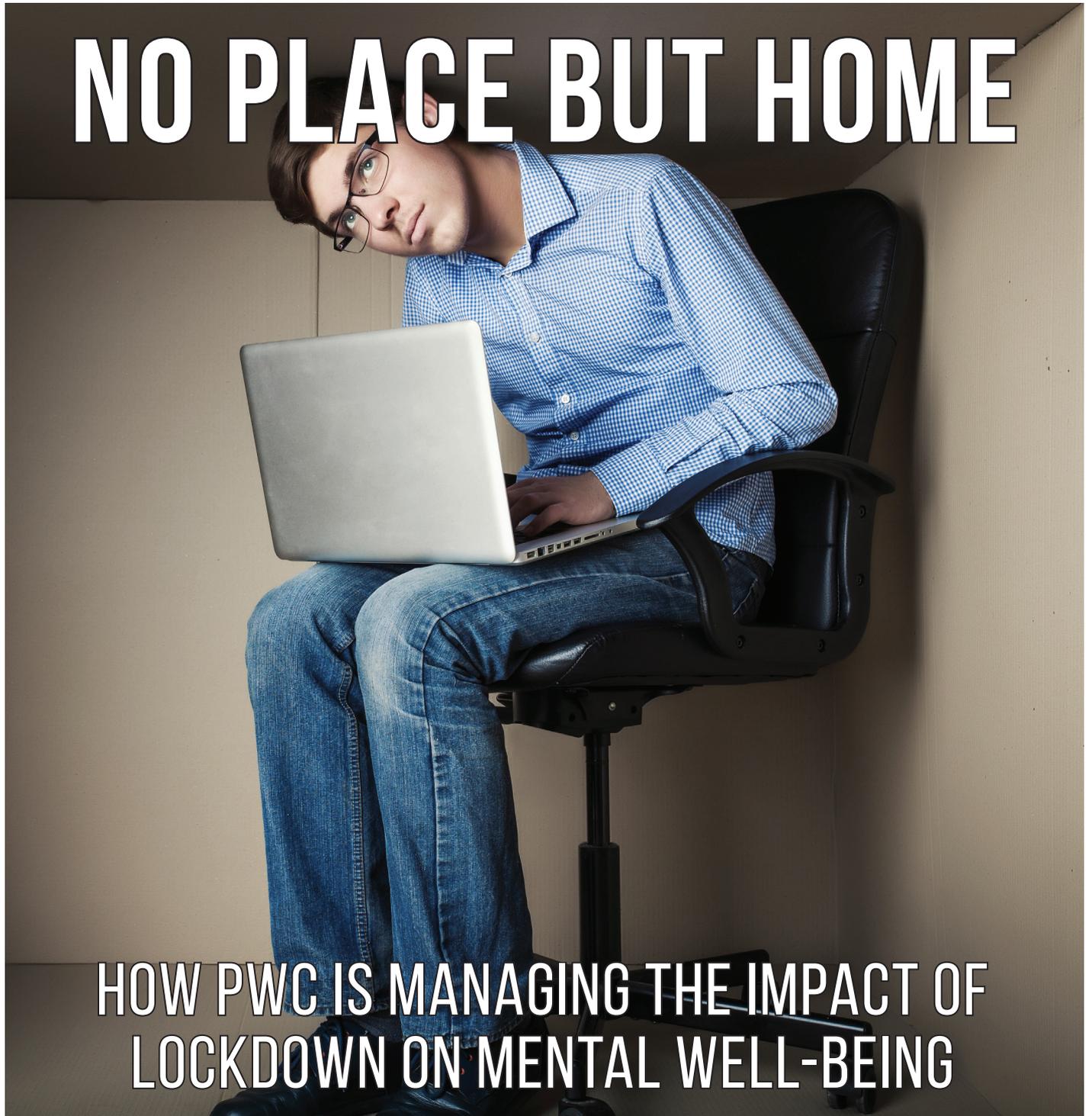


# THE Accountant

## NO PLACE BUT HOME



### HOW PWC IS MANAGING THE IMPACT OF LOCKDOWN ON MENTAL WELL-BEING

#### COMMENT

DAC6 rules have a wider scope than large corporate groups and their advisers

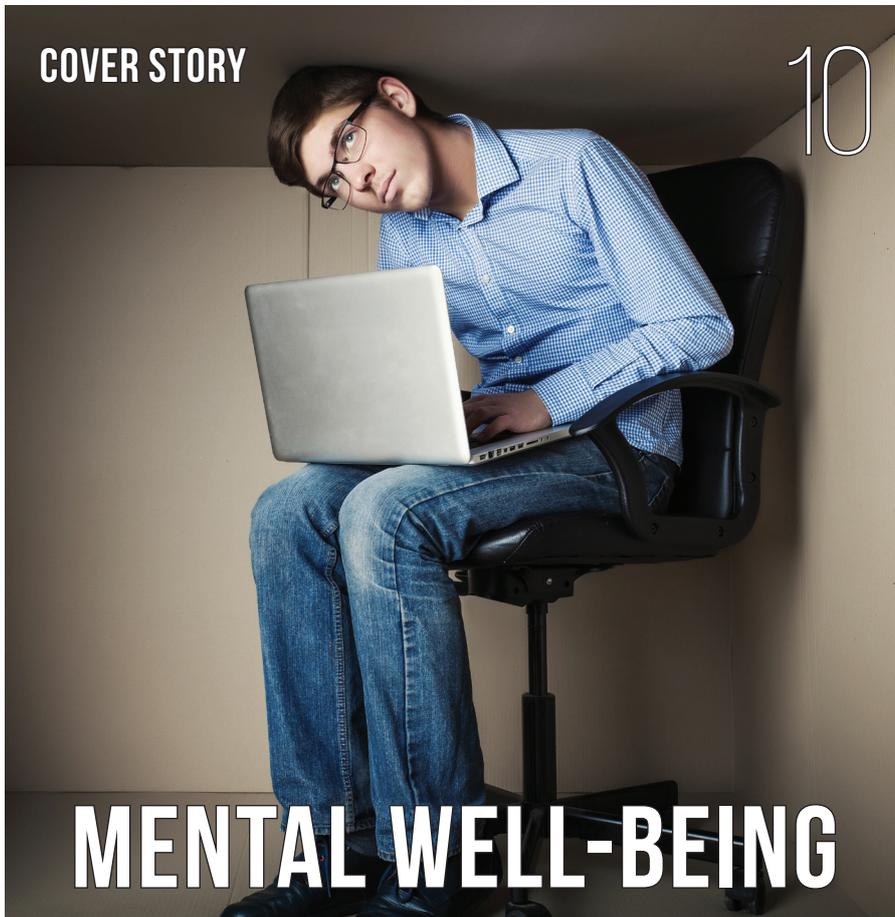
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How remote testing will work for those coming to the end of their education

#### PEOPLE

The challenge of managing NHS hospital finances during a global pandemic

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MENTAL WELL-BEING

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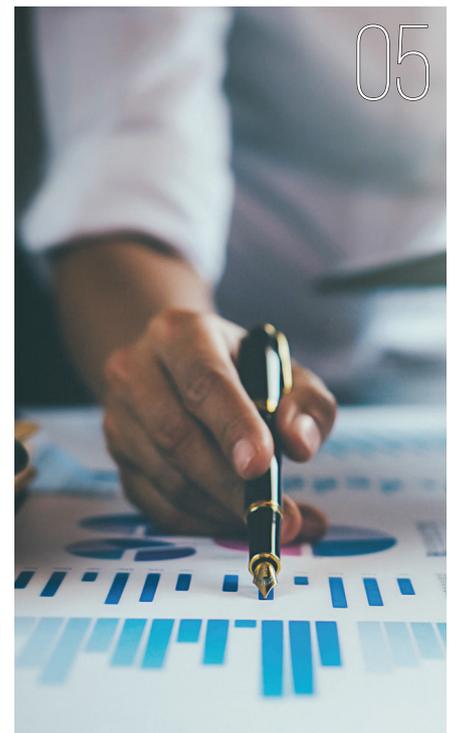
