



SUPPORTING BUSINESSES

STRATEGIC THEME THREE

Support the transformation
of trade and the economy

Mike featured in
our Resilience
and Renewal
campaign.

Mike Younger
FCA

Finance Director,
Ian Macleod
Distillers



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STRATEGIC THEME THREE

Support the transformation of trade and the economy

We continued our work with policymakers to help ensure tax systems are fit for the future and serve the needs of businesses and individuals. We also provided and facilitated insight and commentary on areas of critical importance to sustainable economic growth.

MUTUAL RECOGNITION OF PROFESSIONAL QUALIFICATIONS

We continued to work with the UK Government and the FRC to promote the mutual recognition of professional qualifications between countries in the post-Brexit landscape.

This includes supporting the formation and operation of free trade agreements and audit qualification mutual recognition agreements – including contributing to the FRC’s guidance on their audit recognition agreement with New Zealand.

Our work with Professional Accountancy Education Europe (PAEE) is also paving the way for the ACA to be given equivalence to other leading accountancy and auditing qualifications across Europe. This follows ICAEW members in the UK losing professional mobility benefits post-Brexit.

TAX SIMPLIFICATION

Complexity in tax administration and legislation is a key issue for our members, so we continued to make the case for simplification. In April, together with other professional bodies, we [wrote](#) to the Financial Secretary to the Treasury, offering our support in this area and outlining processes we think government should introduce.

As a result, we met with the Financial Secretary in May, and held two subsequent meetings with officials from HMRC and HM Treasury.

We sent a further [joint letter](#) to the Minister in September, setting out next steps and expressing concern that without a clear plan, focused resource, accountability and investment, delivering meaningful simplification will be difficult.

In June, our Tax Faculty hosted a dinner at Chartered Accountants’ Hall with the Chair of the Treasury Select Committee, Harriett Baldwin MP, during which tax simplification was discussed, along with digitalisation of the tax system and reform of the VAT regime.

PUBLIC SECTOR AUDIT

In April, we chaired a roundtable with the Minister for Local Government, Lee Rowley MP, and members involved in public sector audit. Hosted at the Department for Levelling Up, Housing and Communities (DLUHC), representatives from CIPFA, the FRC and the Local Government Association, as well as EY and Grant Thornton, highlighted challenges and proposed solutions to eliminating the current backlog of audits.

VAT AT 50

In May, we hosted the VAT at 50 conference at Chartered Accountants’ Hall, to mark the 50th anniversary of the introduction of VAT in the UK. The event focused on the future of VAT with an emphasis on simplification, sustainability and technology. Jim Harra, First Permanent Secretary and Chief Executive, HMRC, delivered the keynote speech and over 150 delegates attended, including many representatives from HMRC and HM Treasury.

STRENGTHENING THE UK’S REGULATORY FRAMEWORK

We [responded](#) to the FRC’s consultation on the UK’s Corporate Governance Code. Our response stressed that the future of corporate governance is as much about nurturing good behaviours as it is preventing corporate failures.

We called on the FRC to ensure that an updated version of the Code remains an example of global best practice and makes compliance by business both feasible and desirable. We also supported plans to put director accountability and audit committees at the heart of governance reforms.

Our response followed extensive consultation with our committees and boards, together with meetings with other professional bodies and the large firms.

LIVERPOOL CITY REGION INNOVATION INVESTMENT SUMMIT

With innovation being central to economic recovery, regional growth and levelling up, we partnered with the Liverpool City Region to host their second Innovation Investment Summit.

The summit was opened by Steve Rotherham, Metro Mayor of the Liverpool City Region, and featured investors from across the region and businesses established from initiatives conceived at the inaugural summit in 2022.

Discussions focused on upcoming projects in the region and the opportunities these will offer for investment and innovation.

REPRESENTING SMALL BUSINESSES

We have long campaigned for measures to tackle late payments to small businesses. In October, the UK Government extended payment reporting regulations and gave more powers to the Small Business Commissioner.

Our Corporate Reporting Faculty made written representations to this effect and our views were discussed at a roundtable meeting in August, organised by our Trust & Ethics team and attended by the Commissioner.



