETITION RESULTS ★

Congratulations to **MARI LLOYD ROBERTS**, who is the lucky winner of *Vital's* IHG competition. Enjoy your mini-break, Mari!

### WIN A NEW SUIT FROM T.M.LEWIN

DON'T MISS OUT ON THIS COMPETITION, EXCLUSIVE TO *VITAL* READERS



T.M.Lewin is giving two lucky *Vital* readers the opportunity to win a stylish new suit from its SS15 collection. Supplier of quality men's and women's tailoring, knitwear, outerwear and accessories, T.M.Lewin is best known for its famous range of expertly tailored shirts.

For your chance to win and upgrade your tailoring collection, all you have to do is answer the following question:

**On which famous London Street of shirt makers did T.M.Lewin open its first store?**

a) Bond Street b) Oxford Street or

c) Jermyn Street

Email your answer to [vital@icaew.com](mailto:vital@icaew.com) by

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### FEE INCOME FIRM BY FIRM

fee income increase (2013-2014), plus total fee income (2014)

**Grant Thornton 8.7%**  
£512m

**BDO 25.6%**  
£392m

**Baker Tilly 47.3%**  
£246m

**Smith and Williamson 7.2%**  
£199m

**Moore Stephens 3.9%**  
£137m

**Mazars 8%**  
£130m



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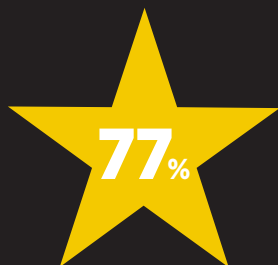
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# In review: 10 highlights

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## GOLD STAR TO FEMALE ACA STUDENTS

A whopping **77%** of those who topped the class in the November Advanced Level ACA exams were women. It marked the end of a strong year for ACA students with **87.7%** of candidates passing Strategic Business Management and **74.1%** passing Corporate Reporting.

2

## TUTOR CONFERENCE TIPS

ACA tutors from as far afield as Botswana, India, Mauritius and Pakistan travelled to London in February for the annual tutor conference. They were updated on the ACA and attended examiner-led workshops. Look out for the full report in July's issue of *Vital*.



3

## STUDENT COUNCIL UPDATE

ICAEW's Student Council (ISC) held a meeting in January, with delegates in attendance from all regional student societies. Discussions included the future of member fees, and guest speakers included Hilary Lindsay, ICAEW's deputy president, and the Chartered Accountants' Benevolent Association. Meet the new chairman and vice chairman of the ISC in the July edition of *Vital*. To find out about societies in your area, email [mauro.lucrino@icaew.com](mailto:mauro.lucrino@icaew.com)

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## DATES FOR YOUR DIARY

- **24 APRIL:** Results released, March Professional Level exams
- **6 MAY:** Application deadline, June Professional Level exams
- **23 MAY:** Admission details available, June Professional Level exams
- **8-10 JUNE:** June Professional Level exams
- **17 JUNE:** Application deadline, July Advanced Stage/Level exams

5

## WHAT'S YOUR SPECIAL INTEREST?

ICAEW has launched two new Special Interest Groups (SIGs) - one in manufacturing, and the other in energy and natural resources. ACA students can join a SIG for free. Benefits include online knowledge and communities, insight reports, and events that will help you keep up to date with challenges faced in these sectors. Find out more at [icaew.com/facultiesandsigs](http://icaew.com/facultiesandsigs)

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## WEBINARS WORTH TUNING INTO

Dust off your diary, grab your red pen and set aside time to tune into these three thoroughly useful webinars.

### 14 APRIL: Influencing with integrity

Communicate more influentially and with a greater sense of authenticity.

### 23 JUNE: Projecting confidence and credibility

Learn how to project confidence and credibility in meetings with internal and external stakeholders.

### 11 MAY: Managing business risk

Simple techniques to help you manage business risk in the workplace.

All webinars start at 10am (UK time). To reserve your place visit [icaew.com/acawebinars](http://icaew.com/acawebinars)

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## ACA STUDENTS DONE GOOD

Two brave ACA students will be taking part in an epic 3,344km charity cycle race, the Tour de Force - a charity version of the Tour de France staged one week earlier.

Becky Scott and Jonathan Leather, both ACA students at the Leathers LLP practice will be taking part in the mammoth challenge to raise money for the William Wates Memorial Trust.

**They will also be charting their journey towards the finish line - and their £50,000 fundraising target - on their blog, [howdoyoucelebrate25yearsinbusiness.com](http://howdoyoucelebrate25yearsinbusiness.com)**

## 8 IMPORTANT! PARALLEL RUNNING COMING TO AN END

The period of parallel running for the Advanced Stage exams is coming to an end. The last exam session for the Business Reporting and Business Change

modules will be July 2015. From November, only Advanced Level exams will be available. Keep this in mind when booking your exams this year.

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## WIN A POSH PEN

*Vital* magazine is giving away a silver Waterman pen, which comes in a special presentation box. For your chance to win it, all you need to do is suggest one article for a future issue of *Vital*. This might be a senior ICAEW Chartered Accountant you would like us to interview, a workplace challenge you want us to tackle, or an exam related topic you'd like us to cover in the study section. Email your suggestions by 10 May to [vital@icaew.com](mailto:vital@icaew.com), along with your name, job title, employer and where you'd like the prize sent if you win. The editor will select the winner based on the strongest article idea. The winner will be announced in the July edition. Good luck.

## 10 REMINDER! DON'T FORGET THE BASICS

It might sound simple but remember the basics: Here's a checklist of everything you need for exam day.

- **Read the instructions** to candidates and the special consideration policy.
- **Arrive early** – at least 30 minutes before the start.
- **Take two pieces of ID**, one with a photograph and a signature, the second with proof of signature.
- **Use the time before the exam** to correct all details on your answer booklet.
- **Remember your candidate number.** Write this on the booklet, too.
- **Don't open the exam paper** or write on your paper until instructed to do so by the invigilator.
- **Write** in black ball point.
- **Start each question** on a new page and try not to let your answers run into the margins.

## THE LOWDOWN: AMANDA DIGNE-MALCOLM

The quick interview: 140 characters per answer from the director of ICAEW's members department – on what young accountants can expect from ICAEW when they qualify

### *Vital*: What's on your to-do list for this month?

**Amanda:** Training in earnest for the Edinburgh Marathon, which I entered in a moment of madness! I'm aiming for under five hours.

### Aside from icing your ankles, what else does April have in store?

We'll be busy with the member app, developing our two new special interest groups, and the follow-on from the Tomorrow's Practice project.

### What can we expect from the app?

We'll be continuing with tax tables and offers, as they are popular on the current app. Plus personalisation and an android version.

### Maybe it sounds obvious but... what is a Member's Department?

We support members throughout their professional lives.

### Could you give us some examples of how you do that?

We can offer members technical and ethical advice, research and career support. Plus we have industry groups for specific sectors.

### How many queries, on average, do you get from members each year?

About 150,000.

### What has been the oddest to date?

Can you help me fix my shower?

### Bizarre! Any other odd ones?

We had crossed wires for a moment as they had dialled the wrong number. There was the one that asked: How do I account for a racehorse?

### What sorts of queries do you receive from newly-qualified chartered accountants?

'When and how can I get a practising certificate,' is a question we get a lot. And FRS102 is popular at the moment.

### What are the main pressures facing newly-qualified accountants?

Dealing with the pace of change.

### And what was the greatest challenge you faced as an ACA student?

Doing long hours on audits, then having to come home and study; really tough at the time but it shapes you into a resilient professional.

### How did you overcome it?

By being very organised, on top of the workload all the time and tackling one challenge at a time.



# COMMENT



When **Lee Bartlett** abandoned his university plans to support his ill mother, he had no idea it would lead to a career in Australia... And a CFO post by the age of 25

**As told to: Nina Bryant**  
**Illustration: Michael Arnold**

**O** riginally I planned to go to university. But my mum became ill shortly before my GCSEs and my dad was the only one working. There wasn't any pressure but I felt the need to earn. That summer I worked painting marine equipment in Portsmouth. I thought there had to be more to working life than that.

My older sister told me about the AAT route to accountancy. She knew a careers adviser at Kaplan, who got me an interview at Burnett Swayne in Southampton. A week later I was offered a job. I started in the audit department in September and my first exam was set for December, but mum

passed away in November. I thought about deferring, but I don't like to let people down. I was the only 16-year-old on my intake and I didn't want to fail in front of my peers. Everyone said 'your mum wouldn't have wanted you to mess up' and that was a real push. It sounded cheesy but I did it for her.

Soon after I was sent on an ICAEW course in London. But by day two, I

"It was my worst client; it had no cash and lots of tax debt... But then the CFO resigned and I was offered the job"

thought I wasn't clever enough to be there. I was bottom of the class, I was upset, and I was wondering why I wasn't doing better. It was only then that I appreciated the education gap.

I wasn't big on sharing my emotions then, but I spoke to my colleagues. I realised how important it is to be confident talking to your peers. I also learnt to focus on my strengths. For example, I was good at picking things up quickly on the computer, and at BDO I became a super user on several systems. That transition was great for me: I felt I shone and stood out.

I was 22 when I qualified. Soon after I was seconded to Perth, Australia. One of my clients was Total AMS (TAMS), a marine services company, that had grown from nothing to £33m revenue without being audited. In nine years of auditing it was my worst client; it had no cash and a lot of tax debt. But then the CFO resigned and I was offered the job. So I accepted.