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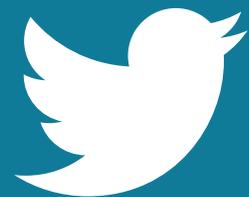
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## MAY 2020



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While the measures may only initially seem relevant to large corporate groups and their advisers, the DAC6 rules have a deceptively wide scope. **Jon Hanifan** and **Ieva van Hemert** answer the most common questions

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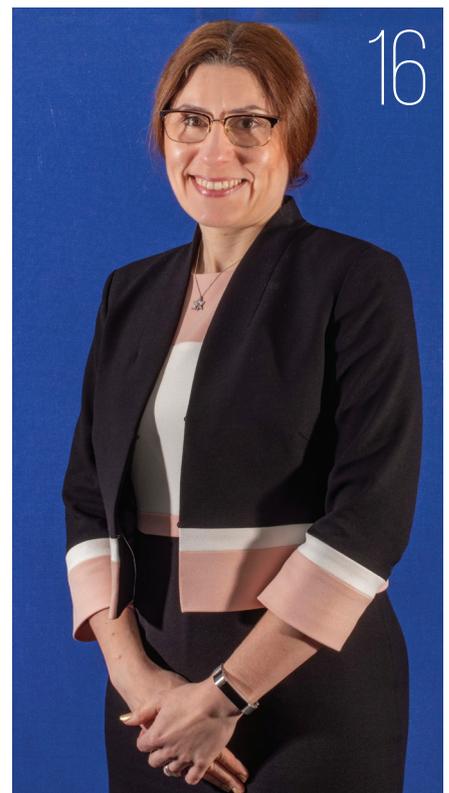
With various degrees of lockdown being imposed in many countries, what does that mean for those coming to the end of their education? **Joe Pickard** speaks to bodies that are working towards remote testing