Tim supports ICAEW’s development in China.
Tim Yu FCA
Managing Partner of Sky Mountain Capital (Hong Kong) Ltd

Neil spoke about public sector financial reporting at our Public Sector Conference.
Neil Harris CPFA, ACA
Director of Local Audit, Financial Reporting Council



Cathy featured in our Resilience and Renewal campaign.
Catherine Cranton FCA
Finance Director, Paragraf



Charles featured in our Resilience and Renewal campaign.
Charles Platts FCA
Chief Financial Officer, Paragraf



The Small Business Commissioner, together with senior representatives from the Institute of Directors (IoD) and Institute for Government (IfG), also took part in a panel session at our Regions Economic Summit in April. The panel discussed the results from our latest *Business Confidence Monitor*, the outlook for the UK economy and some of the longstanding issues facing the economy such as weak productivity.

UNPACKING THE PUBLIC FINANCES

In November, we held an event in the UK parliament, Unpacking the Public Finances. Discussions focused on the state of the UK's public finances, the decisions needed to improve sustainability and resilience, and how to better communicate financial information to MPs and the public.

Attendees included Dame Meg Hillier MP, Chair of the Public Accounts Committee, and representatives from accountancy firms, think tanks, local government and public bodies including the NAO and Parliamentary Scrutiny Unit.

BANK OF ENGLAND COLLABORATION

Our UK Regions team held quarterly events in collaboration with the Bank of England during 2023, which saw its regional agents sharing insight from the Bank's latest Monetary Policy report and responding to ICAEW's regional *Business Confidence Monitor* findings.

The year culminated in ICAEW's virtual UK Economic Summit, featuring the Bank of England's Chief Economist Huw Pill as our keynote speaker. Huw announced the Bank's latest approach to managing inflationary pressures and interest rates and spoke about the state of the economy and future prospects.

After plenary discussions, delegates joined regional breakout rooms to explore the regional report findings and discuss the outlook for the regions' key sectors. Regional panellists included representatives from FatFace, Halfords, Co-operative Food, Development Bank of Wales and Hiut Denim.

The event was covered by Reuters, Bloomberg, *Financial Times*, *The Times*, *The Telegraph*, *Sky*, *Daily Mail*, *Daily Express* and more than 130 regional titles.

HMRC SERVICE STANDARDS

We deployed a variety of approaches to address the continuing issue of poor HMRC service performance and its serious impact on our members.

We met with HMRC's senior leadership team on multiple occasions, and wrote to government, including jointly with other professional bodies. We submitted detailed evidence to the Public

Accounts Committee inquiry focusing on HMRC's service performance, and met with Treasury Select Committee advisers to explain our concerns. Our evidence included detailed case studies, illustrating how ICAEW members were affected.

Throughout the year we also commented on service performance in the media and through our website, helping to ensure the issue remained on the public agenda.

We emphasised that HMRC's digital services are disjointed, not comprehensive enough, and that investment is required if HMRC is to successfully migrate from phone and postal services to digital services. Our list of concerns with digital services received traction across the agency and is being used in its improvement plans.

OTHER HIGHLIGHTS

Our annual Hardman Lecture in November featured tax lawyer and campaigner, Dan Neidle, presenting on [The Worst Features of the UK Tax System](#). Dan delved into three major causes for concern: tax cliff edges, complexity and public misconceptions about the punitive regime.

In Greece, in partnership with SOEL, we convened a roundtable of leading tax practitioners and the Greek tax authority to discuss collaboration to improve efficiency and effectiveness in the tax system. We shared experiences from the UK and emphasised how jointly tackling challenges and reviewing opportunities can result in improved outcomes for all.

In December, our annual Public Sector Conference attracted more than 150 delegates to discuss how we engage with public sector finance, and local and central government accounts.

We were the catalyst for the Levelling Up, Housing and Communities Select Committee holding an [inquiry](#) into Financial Reporting and Audit in Local Authorities. We gave evidence at hearings which took place in July, and ICAEW is mentioned 14 times in the [main report](#). We are pleased the report highlighted the importance of audited financial statements to the effective financial management of local authorities. We also agree that urgent action is needed to tackle the crisis in local authority audit and endorse the committee's call for greater clarity on the purposes and uses of local authority accounts.

Bev represents ICAEW in the South and South West of England.

Beverley Waters
ICAEW Regional Director, South & South West

Suren spoke at our UK Economic Summit and was regularly quoted in the press on economic issues.

Suren Thiru
Director, Economies, ICAEW

Vishesh is our first representative from India on our Council.

Vishesh Chandiok
ACA
CEO, Grant Thornton Bharat LLP