The first thing I did was get the banks back on board and new systems in place. Within three months, TAMS was in a strong position. But there were additional challenges that came with being a CFO at 25.

I inherited a finance team of six who had been there since day one, some of whom left. I didn't come in with an iron fist, but I did make changes. I tried to mirror the audit team approach I'd grown up with, that tight-knit friendly team.

After three tough years, everything was working as it should. The biggest appeal was that I couldn't mess it up: it couldn't get any worse. I had the opportunity to turn something around and make it my own. Turnover is now £54m and we have 345 employees.

The youngest is 19. Originally a waitress, I recruited her as a receptionist but she got bored so, to motivate her, I gave her ad hoc duties in accounts. She is now our accounts receivable officer and soon starts her foundation accounting qualifications, which the company will support.

I'm a massive advocate for getting people in early and teaching them from the bottom up. As I found out firsthand in those early days, it's the best way to learn. ■



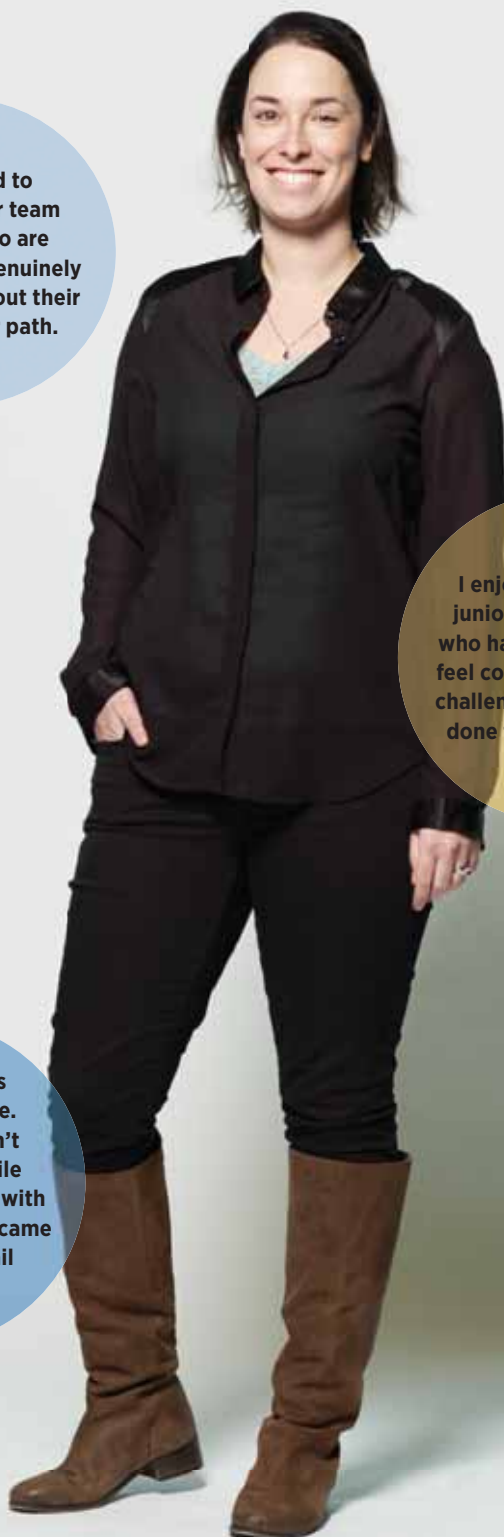
# THE BOSS

**Naomi Bowman**, head of governance and operations, group monitor liaison office, HSBC on her journey to the top

Bosses tend to look for junior team members who are energetic and genuinely enthusiastic about their chosen career path.

I enjoy working with junior team members who have new ideas and feel confident enough to challenge why things are done the way they are.

Make yourself as useful as possible. I realised I couldn't advise clients while training so I helped with other things, and became an excellent email proof-reader.



**CAREER CHOICES** I spent my penultimate summer at university interning for an investment bank. While the prospect of an investment banking graduate job was attractive financially, I was concerned that the job was repetitive. The ACA route was a great opportunity to study a broad range of business topics.

**NAVIGATING THE ACA** The ACA was one of the hardest things I've done. I felt overwhelmed and was often confused about the numerous buttons on my calculator – I only took maths up to GCSE. But my peers, tutors and colleagues were incredibly supportive. They always reminded me that a pass is still a pass, and to focus on getting over the line. Now, I'm so glad that I persevered.

**CHOOSING A SPECIALISM** My first industry sector at PwC was insurance but I quickly moved into banking in the wake of the Lehman Brothers' collapse. I chose banking and capital markets, mainly because of my dad, a senior private banker for SG Hambros.

**MY BIGGEST CHALLENGE** Convincing PwC's partners that a tax accountant specialising in insurance could be a great fit for their banking consulting team was challenging, but it was a fantastic experience. It made me recognise that, while grateful for the grounding the ACA provided, I was better suited to a broader consulting career than a specialised career in tax.

**LEAVING EY** My last role in practice was global account senior manager at EY. I left because I made senior manager at a young age – 27. The next logical step was to become director, then partner, but I questioned whether I had enough experience to be a credible partner. I felt I wouldn't be able to look a client in the eyes as a partner if I had never been in their shoes.

**SETTLING INTO HSBC** I chose HSBC because I wanted to understand the daily challenges banks face and to see what it was like on the other side. It took a year at HSBC to feel settled. I have been at HSBC for just over two years and, as much as I miss my former colleagues, I am glad I took the risk and made the move. I feel like a far more rounded professional now.


SUKI DHANDA



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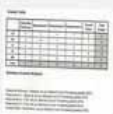
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7 January 2015



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19 December 2014



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18 December 2014



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# WHAT BOSSSES WANT

Words: Xenia Taliotis  
Illustrations: Dan Murrell

*Vital* asked 20 partners and business leaders the million dollar question: What do bosses want from young accountants? And what can ACA students do to stand out or to shine in the workplace? You might be surprised by what they said...





## 1. ALIKI WHITWORTH

FORMER FINANCE DIRECTOR

★ YAHOO (SWITZERLAND)

What do bosses want from young accountants? A very important cocktail of hard and soft qualities is required; solid financial acumen, communication skills, professionalism, reliability, time management skills, multi-tasking abilities, quick grasp of issues and resolutions, positivity and a can-do attitude. But these are just the staples. When I transitioned into the industry I was surprised to discover that what allowed me to progress and be promoted was less my pure technical and functional skills, but rather my analytical capacity, my ability to work with diverse cultures and personalities, my assertiveness as a subject matter expert and the listening skills I have acquired while auditing different clients. Over the years of hiring trainees, I have also learned to appreciate people who are eager to understand the business, who are detail-oriented but efficient and have a good understanding of the tricky balance of time versus quantity. Two other factors that as a boss I really value from my employees, include:

### 1. THOSE WHO ASK QUESTIONS

New recruits often hesitate to ask questions when a piece of work is assigned for fear of being judged. But there is a magic window that new employees have in their first few months where asking the right questions is paramount to being properly integrated, and should be encouraged.

### 2. THOSE WHO CHALLENGE THE SYSTEM

Never use a methodology or solution just because “that is how it has been done before” without understanding it and questioning it. How can it be done better, faster, different is a question everyone should keep asking. I strongly believe that we should always push to progress.



## 2. EMILY TATE

CHIEF FINANCIAL OFFICER

★ OFFICE SHOES (UK)

Being bright and numerate really helps, but attitude is what makes people stand out. I value people with drive and energy; people who ask questions and find better ways of doing things. A supplier once called up the finance department of one of the businesses I worked in to ask whether we had received an invoice. One of my team, who was quite junior at the time, thought that, as a result of the conversation she had with the supplier, we weren't getting a good deal on price for the service they were providing. So she negotiated a better one there and then. It wasn't her area of responsibility but her proactive approach saved the business quite a lot of money.

## 3. JOHN MCGAREE

CHIEF FINANCE EXCELLENCE OFFICER

★ GAMMA CIVIC (MAURITIUS)

I look for demonstrable independence and an ability to think on your feet. We need quick-minded people who have ideas and are confident to voice them. Young employees can help our business change for the better, so we want them to be proactive and question processes they don't understand.



#### 4. DANIEL GARCIA

MANAGING PARTNER

★ ADLER SHINE (UK)

*We're about to promote a graduate we recruited in 2009 to partner. What impressed me when I first met him was his clarity and focus. I could see the person he would become when he qualified. He was mature, personable, assured and sincere. Plus he supported Arsenal - perfect.*



#### 5. PAUL DILLON-ROBINSON

DIRECTOR OF INTERNAL AUDIT

★ HOUSE OF COMMONS (UK)

The first meeting is important so, when it comes to interviews and starting out, don't underestimate the small things: a firm, but not vice-like, handshake, eye contact and a smile. Other than that, I look for people who are interested (ie they've gone beyond the first page of our website and have researched our organisation properly); interesting (they can talk about their previous employment, highlighting what they've learnt); and of interest (they have a life outside work). To those starting out, I would say I don't mind if you make a mistake and you learn from it. But I do mind if you make the same mistake again.

#### 6. GERARD ZAID RAHMAN

CHIEF EXECUTIVE OFFICER

★ BDO (UAE)

I look for authenticity, for self-belief and for people who can relate to others easily. Technical skills we can teach, but that ability to connect with clients is not easy to develop in those who don't have it. My advice is be yourself, because you'll fail miserably if you try to be someone else.