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Managing NHS hospital finances is a challenge at the best of times, but what about when you are at the centre of a global pandemic? **Michael Jarvis** speaks to Dawn Scrafield at the Mid and South Essex NHS Foundation Trust



# EDITOR'S LETTER

## LOCKDOWN AND ITS IMPACT ON MENTAL WELL-BEING



Joe Pickard, Editor

**A**T THE TIME OF THE WRITING, THE UK'S MENTAL HEALTH AWARENESS WEEK (18-24 MAY) WAS COMING TO AN END.

The UK is also still under lockdown restrictions, albeit relaxed slightly a week ago. The lockdown is intended to keep people healthy and reduce the risk of catching Covid-19, but what about the impact that an extended period of isolation can have on mental health?

According to the Association of Chartered Certified Accountants and the Corporate Finance Network's SME Health Tracker, which polls the views of some 3,000 SME clients of UK accountants, 78% of respondents stated a worsened mental health condition. This is a staggering amount, and it is important to open up conversations in regards to mental well-being.

At PwC, a scheme has been in place for a couple of years to train in-house mental health first aiders. I spoke with the firm's mental well-being leader and one of its first aiders to discuss the impact that working from home has had on mental well-being, and some of the anxiety that can

be caused by the thought of going back to work and being potentially exposed to the virus.

### Remote testing

At the start of May, a number of accounting bodies announced that they are – or are working towards – remotely testing students who cannot access test centres due lockdown restrictions in their countries. I spoke to a number of these organisations to find out the challenges of implementing remote testing, and to see if it is something that will be continued after the Covid-19 pandemic. See [page 13](#).

Elsewhere in this issue, Dawn Scrafield provides insight into what it is like to be the CFO of an NHS Foundation Trust amid a global pandemic, while Institute of Management Accountants president and CEO Jeff Thompson provides advice to finance professionals on how to alleviate employment challenges in a possible post-pandemic recession. We also take a look at all the latest accountancy news. ■

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# NEWS UPDATE

## FRC: Early warning systems need to be enhanced to improve audit quality



The UK's Financial Reporting Council (FRC) has called for Audit Quality Indicators (AQIs) to be used more effectively so more timely corrective action can be taken.

The FRC's thematic review into AQIs found that audit firms are using these indicators to highlight audits that need improving and to promote good practice. However, the FRC found that most monitoring of AQIs at the largest audit firms takes place after audits are completed, rather than prior to or during the process.

The regulator stressed that audit firms must focus on "forward-looking and granular AQIs to ensure they are identifying early interventions which could prevent deficiencies in audits".

The FRC review also looked at how AQIs are publicly reported. Areas that were found to need improvement included:

- AQIs reported in the UK are concentrated on five areas, while other countries require firms to report on eight or more;
- Publicly reported AQIs are not easily accessible or comparable across firms;
- Few Audit Committee chairs and investors interviewed for the report were aware of published AQIs.

In some countries, audit teams report AQIs specific to individual audits directly to audit committees, and the FRC is to look at whether such an initiative in the UK would improve audit committee engagement.

David Rule, executive director of supervision at the FRC, said: "Audit firms need a relentless focus on improving audit quality. Our review found that audit quality indicators, if used correctly, can help firms take decisive and immediate actions to improve audit quality.

"Public reporting of a consistent set of audit quality indicators is required to provide companies and investors another window on audit quality. It is clear that improvements are needed in this area, and the FRC will be consulting on proposals in due course."

Stephen Griggs, UK deputy CEO and managing partner of audit and assurance, and public policy at Deloitte, said: "Audit quality underpins everything we do and remains our absolute priority. We support the effective use of Audit Quality Indicators and will consider the findings of today's FRC report to continue improving how we measure it. We remain steadfastly committed to delivering high-quality audits that support the capital markets, our wide-ranging stakeholders and our public interest role."

A spokesperson for EY said: "We welcome the FRC's thematic review and will be carefully considering the findings as part of our continuous focus on audit quality. Audit plays a vital role in the functioning of the capital markets, providing trust and confidence to stakeholders, and we are committed to delivering high-quality audits consistently." ■

## FASB APPOINTS TECHNICAL DIRECTOR

The US Financial Accounting Standards Board (FASB) has appointed Hillary Salo to the roles of director of technical activities and chair of the Emerging Issues Task Force (EITF), effective August 2020.

Salo, who began her accounting career as a FASB postgraduate technical assistant, joins the organisation from the New York City office of KPMG, where she was a partner in the audit practice. She has also served as a professional accounting fellow

in the Office of the Chief Accountant at the US Securities and Exchange Commission.

FASB chair Russell Golden commented: "I'm very pleased to welcome Hillary Salo back to Norwalk as our next director of technical activities and chair of the EITF. Her exemplary career as a public accountant and her deep knowledge of the broader financial reporting landscape will serve the organisation well as she takes on this important leadership role."