#### 7. MARK SHERFIELD

PARTNER AND CHIEF OPERATING OFFICER

★ BDO (UK)

Our business is diverse, our clients are diverse, and we want staff who are diverse. We don't want to see ACA students trying to mould themselves into what they think is a 'typical' BDO type, because that doesn't exist. We want people who don't check-in their personalities when they come to work.

#### 8. ROGEL MADRID MAGTIBAY

HUMAN RESOURCES AND ADMINISTRATION MANAGER

★ HELMI TALIB AND CO (SINGAPORE)

*We encourage our employees to challenge authority where appropriate. Though only do this if you can pull it off without looking bolshie.*



#### 9. BHAVISH NAECK

HEAD OF FINANCE, STRATEGIC BUSINESS UNIT

★ MAURITIUS COMMERCIAL BANK (MAURITIUS)

*Our ideal recruits are assured and want to stretch themselves. They should be their best possible selves and not just try to be something they think we want.*

#### 10. EVGENIOS EVGENIOU

CHIEF EXECUTIVE OFFICER AND SENIOR PARTNER

★ PwC (CYPRUS)

At PwC we look for five specific attributes that make up what we call the 'PwC Professional'. These are sound leadership skills, relationship skills, global acumen, business acumen and technical expertise. Those are our core requirements but beyond those we also want people who have a strong career drive, who are willing to work flexibly in teams and are committed to continuous learning and development. Above all we seek people of integrity and professionalism.

## 11. LIZ RYLATT

EXECUTIVE DIRECTOR FOR  
FINANCE, OPERATIONS AND  
MEMBERS

★ ICAEW (UK)

As a given, I want competent employees with the skills to master the tasks they are recruited to do. Additionally, I like to see that they respect their colleagues and the values of the organisation. I like my people to have energy, flexibility and good humour too. The world of work is constantly changing with new technology, which gives us time to think laterally about problems or opportunities. I want my employees to be curious. Challenge why we do things. Breathe life into business. Above all, I want my team to work towards achieving goals that meet key performance indicators of the organisation.



## 12. JOE SCAIFE

PARTNER

★ BISHOP FLEMING (UK)

We don't have a prescriptive type - instead we want a mix of personalities: extroverts, introverts, some who are focused technical thinkers and others who are more "blue sky". I like people who are enthusiastic and passionate; you can't be too keen but you can be over confident.

## 13. JON TALBOT

PARTNER, ASSURANCE AND  
BUSINESS SERVICES

★ SMITH & WILLIAMSON (UK)

How ACA students communicate, both verbally and with their body language, is key. And that's what I hone in on. If they can communicate well with me, and their body language is relaxed, then they'll communicate well with our clients too.



## 14. AMANDA HALL

PARTNER

★ QUERCUS CORPORATE  
FINANCE (UK)

**Accountants often work in small teams, so we like ACA students who are team players; people who are ambitious but not too self important to roll their sleeves up and get stuck in. Ultimately, in order to succeed, students need to be self-starters.**

## 15. MUKHTAR M HASAN

CHAIRMAN

★ AL BARIJ INTERNATIONAL (OMAN)

***What do bosses want? Young employees with character and attitude. Positive personalities with a can-do mentality will probably get through the first stages, but beyond that, we want people who have the skills to help our organisation grow. We need clear-thinking people with a hunger for learning, who are prepared to work hard and who persevere in the face of tough challenges.***





## 16. RACHAEL CUNNINGHAM

FINANCE DIRECTOR

★ DVLA (UK)

What I look for most is creativity. I want people in my team who can think and problem-solve creatively. Other essential qualities include emotional intelligence, because the days when accountants could afford to be “bean counters” are long gone. Our business now is just like any other and we need personable, vibrant people to drive it forward. One important piece of advice I’d like to offer is stop if you lose your train of thought. Just stop, apologise, compose yourself. That’s so much better than gabbling on.

## 17. MAGGIE STILWELL

PARTNER AND HEAD OF TALENT

★ EY (UK)

***They need to demonstrate emotional intelligence (or EQ) as well as IQ, to be able to connect with and better serve the businesses we work with.***

## 18. MELISSA CHRISTOPHER

PARTNER, TAX ADVISORY AND GLOBAL EXPANSION

★ FITZGERALD AND LAW (UK)

We want to see that you are willing to learn and are a well-rounded person, with interests and a life outside work. Ultimately, accountancy is a people business.



## 19. AUSTIN RUDMAN

PARTNER AND HEAD OF FINANCIAL SERVICES

★ KPMG (UAE AND OMAN)

What do I want from my young employees? People who can work well in a dynamic and culturally diverse team. People who are good communicators, flexible, adaptable to changing circumstances and have a real passion for continuous learning. Most of all, people who can engage and collaborate well with their teams and with customers, who enjoy their work and have a great sense of humour.

### FEELING INSPIRED?

To make sure you’re on top of developing the skills your boss is looking for, tune into one of ICAEW’s skill-building webinars that cover problem solving and personal effectiveness. Visit [icaew.com/listenagain](http://icaew.com/listenagain)



## 20. MELANIE RICHARDS

VICE CHAIRMAN

★ KPMG (UK)

***The stereotypical view of businesses wanting to employ students who silently soak up information couldn’t be further from the truth. Being able to listen is important, but organisations need fresh perspectives, which often come from new staff. You don’t have to shout or be arrogant – just have the confidence to bring your whole self to work and find the balance between learning and contributing.***



# TEAR IT OUT. READ IT. **KEEP IT.**

Tuition providers share their tips for passing every ACA exam...  
A guide so invaluable, you'll want to read it over and over



Want to win a goodie bag? Share your study tips with the online student community at [icaew.com/studentcommunity](http://icaew.com/studentcommunity)

## **TOP TIPS FOR: CORPORATE REPORTING (ADVANCED LEVEL)**

*ACA SIMPLIFIED*

- 1 Use the information in the question as much as possible, quoting it back in your answers. It's all in there for a reason.
- 2 Don't just write out rote-learned lists of audit procedures. Integrate the information in the question into your procedures.
- 3 Think about which question you're answering. If there's an audit element, make sure you aren't writing too much on the financial reporting issues.
- 4 Do not forget to include the narrative basics, as well as the right treatment. The examiner wants to see your reasoning for selecting that treatment.

## **TOP TIPS FOR: STRATEGIC BUSINESS MANAGEMENT (ADVANCED LEVEL)**

*ACA SIMPLIFIED*

- 1 Build into your plan an estimated number of marks for each sub-element, based on complexity or the amount of stimulus information given.
- 2 There will be calculations but these are potentially a time-trap. Make your best attempt and move on rather than aiming for perfect numbers.
- 3 The marks for any given financial reporting issue will be lower than in Corporate Reporting so don't try to hide inside your financial reporting knowledge.
- 4 Always be prepared to explain the difference between the accounting treatment and the practical (including cashflow) impact of a decision or strategy.



## TOP TIPS FOR: CASE STUDY (ADVANCED LEVEL)

### TRAINING BY EOS

- 1 Use your last few days purposefully: practising your requirement one appendix; demonstrating professional scepticism; discussing ethical issues; considering paper management.
- 2 Organise your AI notes with easily accessible key data and financial statement themes; ethical scenarios; wider business issues.
- 3 Identify all parts of the exam requirements: requirement one, three financial statement points, the twist; requirement two, calculations, assumptions, scepticism, discussion; requirement three, two or three sides of discussion, ethics.
- 4 Stick to your time plan and be ready to move on. Your report must be balanced across the three requirements. And don't forget your executive summary.

## TOP TIPS FOR: AUDIT AND ASSURANCE (PROFESSIONAL LEVEL)

### FIRST INTUITION

- 1 Add depth to your ethics answers using the following methods:
  - Identify the issue from the scenario
  - Classify the threat (self-interest, familiarity etc)
  - Justify how the threat leads to bias
  - Manage by identifying safeguards
- 2 In audit risk questions identify the issue quoting the scenario, explain the implications on the F/S and how they could be misstated as a result, using words like understated/overstated.
- 3 Audit reports answers should be structured around the grid references:
  - Material (prove % versus turnover/PBT/

- total assets) or
  - Pervasive (justify the widespread impact)
  - Inability to gain evidence exists (justify how?) or
  - Misstatement (what's under/over stated) then give the resulting title of the opinion.
- 4 Your open book contains vital information, especially for questions regarding auditor and management responsibilities.

## TOP TIPS FOR: BUSINESS STRATEGY (PROFESSIONAL LEVEL)

### FIRST INTUITION

- 1 Don't waste time writing lengthy explanations of theory. Demonstrate your knowledge by using correct terminology and applying the theory to the scenario.
- 2 Don't shoehorn a theory into your answer.
- 3 Business strategy is about real business issues. Revise by watching business news and observing business practices around you, applying the theories in the syllabus.
- 4 Support your answers with numerical analysis where appropriate. Those numbers are in the question for a reason. (Tip: Do the numbers first in an appendix to your answer and refer back to them.)

## TOP TIPS FOR: TAX COMPLIANCE (PROFESSIONAL LEVEL)

### FIRST INTUITION

- 1 Learn your proformas and use them in answers. Don't make up your own. All numbers should be clearly labelled. Get the marker on your side.
- 2 Don't get bogged down early on in a computation. Make an assumption (or make up a number) and keep going.
- 3 Show your workings so you will get flow-through marks. Everything you put into your calculator must also be written down clearly.