Salo said: "I am honoured by the opportunity to return to the FASB and to serve FASB stakeholders as director of technical activities and chair of the EITF."

She added: "The independent standard-setting process is a priceless asset to our capital markets and to investors and all users of financial information. I look forward to the challenge of supporting the FASB and leading the technical staff in the years ahead." ■

## COVID-19 TAKING ITS TOLL ON SME CLIENTS' MENTAL HEALTH

The Covid-19 pandemic is taking its toll on accountants' SME clients, according to the weekly SME Health Tracker produced by the Association of Chartered Certified Accountants (ACCA) and the Corporate Finance Network (CFN).

Asked about their clients' mental health, 89% of practitioners said their clients have reported feeling more stressed than usual and not sleeping, with 78% stating a worsened mental health condition, 56% unable to cope, and a worrying 11% shared the fact they have had suicidal thoughts.

The weekly poll represents 2,725 firms, representing nearly 3,000 UK SME clients. The poll closed on the afternoon of 19 May.

Other than the pandemic's impact on mental health, the poll found that 4% of businesses had decided to liquidate, compared to 3% last week.

SMEs' concerns about accessing cash during lockdown have also increased, with 23% saying they will not be able to access cash to last two weeks or more of lockdown, compared to 12% last week. Perceptions about trading conditions have also altered, with just 16% saying they think they will be trading normally in the near future compared to 21% a week ago.

For the firms who made a Coronavirus Business Interruption Loan Scheme application for their SME clients, 26% have

been declined, 10% have been approved and 6% are waiting for a response.

ACCA UK head Claire Bennison said: "It's important to acknowledge the wider and vital role accountants continue to have in helping small business best navigate life changing choices during this pandemic.

"As the weeks pass, the impact on lives is becoming clearer; as more small business owners decide to liquidate, we're also seeing a worsening picture of mental health in the small business community.

"Having someone to speak to at this time is vital, and we know some hard conversations are being had, and will continue for months to come." ■

## FRC chair to step down fearing conflict of responsibilities

UK Financial Reporting Council (FRC) chair Simon Dingemans has stepped down a mere seven months after taking up the role.

The chair of the FRC is a part-time position, and it was agreed as part of his appointment process that Dingemans could take on additional roles provided they did not conflict with his responsibilities at the FRC. The regulator said this has not proved possible.

Dingemans has informed the board and the secretary of state that he will step down from



the FRC at the end of May. The FRC said it is expected that he will "return to a more full-time role in the private sector".

The Department for Business, Energy & Industrial Strategy will take forward the appointment of a new FRC chair.

Dingemans took up the position of FRC chair at the start of October last year to help it transition into the Audit, Reporting and Governance Authority (ARGA).

ARGA was established in the Kingman review following a tirade of criticism directed at the FRC due to its handling of audit firms involved with some of highest-profile business collapses in recent UK history. ■

## IIRC ANNOUNCES NEW CHAIR APPOINTMENT



Conor Kehoe, IIRC

Conor Kehoe has been appointed as chair of the International Integrated Reporting Council (IIRC), replacing Dominic Barton who chaired the council from 2018 to 2020. The appointment coincides with the 10th anniversary of the IIRC.

Kehoe will be responsible for working with the IIRC board and executive to achieve a global consensus on the structure and implementation of a comprehensive corporate reporting system.

Kehoe commented: "In a world that is being reshaped by Covid-19 and is still facing the existential threat of climate change, the IIRC's multi-capital agenda has never been more relevant.

"The concepts at the heart of integrated reporting – the connectivity of information reflected in integrated thinking, the board leadership it demands, and the broadening of business models to ensure they respond to the legitimate needs and expectations of stakeholders – must become the

permanent features of a new global system for reporting.

"The IIRC will step up its work with our partners to ensure the <IR> Framework is linked to a comprehensive set of standards, interconnected oversight and assurance, that enables increased trust and confidence.

"I look forward to working with the IIRC team, board and council to drive this crucial work forward."

IIRC board chair Barry Melancon said: "A highly respected business leader internationally, Conor brings with him the skills we need to prepare for the next 10 years – a decade in which we aim to complete our mission. We will be seeking new ways to intensify the adoption of integrated thinking and reporting internationally and will ensure our principles form the basis of a new global system reflected in regulation, market practice and assurance." ■

## STAVROS THOMADAKIS EXTENDS TERM AS IESBA CHAIR

The International Ethics Standards Board for Accountants (IESBA) has extended Stavros Thomadakis's position as chair until the end of 2021.

Thomadakis has chaired the IESBA since 2015. Under his leadership, the IESBA finalised the restructured International Code of Ethics for Professional Accountants, including International Independence Standards, and launched a digital version, the eCode.

Commenting, Thomadakis said: "I am honoured to continue to lead the IESBA for a final term. We've gained considerable momentum with respect to global adoption of the IESBA Code, with approximately 80 countries adopting or in process of adopting the restructured 2018 version, and I am keen on expanding that further.

"In addition to pursuing IESBA's priority standard-setting projects in the public interest, a key activity will be to assist IESBA's stakeholders as they navigate the unprecedented challenges and ethical dilemmas arising from the Covid-19 pandemic.

"In this regard, the IESBA is working to expand its cooperation with others, including its ongoing coordination with the International Auditing and Assurance Standards Board." ■



Stavros Thomadakis, IESBA

## AICPA appoints Golden as new chair



The American Institute of CPAs (AICPA) has appointed Tracey Golden as its new chair for a one-year voluntary term. The appointment was made by AICPA's governing council at its first-ever virtual meeting.

As of 1 June 2020, Golden, an audit partner at Deloitte, will also serve as chair of the Association of International Certified Professional Accountants, and the Chartered Institute of Management Accountants.

In her acceptance speech, Golden said: "We are truly living disruption – not incremental change but a radical break from the familiar. Our profession has a crucial role to play in helping navigate this disruption. We are here to help businesses and individuals get through these tough times, learn from them and grow. In an uncertain world, CPAs are needed now more than ever as trusted advisors who can lead a path forward."

Golden spent the past year as vice-chair of the AICPA and has held several other volunteer leadership positions within the organisation. These include serving as a member of the board of directors and governing council, and previously serving as chair of both the audit and finance committee and peer review board.

At Deloitte, Golden has responsibility for facilitating and coordinating reputation and risk-related initiatives and matters in the Americas region. ■

# DAC6: ADVICE FOR ACCOUNTANTS AHEAD OF IMPLEMENTATION

While at first glance the measures may only seem relevant to large corporate groups and their advisers, the DAC6 rules have a deceptively wide scope. *Jon Hanifan*, head of tax and deputy CEO at Throgmorton UK (an Apex Group company), and *Ieva van Hemert*, head of corporate solutions – the Netherlands at Apex Group, answer the most common questions

**T**ransparency has for some time been high on the global agenda for governments looking to address tax avoidance. The global spread of Covid-19, and the impact it will have on governments' budget deficits, will only embolden their resolve to identify, quantify and, potentially, block tax avoidance.

A natural consequence will be the expansion and acceleration of transparency measures, with the inevitable burden this passes to accountants and other professionals. "Busy season" will yet further become "busiest season", as professionals are faced with an increasing array of reporting deadlines spread across the calendar year.

This article explores:

- One such transparency measure, namely the EU Directive 2018/822/EU (DAC6);
- Who may have to report and in respect of what arrangements, and
- The proposed deferral of reporting deadlines and the potential impact on accountants and other professionals.

## What is DAC6?

The EU introduced DAC6 to provide an additional level of transparency in order to detect potentially aggressive tax arrangements and impose mandatory reporting of certain cross-border arrangements.

DAC6 comes into force from 1 July 2020. The commencement date is currently unchanged by the Covid-19 pandemic, although we will cover later in this article the impact it is proposed to have on certain DAC6 reporting deadlines.

DAC6 potentially applies to cross-border arrangements that meet one or more specified

characteristics (known as 'hallmarks') and concern either more than one EU country or an EU country and a non-EU country.

All taxpayers and/or their advisers (referred to intermediaries) involved in such arrangements have an obligation to report, including retrospectively for arrangements that became reportable between 25 June 2018 and 30 June 2020. The reported information is shared between the tax authorities of all EU member states through the EU's common communication network.

## Didn't Brexit mean Brexit?

With the discussion of the EU thus far, readers may wonder if the UK has now stepped outside of these rules. This is not the case: the UK has produced the necessary regulations to implement DAC6, although final guidance is awaited.

## Who is affected?

As noted above, DAC6 can impact both taxpayers and 'intermediaries'.

As regards an intermediary, the DAC6 rules can potentially impact any individual or entity involved in designing, marketing, organising, making available for implementation or managing the implementation of arrangements with an EU cross-border element, as well as those who provide advice in respect of such arrangements. In addition, both businesses and individuals can potentially be affected, even if they are based in Switzerland or Liechtenstein.

For example, a Swiss company with an EU subsidiary may be affected by DAC6 if the Swiss company carries out a transaction

with its EU subsidiary on which one of the hallmarks applies. If no EU intermediary is involved, the EU subsidiary will have to carry out the reporting, as the reporting obligation shifts to the taxpayer if there is no EU intermediary.

## Who is classed as an intermediary?

The definition of intermediaries is relatively broad and covers tax advisers, lawyers (including in-house counsel), auditors, fund administrators, domiciliation agents, trust companies, management companies, banks and accountants.

The definition of intermediary also extends to any person who "knows or could be reasonably expected to know that they have undertaken to provide, directly or by means of any other persons, aid, assistance or advice" with respect to the types of activities mentioned above. Therefore, any party involved in the transaction should carefully consider if it could qualify as intermediary.