- 4 Answer all parts of the requirement. Don't forget easy marks for deadlines and dates.

## TOP TIPS FOR: BUSINESS PLANNING: TAXATION (PROFESSIONAL LEVEL)

### FIRST INTUITION

- 1 State the conditions for your reliefs as well as doing the numbers.
- 2 Plan your answer first.
- 3 Explain what you're doing; this paper is not just about calculations. Don't forget recommendations. These are not technical marks but should be based on your analysis.
- 4 There are many more than 100 marks available. However the marks are capped for each requirement so it's important to cover all the requirements and don't go into too much detail on any single issue.

## TOP TIPS FOR: FINANCIAL ACCOUNTING AND REPORTING (PROFESSIONAL LEVEL)

### FIRST INTUITION

- 1 A wise old financial reporting tutor once said: "If you don't feel a tingle of excitement when faced with an accounts preparation question, you are not ready for the exam."
- 2 The dwindling differences between IFRS and new UK GAAP mean these are easy marks in the exam. Know the differences.
- 3 Avoid scripted ethics answers that don't apply to the scenario (no longer a mark for simply phoning the ethical helpline), but do use the key words such as "integrity", "objectivity", "professional competence" and "due care".
- 4 Workings must be clearly labelled and referenced. For many marginal students this is the difference between a pass or fail.

### TOP TIPS FOR: FINANCIAL MANAGEMENT (PROFESSIONAL LEVEL)

#### FIRST INTUITION

- 1 Show clear workings. Without workings, the markers will not be able to understand your logic to your approach and award marks.
- 2 Ensure you have good syllabus coverage. Students often trip up due to poor breadth of knowledge, not necessarily due to their ability.
- 3 Time management. Leave space to finish a question later in the exam, also make sure you understand a requirement before you start answering a question.
- 4 Tackle the requirements in order. Examiners set question requirements in a particular order for a reason. Part (i) should be attended before (ii) and so on.

### TOP TIPS FOR: ACCOUNTING (CERTIFICATE LEVEL)

#### KAPLAN FINANCIAL

- 1 Debits are on the left, credits are on the right. If you know this little rhyme you won't get in a fright.
- 2 Know your DEAD from your CLIC. (Debit for increase in expenses, assets and drawings. Credit for increases in liabilities, income and capital.)
- 3 ALICE can help you remember the elements of the financial statements. (Assets, liabilities, income, capital and expenses.)
- 4 If we post a debit, remember the credit. That's the dual concept, without it the statement of financial position won't balance.

### TOP TIPS FOR: PRINCIPLES OF TAXATION (CERTIFICATE LEVEL)

#### KAPLAN FINANCIAL

- 1 Admin is 20% of the exam, so it is very important, but tricky to memorise specific dates and penalties. Get comfortable with the tax tables, as the majority of information needed is included within them.

- 2 Read the question carefully - it's very easy to misread these questions and miss a disposal date or company year end.
- 3 Examiners will always try and throw you by introducing an odd rule. The best way to get used to these oddly specific rules is practise, practise, practise.
- 4 Basis periods are the hardest bit of the syllabus - always draw out a timeline to clearly see what's happening in the scenario, instead of trying to process it in your head.

### TOP TIPS FOR: ASSURANCE (CERTIFICATE LEVEL)

#### KAPLAN FINANCIAL

- 1 Know the assurance process from start to finish - understanding its purpose is key.
- 2 Be able to identify key risks in the context of the audit risk model and then explain the impact on an audit.
- 3 Be able to link internal controls to the risk they reduce in the context of a companies sales/purchase/payroll cycle.
- 4 Know your audit assertions and be able to link them through to relevant substantive audit procedure.

### TOP TIPS FOR: LAW (CERTIFICATE LEVEL)

#### KAPLAN FINANCIAL

- 1 Know case law inside out. You will see them come up again and again in the exam.
- 2 The law's impact within the professional environment is key in this exam.
- 3 Company law has the highest syllabus weighting so focus on this.

- 4 Legal implications, including contractual arrangements, the agency relationship and the consequences of negligence is how most questions will be examined.

### TOP TIPS FOR: BUSINESS AND FINANCE (CERTIFICATE LEVEL)

#### KAPLAN FINANCIAL

- 1 Know the facts, theories and models.
- 2 The syllabus content is similar to the Business Strategy Professional Level exam, so the content you learn here will be used again in future exams.
- 3 You'll need to know how companies organise themselves and their finance functions to achieve their objectives.
- 4 Think about the stakeholder perspective in the question; any stakeholders from government, employees, directors, customers or suppliers could be mentioned.

### TOP TIPS FOR: MANAGEMENT INFORMATION (CERTIFICATE LEVEL)

#### KAPLAN FINANCIAL

- 1 MI has lots of specific calculations that need to be practised and then replicated in the exam - question practice is key to mastering this.
- 2 An understanding of how to cost products and how this drives price is vital.
- 3 A student should be able to understand how budgets are analysed and forecasts are derived.
- 4 Ultimately a student needs to understand how decisions are made based on the information a manager has.

For more information about the tuition providers, visit [financial.kaplan.co.uk](http://financial.kaplan.co.uk), [firstintuition.co.uk](http://firstintuition.co.uk), [icaewacasimplified.com](http://icaewacasimplified.com), [training-by-eos.com](http://training-by-eos.com)

# Brace yourself

## Remember to advise.

You need to use some commercial judgement to generate viable solutions to some of the problems these organisations are facing. It is not just about proformas and regurgitating what you have in your notes. Pay attention to the scenario and try to help the people in it.



Familiarising yourself with the format of the Strategic Business Management exam will brace you for what lies ahead – and help you pass with flying colours, says ACA tutor Michael Stockholm-Alderson

## Be sceptical.

You should think carefully about the information you have been given and whether you think it is reliable. In both sittings in 2014 there were a number of circumstances where students were told something that was biased or likely to be incomplete.



## Do some simple analysis and see where that takes you.

In both sittings in 2014, candidates needed to do some performance assessment. Those who did well chose some simple ratios and made the calculations talk. For example, a business that cuts prices severely in order to boost sales volumes may run into trouble.



After two sittings of the Strategic Business Management (SBM) exam it is apparent that it is a challenging but manageable and ultimately passable exam. Having already seen two rounds of the exam paper, which launched in 2014, we are starting to get a clearer idea what the examiners want. Not to mention what the examiners are likely to throw at you.

First, the SBM examiner wants you to demonstrate your advisory skills. The primary areas that you will need to handle are business strategy and financial strategy. However you should remember that corporate reporting, assurance and ethics will account for around a third of the marks available.

Second, brace yourself to deal with scenarios that feature a business problem. In July 2014 we saw a cruise liner suffering a decline in profitability, exposure to currency risk and overcapacity. We also saw a watch manufacturer with an important decision about choosing a supplier. Depending on the option chosen, a financing decision will have to be addressed. There were also some ethical issues to resolve in connection with the choice of supplier.

In November we had a forklift truck manufacturer that was facing severe financial difficulties and possible liquidation. There was also a washing machine manufacturer that was experiencing difficulties in terms of winning contracts.

So what do you need to do in an SBM exam to get through? Here are five tips to get you started...

## Ethical problems in particular need professional scepticism.

Ask yourself why a character in the exam is telling you what they are telling you. Ask yourself whether you have been told everything relevant and whether there really is a problem.



## TIP

If you haven't done so already, get into your question banks and start practising those scenarios. They may be big... but the more you do the better you'll get.

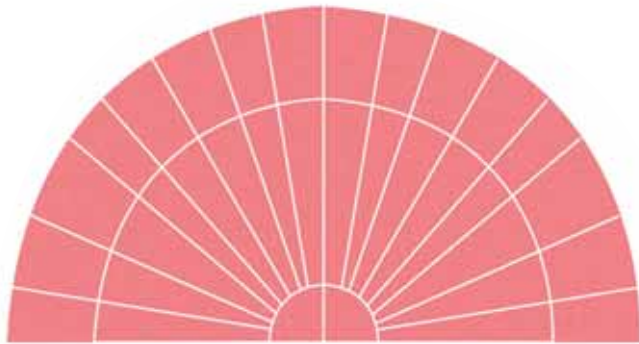
## Focus on the big picture.

A company that is facing imminent closure because it cannot pay its loans despite good sales volumes should really focus on generating cash to save itself, which is not the same as generating more sales volume.



**Michael Stockholm-Alderson** is an ACA tutor at BPP Professional Education, [bpp.com](http://bpp.com)





ACA tutor **Jenny Winstanley** rounds up what you need to remember in the all-new Corporate Reporting module

## IN WITH THE NEW

**T**he new Corporate Reporting (CR) exam develops knowledge and skills that have been learnt in previous exams with the addition of some new technical knowledge and the ability to analyse financial information.

CR follows on directly from Financial Accounting and Reporting (FAR) and Audit and Assurance (AA).

A basic knowledge of brought material is assumed and needed but at Advanced Level it will be set in a more complex scenario or will have an extra twist to it. It may have been a while since you studied FAR and AA, so a recap pre studying CR is advised.

In addition, CR uses skills gained in Business Planning: Taxation in dealing with open questions and an open book exam.

In 2014 pass rates were slightly low. However, being a new exam there has not yet been a representative set of students. The examiners are happy with the exam and can't see any reason why the pass rate will not in future increase.