The reporting obligations must be met by intermediaries that are linked to the EU, for example, based on their tax residency or their incorporation. As noted above, if no intermediary linked to the EU is involved, or if the only intermediary involved has a legal privilege, the obligation shifts to the taxpayer.

An intermediary may be relieved from its reporting obligation if it can show that another intermediary has reported the arrangement. By way of a further example, a fund manager with, say, a UK nexus will have to consider DAC6 and whether it is considered an intermediary. If the fund manager in question is designing, organising or implementing cross-border arrangements

– on behalf of fund investors – then it may well do so.

Whether a reporting obligation arises will then depend on the nature of such arrangements vis-à-vis the hallmarks. The fund manager will also have to consider whether another reporting party, such as an accountant, has or will make the necessary reporting.

The engagement terms between the parties should also make clear what the accountant, for example, has agreed to undertake for the fund manager, in this example, and equally importantly, what they will not. Such terms should also make clear what the accountant's information requirements are to meet its agreed obligations.

### What are the hallmarks?

Answering this question could encompass an article in itself, but it is important to note:

- There are five hallmarks (containing sub-categories) at the heart of DAC6, covering matters such as confidential arrangements, double deductions for depreciation, loss buying and circular transactions;
- Not all require a tax-avoidance 'main benefit test', and so commercial arrangements could be in scope.

Any taxpayer with a cross-border arrangement, concerning either more than one EU country or an EU country and a non-EU country, should therefore be considering DAC6.

### What happens if one fails to comply with the new regime?

Penalties will be imposed on intermediaries (or taxpayers) that do not comply with the transparency measures. The directive prescribes that penalties under the local legislation in all EU member states must be "effective, proportionate and dissuasive". This varies significantly among the countries, and ranges from, for example, €25,000 in Germany, to €830,000 in the Netherlands and €4,500,000 in Poland.

### Are taxpayers and intermediaries ready for this regulation?

We note from experience that it widely varies if taxpayers and intermediaries are ready for this regulation.

Many have been monitoring the developments as from the date of publication of the DAC6 Directive and have implemented policies and procedures to ensure that they will be compliant. But there

are also those who are waiting until the last moment because, for example, they wish to see final guidance from their government or because they want to await what others or peers are doing.

We know from experience that this is a lengthy process: Apex has from the start been proactive in registering possible reportable transactions in which it is involved, creating awareness, designing policies and procedures, and training staff. As in many transactions, multiple intermediaries may be involved, which may result in multiple reports as well.

Where it is not necessary for an intermediary to do the reporting itself, Apex may be the central point of gathering information and will define what information to report to ensure that only one reporting will be done for an arrangement. Parties involved will want to consider rights of review and comment, and will need to ensure that the making of the report will not breach any contractual terms, so it is important that all parties involved agree to the contents of the reporting.

### What are the key steps that taxpayers, and intermediaries, should be taking to prepare for DAC6 implementation?

We recommend that taxpayers work with their accountant and other professional advisors to identify and manage cross-border reporting obligations as a first step to ensuring that they are fully compliant with the obligations of DAC6.

In order to be compliant with DAC6 legislation and to assist our clients, Apex has a system in place to monitor arrangements, collect data and determine if it is reportable and by whom. Such a system will also provide the necessary audit trail for e.g. our auditors.

We recommend the following:

- Arrangements from 25 June 2018 need to be monitored. This means businesses need to review all transactions that they are involved in (either as intermediary or as a taxpayer) in light of this disclosure obligation, and obtain certainty that any reportable transaction will in fact be reported by one intermediary, and if not, whether the taxpayer itself should do the reporting.
- Maintaining a record of potentially reportable arrangements and identifying the potentially applicable hallmark, relevant arrangement, value and the intermediaries involved will be important. Having a list of the type of relevant transactions undertaken in your

organisation will assist in-house teams.

- In case of a significant number of possible reportable arrangements, set up a system to monitor arrangements, collect the relevant information, determine if it is reportable and by whom.
- Create awareness in your organisation about the broad scope of the DAC6 legislation. Even though the purpose of DAC6 is to detect potential aggressive tax arrangements, arrangements without an obvious tax aggressive aspect may still fall within the scope of DAC6.

### Will Covid-19 delay its implementation?

As noted above, DAC6 is still scheduled to come into force on 1 July 2020. However, there may be a deferral of the reporting deadlines. On Friday 8 May 2020, the European Commission announced a proposal to postpone by three months the initial reporting deadlines for DAC6 as a result of Covid-19-related delays.

Under the Commission's proposal:

- The 30-day period for reporting new arrangements would start on 1 October 2020 (i.e. so arrangements that become reportable in July, August and September need not be reported until 31 October 2020);
- For the historical arrangements, reporting would be due by 30 November 2020.