View past exam papers, marks plans, syllabus and skills grid at [icaew.com/examresources](http://icaew.com/examresources)

### WHAT STUDENTS NEED TO KNOW

The paper contains different types of questions:

#### QUESTIONS ONE OR THREE

Integration of the old Financial Reporting exam and Audit and Assurance (AA), mainly written but with some calculations. May include redraft of any statement or figures, which should always be set up first. So after an issue has been explained they can be updated.

#### QUESTION ONE

This will be scenario-based and have a number of different exhibits.

#### QUESTION TWO

Solely financial reporting and will include preparing or redrafting some of the financial statements for either an individual company or a group.

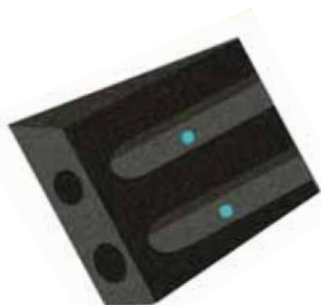
#### QUESTION THREE

Also scenario-based but more audit focused and so the financial reporting will be more embedded. This is the first time that financial reporting is really integrated with AA.

#### EVERY EXAM WILL INCLUDE

Financial analysis, either as a large part of one question or creeping into several questions. Some students so far have not been performing well. You must question the financial information given to you. Who prepared it? Is there a lack of information? Is there any reason for manipulation?





#### FOUR TOP TIPS

- Answer in the same order as required. Start each question on a new page. Use subheadings to make your answers clear. And remember space.
- Apply professional scepticism. You need to prioritise your answer rather than merely applying a mechanical approach. Think about what leaps out.
- Ethics may be specifically asked for in one question, but if you spot an ethical dilemma in another question then you can still address the issue.
- Avoid including generic comments. Use the scenario to identify facts and threats. Think who is affected and check whose perspective it is being told from.

#### STUDENTS' WRONG TURNS

##### QUESTION ONE (JULY 2014)

###### What students were asked to do

Prepare a working paper in which you:

- Set out and explain financial reporting, issues being sale and leaseback, impairment, hedge, provision and redraft financial statements;
- Evaluate and explain overall impact of adjustments above on gearing ratio and interest cover; and
- Explain key audit risks plus also asked to prepare a file note explaining the ethical issues of accepting a one-off assignment.

###### Where students went wrong

Some students failed to address this add-on, either due to lack of time or not spotting it. Attempt all that has been asked for, even when you're not certain. Time allocation between and within questions is also vital.

##### QUESTION TWO (JULY 2014)

###### What students were asked to do

Respond to instructions being:

- Set out and explain the correct financial reporting of acquisition of subsidiary with specialist plant, acquisition of foreign subsidiary, deferred tax and share-based payment.
- Prepare consolidated statement of profit/loss and other comprehensive income and consolidated statement of financial position.

###### Where students went wrong

Well-prepared students did well but a basic knowledge of consolidations was lacking for weaker students. There is no excuse for a lack of brought-forward knowledge.

##### QUESTION ONE (NOV 2014)

###### What students were asked to do

Prepare working paper in which you:

- Analyse and explain the financial performance and position using analytical procedures. Include any enquiries of management and its auditors;
- Identify and explain concerns of corporate governance of acquisition and impact of these on financial reporting of this investment in consolidated financial statements;
- Explain in the audit of this investment the actions to be taken by the group auditor and potential impact for the audit report; and
- Explain the financial reporting of two issues being retirement benefits and financial asset.

###### Where students went wrong

Few students identified the risk that opening figures could have been manipulated.

##### QUESTION TWO (NOV 2014)

###### What students were asked to do

Prepare briefing note in which you:

- Explain the appropriate financial reporting treatment showing journal entries. Areas were investment property, share options, revenue recognition, leases and convertible bond.
- Prepare revised cashflow statement.
- Explain briefly why net cash outflow decreased when revenue increased.

###### Where students went wrong

Some candidates, and not just the weaker ones, missed the requirement to prepare a revised statement of cashflow, while others made only a sketchy attempt. These candidates lost marks not only on this part of the

question but also the following one, which asked for an explanation of why there was a net cash inflow despite an increase of revenue, due to only being able to make generic points. Again, it is vital to attempt to answer all that has been asked for.

##### QUESTION THREE (NOV 2014)

###### What students were asked to do

Prepare report in which you:

- Explain key weaknesses in assistant's work. Identify audit risks regarding payables, deferred tax and audit procedures that should be completed to address the risks;
- Identify and explain financial reporting issues and recommend appropriate adjustments. The issues were foreign purchase, legal claim, provision for restructuring, onerous contract and deferred tax;
- Summarise a schedule of uncorrected misstatements; and
- Identify and explain any ethical issues and actions arising from these issues.

###### Where students went wrong

Amazingly a minority of students' attempts at this question were perfunctory and partial, and some omitted the question thus making success in the paper very difficult. Remember, simple as it sounds it is something so many students forget... but you must attempt all questions. No exceptions. ■

**Jenny Winstanley**

is an ACA tutor at Reed Business School, [reedbusinessschool.co.uk](http://reedbusinessschool.co.uk)

# THE *Circus* MASTER

Accountant. Businessman. Councillor.  
Deputy mayor. Soon to be MP?

**Kit Malthouse**, Liverpool lad turned  
Boris Johnson's deputy, on the grand  
juggling act he calls his career

Words: Laura Powell

Photography: Indira Flack

**F**ew people know that Kit Malthouse is a chartered accountant. He is also the deputy mayor of London for business and enterprise, Boris Johnson's second in command and, if the polls are to be believed, future MP for North West Hampshire. In the flesh, Malthouse is a little like Boris too, in his gait, his stature, not to mention that floppy hair and leftfield demeanour. "Hello, good morning, are you on Twitter?" he says as I'm ushered into his office by his PA, and he launches into a monologue about a film director who followed him on Twitter, something he is very excited about. Whether it's off-cuff or pre-planned doesn't really matter; there is something refreshing about meeting a politician so unafraid to veer off script (albeit to chatter a bit of personal nonsense) and voice his opinions so directly.

Certainly, Malthouse has many of those. On City Hall: "Dreadful building, self-indulgent architectural nonsense." On devo max: "We need to set the regions free and give them as much power as possible." On his managerial style: "I'm not a shouter or screamer but, if I need to be, I can become an immovable force." (At this point, Malthouse starts laughing.) And, most passionately, on politicians having careers before entering politics: "If I had my way, I'd make it compulsory for politicians to have a second job." Which brings us back to his own second career - his accountancy years. "I really wasn't a very good accountant," says Malthouse, who qualified at Deloitte and Touche in 1994.



It was Malthouse's father, a fellow chartered accountant and founder of Liverpool-based practice Malthouse and Company, who encouraged him to obtain a professional qualification before he entered politics. And it paid off.

Taking the ACA was, says Malthouse, one of his shrewdest career moves. Although he no longer considers himself an accountant, he has immense respect for the profession and says it was "invaluable" during his four-year tenure as chairman of the Metropolitan Police Authority, a role that came with some budgetary difficulties. (Malthouse talks more about that role and dealing with those issues in April's edition of *economia*).

**B**ut accountancy, and auditing in particular, wasn't something a young Malthouse adapted easily to. He recalls: "There was one particular incident when I was auditing a removal company called Pickford Removals in Enfield, where the audit manager pulled out one of those big computer printouts and said: 'I want you to cast this ledger'. I said: 'What do you mean? You want me to make sure the computer is adding it up right? This is insane. You're telling me to double check a computer?'"

He adds: "In those days I was quite cheeky and overconfident, which didn't go down well with the partners. I needed the corners knocking off me and accountancy certainly did that."

Malthouse explains that the ACA is very useful and has "equipped" him for his career since. He says: "Having an accountancy qualification is incredibly useful, not least

because I learnt pretty quickly in politics that there aren't many people who are financially proficient. Few people in politics understand balance sheets, tax, profit and loss, provisioning, all that kind of stuff. We need more of that.

"I actually think it would be a good idea to send every politician on a double entry bookkeeping course!" Isn't that a bit extreme? "Well, I don't think it would go down well but it would be a huge benefit."

Without any prompt, he launches into his theory that, were there more chartered accountants in government, the effects of the financial crash might have been minimised: "If you go and survey most politicians and ask them what IFRS stands for, they won't even

have a clue. And yet IFRS has been fundamental.

"I actually think IFRS contributed to the severity of the crash. No one understood really what they were doing. Had they had a better grasp of that, they might have mitigated the effects of the crash."

One gets the impression that this deep interest in many issues - not to mention his tendency to veer from topic to topic in detail and at breathtaking speed - is the reason for his multi-faceted career. He was, he says, the same when he was a 'lad,' growing up in Liverpool and studying at the then-private Liverpool College. While most of his "gang" were interested in Duran Duran, "trying to get a drink," and chatting up girls;

"I was quite cheeky and overconfident. I needed the corners knocking off me and accountancy certainly did that"





On Baroness Thatcher, he adds: “She basically kicked down doors across the country and across society and I found that very attractive. She was busy, as far I could see it, setting families like mine free so that boys like me from Liverpool could go to London, join the professions, become a barrister or an accountant, or whatever.”

Which is another reason Malthouse joined Deloitte and took the ACA. “They effectively offered me the job on the spot. I was flattered,” he says. But what followed was what he calls “three of the most difficult years” of his life. “I had a patchy exam record with a couple of retakes,” he admits.