Crucially, this is not a postponement of the entry into force of the rules, but rather a deferral of the reporting deadlines. By definition, it also means a lengthening of the "look back" period for historical arrangements if taxpayers and their advisors, including accountants, wait until after the original deadline to review arrangements.

Furthermore, waiting until closer to the revised (proposed) deadlines will move into a window of the year when accountants and other professional advisors will be undertaking, and gearing up to deliver on, existing filing obligations. The proposal includes a power for the European Commission to extend the deferral period once more by a maximum of three months.

### Conclusion

While the deadlines may move, DAC6 and obligations of its type are not going to go away. We therefore continue to recommend that accountants and other professional advisors consider their potential obligations, as soon as possible. ■

# MENTAL HEALTH: WHEN THERE IS NO PLACE BUT HOME



With much of the UK population abiding by lockdown measures in response to the Covid-19 pandemic, *Joe Pickard* speaks to PwC mental well-being leader Sally Evans and mental health first aider Sean Maywood about the emotional impact of working from home

**The Accountant: How has working from home for an extended period of time affected your colleagues?**

**Sean Maywood:** There are natural ups and downs that will occur for people. I think that a lot of people have made a good transition into working from home, but nevertheless the lack of human interaction from time to time is a challenge.

An important thing to consider is that everyone's home circumstances are quite different. So, for some people, it might just be the case of getting set up with a home office and everything is okay, but there will also be people who do not have that same level of privacy, those who live with other people who might not have their own space to work in.

And, of course, there is a large number of people who are juggling work with caring for dependents – for the most part, that will be children, but there will be people caring for the elderly relatives as well. Managing their time in situations like this will be a significant challenge.

**Sally Evans:** Sean mentioned the ups and downs, and I think we are definitely seeing that. I think initially, there were a number of people almost running on adrenaline when the lockdown first started, and there was an

element of a survival instinct just to try to sort out the basics, make decisions about a whole range of things.

I think there is a degree to which people's well-being is affected by those decisions in themselves, because most of us have never



## MANAGING TIME IN SITUATIONS LIKE THIS WILL BE A SIGNIFICANT CHALLENGE

really been in a position where we suddenly have to think about everything in regards to keeping our families and loved ones safe – decisions such as: 'Should I be disinfecting all my groceries after I have been shopping?' We have had to make unusual decisions in everyday life on top of the work decisions.

I think with the ongoing lockdown situation and the ongoing working from home – particularly for those who are not used to working from home as often as they are doing now, and even to an extent those who do work from home a lot – what can be difficult is the removal of what is normal, such as normal support networks and things you do to let off steam, whether that be going to the gym, socialising with friends or going to the cinema. All of that has been removed temporarily.

I think what we are seeing in the current phase is people are starting to feel a bit more tired, perhaps a little bit of frustration setting in with some people.

We are also hearing and experiencing ourselves that it changes day by day and week after week, so we are just very mindful of that for our people.

**TA: How is this blurring work-home boundaries? The 'always-on' culture has been prevalent for some time now; do you think this is being reinforced by the current situation?**

**SM:** People are trying to get into a routine, but it can be very easy to slip out of that routine, which is not helpful.



Sean Maywood, PwC



Sally Evans, PwC

Also, there is the impression that you have got this extra time because you are not commuting and that time can be used for something really productive. Well, I think we have got people who take different approaches with that idea: we have got the people who are using that time for extra work; we have got some people who using that time to take up a new skill or hobby.

What we may see from that is the effect of the 'Instagram generation' where people are posting about how they have learned to speak Ancient Greek in three days, and that puts the pressure on everyone else.

I have always been a keen exerciser and have stuck to it quite religiously, but I have not had time for all these wonderful box sets that people have been sharing with me which I ought to watch! So it is different for different people.

**SE:** That is a really important point that Sean made. When this whole thing kicked off, we started by trying to give advice, offer guidance to establish a new routine for ourselves in this different world that we are now living in.

We are about to revisit this with our people in terms of our comms, as a way of checking in now that it has been an extended period of time. I think we are seeing something that is really important, which is people being kind to themselves. So recognising that having days that are not as productive is a normal response to a very unusual situation, but then hopefully recognising that, hopefully, the next day will be a bit different.

And as Sean mentioned, there are a lot of parents home-schooling their children as well, so it is important that people are not pressurising themselves to be the perfect parent, the perfect teacher and the perfect employee all at the same time.

It is important to have a bit of self-compassion in the situation we find ourselves in. But I do think we are finding that people are more aware of their well-being now.

## STAYING INFORMED

**SE:** One of the things we have been trying to do is produce a central repository where we provide information on all things Covid-19. So that includes what the government is saying, advice from Public Health England,

think our people appreciate the fact that there is somewhere internally where they can go and get the latest official information, and the resources we have on there will be signposted as being quality checked.