What he found most valuable, he says, was learning

“the day to day, ins and outs of business” and the experience of meeting clients from many industries and backgrounds. “You learn about the day-to-day pressures of life and you pick up enormous intelligence,” he continues.

However, he adds: “While I largely enjoyed my time at Deloitte, I recognised pretty early on that it wasn’t for me. A lot of accountancy is quite routine. I’m not really a stable state sort of person and it seemed quite a stable existence to me.”

Which is why, after qualifying, Malthouse quit Deloitte and partnered up with a friend who had launched property development start-up Cannock Investments.

He describes it as a fly-by-the-seat-of-his-pants few years, during which he cruised around London in a Jensen Interceptor “with a massive 7.2 litre engine,” partied a lot and worked a bit. “It was fun, exciting, hair raising at times,” he says.

“We were two young guys, we bought some stupid cars, there was a lot of drinking, and we were effectively building sheds in enterprise zones around the UK, with a turnover in the millions.”

**H**is first venture into politics came in 1997 when he stood, though unsuccessfully, as parliamentary candidate for Liverpool. It was followed by a successful attempt in 1998 to stand for Westminster Council.

“I just fancied standing,” he says. “I lived in Pimlico and was interested in lots of issues, from the traffic to litter, to planning. Within a couple of years, I was in the council cabinet.”

Malthouse went on to run the social services department, while simultaneously building Cannock Investments and, in 2001, buying out the finance arm from his business partner. Two years later, he was deputy leader of the council and cabinet member for finance.

On the jump from the private sector to politics, he says: “There were plenty of frustrations. A completely different skillset is required for each. Private sector is more dictatorial, whereas public sector is more consensual.

“In the private sector you pretty much tell people what to do, [but in politics] there’s more persuasion, building coalitions, providing evidence.”

Yet he has adapted well to the public sector. “The good thing

about politics is that you’re in control of your own destiny,” he says. “I don’t have a boss telling me what to do all the time.”

Apart from Boris Johnson, that is. The pair have neighbouring offices and Malthouse cites the mayor as one of his role models.

He says: “Boris taught me the power of optimism. He’s a very optimistic person. He deploys optimism about the future in a way no other politician does. You hardly ever hear him speak miserably or pessimistically and it’s done him incredibly well.”

Yet Malthouse is less than optimistic about his own chances as he stands as parliamentary candidate for North West Hampshire in next month’s general election.

“I’m never confident. Of the six elections I stood in, I won five and lost one but I wasn’t confident in any of them.”

Whether this is false modesty or a genuine lack of confidence, he is nevertheless trying his damndest to win and, as we speak, 47,000 leaflets are being pushed through the letterboxes of Hampshire.

But given his predecessor, Sir George Young, enjoyed an 18,000-vote majority and that the constituency is considered a safe Tory seat, Malthouse can’t be feeling too bad.

And later in the interview, he espouses another of his theories, perhaps inadvertently letting slip that he is more confident than he would like others to believe:

“Someone once said that the harder I work, the luckier I get,” he says. “I think that holds true. In the long-term, you work hard, you apply yourself, you concentrate on the right things and over time you will succeed.” ■

## CV: KIT MALTHOUSE



**July to present:**  
parliamentary candidate for North West Hampshire

**2012 to present:**  
deputy mayor; chairman of London and Partners; vice chairman, London Enterprise Partnership



**2001 to present:**  
chairman, County Finance Group

**2008-2012:**  
deputy mayor for policing; chairman of the Metropolitan Police Authority

**1998-2006:**  
deputy leader, Westminster City Council



**1994-2001:**  
finance director, Cannock Investments

**1990-1994:**  
trainee accountant, Deloitte

**1986-1989:**  
BSc in politics and economics, University of Newcastle

# Public spirited

The public sector offers ACA students great support, exposure to big projects and the chance to make a difference. **Peter Bartram** speaks to students training in the sector and accountants who made the leap



**A**lexandra Cole has only a little time to talk before an important meeting. It's a busy life working in HM Treasury, at the heart of government, and Cole relishes every minute of it.

As strategy and programme manager on the financial management review programme, she works on shifting the public sector's focus from financial reporting to financial management, making the finance function a more central part of the decision-making process. "I really enjoy working with ministers," she says. "It's a privilege to be able to write extracts of speeches or of fiscal documents, such as the budget, and see them in the newspaper next day. That's probably the best thing about working there."

Cole, who started her career in a wealth management consultancy, is one of a growing number of young accountants who have switched from the private to the public sector because they believe it is more satisfying to work for an organisation delivering vital public services than making a profit.

Another is Robert Dodds, corporate group finance business partner at the Department for Business, Innovation and Skills, who has been fascinated by the public sector since he studied a module on its management as part of his business and accountancy degree. "I'm interested in the front-line delivery of public services," he says. "Being a person who can help influence and shape public services and manage their money better is a big motivation for me." Since March last year he has been part of a team that manages a £180m budget within the department.

Frank Garvey, ICAEW's business development manager, specialising in the public sector, says: "I find that students and recently-qualified chartered accountants in the public sector generally get more management experience and greater responsibility at an earlier stage in their career."

He adds: "They can also work on much bigger projects that are in the public eye. HS2, for example. And now, with staff cutbacks, having financial and accounting skills is putting ICAEW Chartered Accountants into more senior positions." But he points out the ACA is very versatile and gives you skills that allow you to work in both the public and private sectors.

Amy Gilham chose to study for her ACA at L&Q, one of the UK's leading housing associations. "My three-year study and training programme involved one-year placements in three different departments with L&Q," she explains. These were financial reporting, development finance, and treasury. She also spent time on secondment at KPMG to gain audit experience.

Since qualifying, she has become group accountant at L&Q. "My main work involves consolidating our three subsidiaries and parent company on a monthly basis and producing the year-end statements," she

says. She is involved in project work designed to ensure the finance department is ready for new accounting standards and guidelines. "I am also a member of the L&Q Foundation Board which was established to help communities in areas of deprivation," she adds.

Despite fiscal consolidation, which has led to thousands of lay-offs in the public sector, there are still opportunities for accountants. "Nowadays it's much easier for a qualified accountant to switch from the private to the public sector," says Garvey. "The public sector is looking at commercial skills and business-minded people to help run it more efficiently."

Jonathan Crosser, business director at recruitment firm Hays, confirms that a commercial approach and flexibility are attractive to the public sector. "Likewise, working within the public sector can offer access to a wider strategic view faster than in a commercial organisation," he adds.

Stereotypes of the public sector, fostered by television programmes such as *Yes, Minister*, are well wide of the mark, according to those who work there. "I think the people I work with are often willing to work very hard because they believe in the services they are protecting," says Cole. "I moved to the public sector because I needed to be motivated - and doing something for the public that will protect services was more motivating for me than doing something to make a profit."

Dodds believes that the public sector provides an opportunity to work with a wider range of people. "The networks seem wider and there are people who share the same motivation," he says. Adds Gilham: "I certainly get a feeling of fulfillment in my work that I don't think I would have in the private sector." ■

### THE FLIP SIDE

Thomas Adcock worked at HMRC as a corporate tax inspector before joining Carter Backer Winter (CBW) - and immediately noticed a big difference between working in the public and private sectors. "When I started at CBW, I went three months before raising a bill for clients. I didn't realise my time was worth anything," he says. "One of my partners went apoplectic when he saw the number of hours on my time sheets that hadn't been billed."

Adcock, now a tax partner at CBW, had joined HMRC's graduate recruitment programme but left after three years. Why? "I don't like taking orders from other people, but that's what the civil service is based on," he admits. "You work as part of a chain of command and are not afforded the ability to make your own decisions on particular issues."

But the transition was huge. "You've got more than one master; partners, colleagues and your own staff. Pressure comes from all over the place. It's to do with delivery of service." His advice for others considering where to go in their career? "Be sure of your motives, be creative and work with others to solve problems. I work harder than when I was at HMRC but I'm happier."

*Already working the public sector? Sign up for ICAEW's public sector student group to get additional support. For more information email [vital@icaew.com](mailto:vital@icaew.com)*



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# Get another ICAEW qualification alongside your ACA

The ICAEW Certificate in Finance, Accounting and Business (ICAEW CFAB) consists of the same six modules as the ACA Certificate Level. So, if you have sat/passed these modules, you can now gain the ICAEW CFAB qualification while you carry on with your ACA.

Simply register as an ICAEW CFAB student (you can use your ACA student number) and pay the £165 one-off student registration fee.\*

\* Accounting is compulsory for all at ICAEW CFAB, so if you gained the ACA Accounting module through credit for prior learning, then you'll need to sit/pass this to get your ICAEW CFAB certificate.



# AGREE TO

Conflicts at work can actually be good for you, your colleagues and your business, argues

**Peter Taylor-Whiffen**

# DISAGREE

**E**very year a staggering 370 million working days are lost in Britain through absenteeism, tribunals and recruitment for replacement staff, all because of poor management of workplace conflicts, a survey by the Chartered Institute of Personnel and Development has found.

But it doesn't have to be like that - and in many businesses, it isn't. If handled correctly, discussion of even diametrically opposed viewpoints can make for excellent decisions and a productive, cohesive, informed and happy workforce.

The first thing to do, says entrepreneur Margaret Heffernan, is welcome opposing views and see the process not as "conflict" but "thinking". She says: "For good ideas and true innovation, you need human interaction, conflict, argument, debate. It's a fantastic model of collaboration."

Angus Farr, a chartered accountant who runs professional development company Training Counts agrees: "Conflict isn't necessarily in itself a bad thing. Sometimes we can use office politics to achieve a solution everyone wants."

The key to resolving conflict, he says, is calmness and communication. "Always 'respond' rather than 'react'," explains Farr. "An immediate instinctive reaction can make things worse - and you may regret it."

"The other vital lesson is to listen. Conflicts arise because people are coming from different directions. But if you take time to find out what the other person is trying to

achieve, you may find yourself thinking: 'Are we really in conflict, or have we chosen to achieve the same thing in different ways?'"

But a reasoned and listening approach will only work if a company has a culture in which all staff feel their views are heard and respected. And, says the Advisory, Conciliation and Arbitration Service, not all conflicts or resentments are immediately evident:

"You might witness a heated exchange, or attend a meeting that turns into a stand-off but not all forms of conflict are so obvious. Some individuals hide their feelings as a way of coping."

Introducing measures such as mediation or giving everyone the time and opportunity to speak is tough and takes a lot of patience and effort.

But as far as the accountancy profession goes, any ICAEW training organisation should have appropriate avenues for staff struggling with conflict.

Farr adds: "Whether it's a mentor, an HR department or the student helpline, there's someone to help. One thing our profession really encourages is using each other as sounding boards and talking to each other." ■



## DARE TO DISAGREE

Margaret Heffernan is a former BBC documentary maker turned CEO and business writer. Her online lecture about workplace conflict, *Dare to Disagree*, has generated more than two million views on TED Talks, an ideas exchange organisation. Listen to the full speech at [ted.com/talks/Margaret\\_heffernan\\_dare\\_to\\_disagree](http://ted.com/talks/Margaret_heffernan_dare_to_disagree)



# THE MID-LIFE QUARTER-LIFE CRISIS

Shattered dreams, crippling workloads and trying to figure it all out: Welcome to your mid twenties, says **Alix O'Neill**

**H**onestly, I thought I'd have my act together by now," says Jess. "I'm turning 30 this year, but I'm still single and have just quit my job to move to the other side of the world. This wasn't part of the plan." Thwarted plans are an all-too-familiar scenario for millennials, and Jess's experience will resonate with many young people, fresh out of university or school and struggling to cope with the pressures of adulthood.

Until last month, Jess worked in the Leeds office of a leading accounting and consultancy firm. After splitting up with her long-term boyfriend, and increasingly struggling with her work-life balance, she decided to hand in her notice - and she emigrates to Australia this month.

"At university, you think your life is going to go a certain way," says Jess. "When you come out of an environment where you're really good at something, you think you'll have the world at your feet. But it just doesn't work out like that."

The gap between expectation and reality, and the resultant emotional fallout has been dubbed the quarter-life crisis (QLC). But is this a genuine psychological issue or merely a media construct?

"We have an unfortunate tendency to pathologise negative emotions in modern society," says Dr Oliver Robinson, senior lecturer in psychology at the University of Greenwich. "Quarter-life crises do exist, and some people who experience them seek professional help to cope, but this is a developmental phenomenon, not a clinical one."

A study by Robinson and a team of researchers from Birkbeck College in 2013 revealed that 39% of men and 49% of women reported feeling in "crisis"

around their twenties. Occurring between the ages of 25 and 35, and typically clustering around the age of 30, the QLC bears all the hallmarks of its mid-life counterpart: loneliness, depression, anxiety, insecurity.

Young people entering the job market tend to feel the effects of life post-education most acutely and it's no surprise. With the average student debt exceeding £44,000, and first-time home buyers needing to save for 22 years before they have enough money for a deposit according to a recent report from The Money Charity, today's 20-somethings have it far from easy. "We go through more transitions in our twenties than in any other decade," says Robinson. "We're more likely to change residence, relationships and jobs in rapid succession. It's when we start to ask ourselves bigger questions

like 'who am I?' 'what's the point?' and 'how am I going to get through this?' that a naturally difficult time becomes a crisis," explains Robinson.

Robinson identified two kinds of quarter-life crises: locked-out and locked-in. Locked-out versions occur around 23 to 25. You might find yourself living at home again, unable to get a job and newly single (many relationships peter out post-university). You essentially feel "locked out" of adult roles.

But QLCs can occur when you're on a clear career path too. With locked-in types, which tend to hit in the late mid-twenties, you'll have made at least one major commitment with the intention that it will hold long term before realising, a few years down the line, that it was the wrong choice. You then go back to that post-adolescent phase of exploring options.

This was the case for Liam, a 30-year-old accountancy graduate from Belfast. "I've never really

## WARNING SIGNS OF A QUARTER- LIFE CRISIS

"You may be 25 but feel 45. You expected to be having the time of your life but all you do is stress about career prospects, scary debts and a rocky relationship."

**Damian Barr,**  
author of *Get It  
Together: A Guide  
To Surviving Your  
Quarter Life Crisis*



known what I wanted to do and only recently am I starting to see how I can use my skillset to enter different areas of business,” he explains. “At university my focus was on getting my exams and progressing, but I was never really happy.”

Liam felt increasingly undermined in his job and craved more responsibility. “My confidence was at an all-time low and, after a particularly bad morning in the office, I went outside, called my dad and said, ‘I’m handing in my notice now and moving to London.’ He told me to go for it, and I did.”

After a natural period of adjustment, Liam found an in-house tax role at an international bank. Today he feels challenged and appreciated, and has a clearer idea of his goals. “I have so much more confidence. I can see where my life is going more clearly. If you’re not happy and you feel there’s something else out there for you, you have to do it while you’re young and have no ties.”

Robinson shares this sentiment: “Don’t be afraid to take time out. It’s tricky to get perspective on a situation when you’re in the middle of it. Young people these days are in a terrible rush to achieve and it wears them down.” Learning how to be flexible in your goals is also crucial. “A lot of people leave university with a fixed idea of what they want to do. We need to prepare students for multiple rejections and to keep a wider range of goals in sight.”

A more flexible outlook is something Jess credits with bringing her back from the brink. “I hit bottom last year, but now I feel optimistic about the future. It’s not the future I had planned for myself and I have no idea what I’ll do when I get to Australia, but that’s OK. Sometimes you just have to jump.” ■

GALLERY STOCK

## COPING WITH CHANGE

It is a tricky skill to master but it can help you leap ahead in the workplace, says Nicki Cresswell, wellbeing training co-ordinator at CABA

**A**s an ACA student, you will develop many new skills. But learning to manage change is perhaps one of the most important and empowering. Taking time to understand how you react to change and building resilience will increase your confidence and reduce the emotional impact that a period of change can have. So how do you achieve this?

First, recognise your reaction to change. By stepping back and evaluating how change makes you think and feel, you can predict your reaction. It also lets you understand how your reaction can affect those around you. Second, and equally importantly, you need to create a strategy to manage change, such as the six suggestions that follow. But take heed. Strategies that work for some won’t always work for others.

- 1** Develop your decision-making and problem-solving skills. Finding a solution will leave you feeling more confident and in control of events.
- 2** Recognise that you have a choice. You have the ability to choose how you react to changes. Making no choice is a choice in itself, allowing other people or events to decide for you.
- 3** Set goals for yourself. Working towards and achieving these goals brings an element of control back into your life.
- 4** Stay positive. You may not realise but as we go about our daily lives we’re constantly thinking about and interpreting the situations we are in.
- 5** Explore the possibilities. It may sound odd but being prepared for the worst case scenario makes other outcomes seem more manageable.
- 6** Face it head on. The worst way to manage change is to bury your head in the sand. After all, you can’t change what will happen, but you can be in control of how you react and respond.

To find out more about how to manage change effectively, sign up to one of CABA’s regular courses: [caba.org.uk/courses/book-a-course](https://caba.org.uk/courses/book-a-course)

**CABA FREE INDEPENDENT  
SUPPORT FOR ACA STUDENTS  
AND CHARTERED ACCOUNTANTS**

# THE LAST TABOO

Yes, it's rude to talk about it in polite society. Yes, discussing it can breed dissatisfaction. But we're going to do it anyway... Five ACA students talk about their salaries

## ARE YOU PAID ENOUGH?

**Jessica:** Yes, I believe that for my position I am well paid.

**Laura:** Now I've passed advanced stage, yes, I feel I'm paid enough. But during the majority of my training contract my answer would have been 'no'.

**Duncan:** Although good compared with most professions, I believe [accountancy] students are ultimately paid less through their training.

## HAVE YOU EVER ASKED FOR A PAY RISE?

**Jessica:** No, because my current training agreement has a very structured pay format, which wouldn't alter, so there's no point in asking for one.

**Danielle:** I also feel that I must be paid what the partnership thinks I'm worth, so to try to push for more may mean I maybe won't be rewarded in the future.

## DISCUSSING SALARIES OPENLY: A HEALTHY IDEA OR A SUREFIRE WAY TO BREED ENVY?

**Danielle:** This is a difficult question. On the one hand, to discuss your salary with colleagues would ensure that everyone is paid fairly. However, on the other hand, I do feel strongly that you should be paid in accordance with what [your employers] think you are worth to the company and this may vary, even within job titles.

**Jessica:** It's important to know where you stand among your colleagues.

Employees will feel valued if they're aware they are paid more than another colleague, but may leave if they find out they are not paid enough.

**Laura:** It is also important to remember that there may be other factors to consider, such as number of days holiday, which varies considerably from person to person.

## SO ARE FIXED PAY SCALES A GOOD IDEA?

**Jessica:** It eliminates a level of competition among colleagues, but doesn't allow for incentives through pay rises to encourage people.

**Danielle:** And it doesn't take into consideration people's personal circumstances or ability to do the job they have. For example, if someone has been the same grade for 10 years and then someone is newly promoted to that grade.

## DOES BEING AN ACCOUNTANT MAKE YOU AUTOMATICALLY GOOD WITH MONEY?

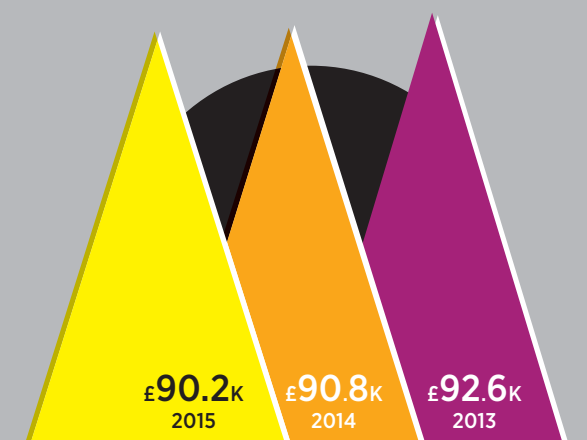
**Duncan:** Definitely! I have a spreadsheet of income versus outcome each month and I update it weekly.

**Jessica:** It makes you financially aware but not necessarily good with money.

**Danielle:** It makes you automatically more cautious with money. If you are declared bankrupt you will lose your professional qualification. Ultimately if you are in the position of advising clients about money, you should also be good with money yourself.

"If I was doing a job I wasn't happy in, I don't think any amount of benefits would be enough"





AVERAGE SALARY FOR CHARTERED ACCOUNTANTS IN BUSINESS, GOVERNMENT AND CHARITY SECTORS



AVERAGE SALARY FOR NEWLY QUALIFIED (0-2YRS) CHARTERED ACCOUNTANTS, EXCLUDING BONUS

# £172,800

AVERAGE SALARY AND BONUS FOR ICAEW CHARTERED ACCOUNTANTS WORKING IN BANKING AND CAPITAL MARKETS (2015)

## ULTIMATELY, HOW MOTIVATED ARE YOU BY YOUR PAY CHEQUE?

**Laura:** I don't think it motivates me day-to-day. Responsibility, interesting work, and working with good people motivate me more. I'd look to leave if I wasn't happy with the pay cheque, and I may be more inclined to stick at a less interesting job for a while if the pay cheque was big enough to allow me to do more of the things I enjoy.

**Danielle:** It's fairly important, but helping clients, reducing their tax bills and an email to thank you for all your help is the most rewarding part.

**Jonathan:** I don't feel that people are motivated by salary in the first three years of a training agreement. A lot of people chose the ACA route because of long-term financial stability and the 'guaranteed' salary at the end.

**Jessica:** I'd rather enjoy my work-life balance, and work somewhere enjoyable than receive more pay. But there is a minimum level to that.

**Duncan:** But if I was doing a job I wasn't happy in, I don't think any amount of benefits would be enough.

**Danielle:** I became an accountant because I enjoy it and I like talking to clients, not for the money. Of course, the money is nice though...

### The panel

Our panel of ACA students talk salaries, remuneration and cold, hard cash

**Jessica Bernardez**  
Smith & Williamson

**Jonathan Dawson**  
Haysmacintyre

**Danielle Hawkins**  
Price Bailey

**Laura Veary**  
Wilson Partners

**Duncan Bye**  
Wilson Partners



# The last word

Newly-qualified chartered accountants **Jennifer Davies** and **Joe Caswell** swapped audit for the ancient arts, and travelled to India to work for a charity that educates young performers

As told to: Francesca Cotton

**The ACA was a great way** to gain knowledge of business and finance. When we volunteered to work with a charity in India, we had a solid skills base that helped us advise on investment strategies and budgeting. We had both worked in audit and were used to familiarising ourselves with companies' financial controls and procedures.

**We applied to do a voluntary assignment** with Accounting for International Development (AFID) in early 2014. We were lucky enough to arrange career breaks with PwC, so we'll be going back this month. Performing arts organisation Kattaikkuttu Sangam suited our experience, and we hit it off with the executive director straight away. We felt that we could make a difference.

**Kattaikkuttu Sangam** is based in a rural village in south east India. It is also a social enterprise and gives an education to its performers who practice Kattaikkuttu, a traditional art form, which portrays the Mahabharata (an ancient Sanskrit text) through music, dance and drama.

**You instantly notice** the confident nature of the children, a result of their artistic training. It encourages them to express themselves. It was also the first company of its kind to allow women to perform.

**Each morning we taught maths** and the rest of the day was spent in the office with the two finance staff, creating a finance manual, designing a new budgeting and forecasting tool and developing more robust and streamlined monthly processes. We also offered advice on complicated tax issues and their investment strategy.

**We were invited to join** one of the children at her grandmother's home for Diwali. No volunteers had visited the village before; it caused a lot of excitement and was a stark contrast to the clean, tranquil school.

"No volunteers had visited the village before; it caused a lot of excitement"

**Unbeknown to us**, for our last day the children had been planning a special show. We were treated to a three-hour performance, including two comical sketches about us, as well as an acrobatic display and special dances. It was great fun and an emotional send off.

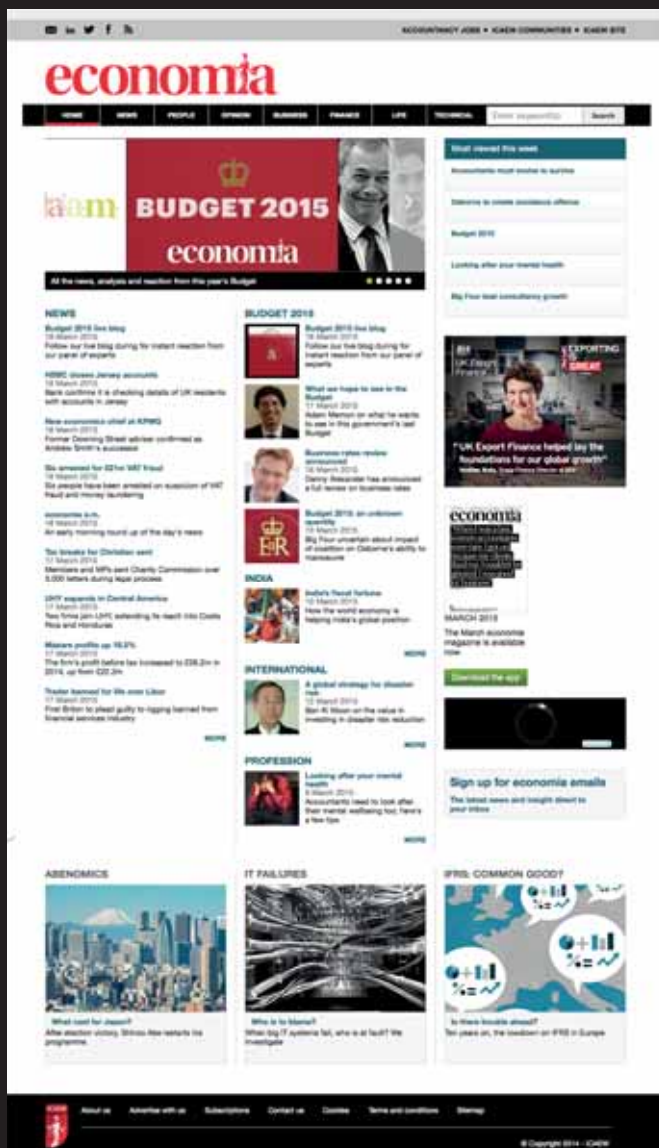
**Our assignment lasted four months** and finished on 29 December. Afterwards we spent five weeks travelling around India. The cultural difference from state to state was amazing, particularly going straight from the school, which is in a very traditional area, to a beach party in Goa to see in the new year.

**Having spent three years in audit**, it was great to be involved with management decisions and see our recommendations having a positive impact. Working in a completely different culture meant we had to think on our feet and adapt to different challenges. ■

Interested in finding out more about volunteering opportunities at Accounting for International Development? Visit [afid.org.uk](http://afid.org.uk)

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latest on the  
audit debate,  
tax and financial  
reporting, an  
online data  
centre, technical  
updates, top  
tips for practice  
management,  
reports on new  
regulation and  
government  
updates, news  
on mergers and  
acquisitions, a  
weekly email  
newsletter,  
sevendays, the  
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news and views





# ‘What gives you the licence to do *this*?’

THE CEO OF A MAJOR SWISS WATCH BRAND ON HEARING ABOUT CALIBRE SH21,  
CHRISTOPHER WARD'S FIRST IN-HOUSE MOVEMENT.



The chronometer-certified *C9 Harrison 5 Day Automatic*, with 120-hour power reserve, is the first watch to house our own movement. Conceived and designed by our master watchmaker Johannes Jahnke and manufactured by some of Switzerland's finest watchmaking craftsmen, it is destined to be one of the most talked about watches in years. *And, yes, you do have the licence to own one.*



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