## BACK TO THE OFFICE

**TA:** What kind of feedback are you getting from people who are nervous about going back into the office?

**SM:** We have found that people have the concerns that most people will naturally have when they return to work, such as will they be safe from Covid-19 in regards to travelling into work? And when they get into work, what kind of space will they have? So there are those natural concerns.

**“ IT IS IMPORTANT THAT PEOPLE DO NOT PRESSURISE THEMSELVES TO BE THE PERFECT PARENT, THE PERFECT TEACHER AND THE PERFECT EMPLOYEE**

as well as the impact on our business and on our people. So all the key well-being and mental health resources we have created as the situation was unfolding all sit on that site.

Our people have appreciated that because there can be a sense of overload of news, opinion and, in many cases, speculation. So I

Also, for some people who may feel well in themselves, what is the chance of them, if they do go into work, potentially catching the virus and then passing that on to someone back home? It is clearly a legitimate concern.

The interesting one, from my perspective, is just always the challenge for many of us ▶

of actually getting back to work. I used to teach before I joined PwC, and if you have someone who struggled with school, they were almost always at their most vulnerable when it came to returning to school after any kind of break – whether that was from illness or a timetabled school holiday – as there is that feeling that everything has moved on while you have been away, and that raises that anxiety for everyone.

That is natural. It is nothing that is going to be particular to any individual, but it is something we have got to be aware of and support our people with.

**SE:** I think attached to that on the flip side, like a lot of organisations, what we are interested in is what has almost been good and helpful about what we have been experiencing – so what can we learn from to take back into whatever the new normal looks like?

Things such as people who have never really considered working from home as a viable option have actually found it to work quite successfully. I think that is particularly powerful where they have been in conversations with clients, where the client and the person at PwC is feeling like the whole relationship is actually working really well.

I was talking to somebody the other day in a client-facing role and they were saying that whereas before this happened, if they were trying to meet with a client, they would be trying to do it face to face, which may take a while to get the date, then somebody might not be able to make it so they would have to reschedule, whereas now a lot of the contact feels a lot more spontaneous and a lot more effective. And actually there is a sense that people are getting to know each other a little bit better, because we are all seeing each other's homes, who else lives in the homes – whether they be human or pets – and what is going on in the background.

Anecdotally, I have had people say to me: 'When people ask me how I am on a video call, with my team or with a colleague or even with a client, it feels like they really seem to mean it. They are really listening to what I am saying.' I think what would be really superb is if we can capture some of that difference and take that back with us.

**SM:** On a personal level, when I was teaching you have to be physically present at work and so I have been one of those traditional people: I've never been that comfortable with working from home. I have just been used to going into a place of work and working there.

A lot of the work that I do in PwC is delivering training, and that by and large has been done in person. If I'm honest with you, I would still prefer to sit there with a group of people in front of me, and there are certain types of training that I do in which I think you need that.

I have had to change a whole set of sessions that I had set up in the calendar to deliver to people that had taken quite a bit of logistical work to get together: these are partners, directors, people from our HR. It took quite

## MENTAL HEALTH FIRST AID

**TA:** Sean, your job title is mental health first aider. Can you tell me a little bit more about that?

**SM:** As much as you can be proactive with all of this, it is a reactive situation and none of us planned for Covid-19. But we took a decision some time ago to train up mental health first aid instructors within the firm.

I am one of those, and I deliver a two-day Mental Health First Aid England-accredited

## “ PEOPLE WHO HAVE NEVER CONSIDERED WORKING FROM HOME AS A VIABLE OPTION HAVE ACTUALLY FOUND IT TO WORK QUITE SUCCESSFULLY

a bit of time to organise rooms and get those diaries to match up. Of course, all those have had to be taken out of the diary because we are working from home and cannot meet up, but I have converted them into virtual sessions. They are shorter sessions as opposed to the longer sessions we were hoping to do, but they have all had good feedback.

A few weeks ago I would have said to you that wouldn't work. I'd have thought I couldn't possibly deliver the sessions and that I would lose engagement with people on the other end of the call, but actually, that hasn't happened.

course. We have over 200 people in the firm who have been trained in that two-day course; they volunteered for that course and have really wanted to get engaged to support our people, so we have mobilised them.

It is really important to say that they are not counsellors; the training they receive is to listen and to signpost. It has been one of those very positive anecdotal bits of feedback we have received. We have a value of care in the firm, and we have shown as a firm that level of care. It has been really great to see those people step forward to support our staff as a whole, and it has been greatly appreciated. ■



# REMOTE EXAMINATIONS: NEW SOLUTIONS IN TESTING TIMES

With various degrees of lockdown being imposed in a great number of countries, what does that mean for the next generation of accountants who are coming to the end of their education? *Joe Pickard* speaks to a number of accounting bodies that are working towards remote testing

**T**he lockdown measures put in place across the world brought a halt to life as most of us know it.

Organisations have had to adapt to the changing circumstances with efficiency and pace, and at the start of May a number of accounting bodies announced plans to move their testing online.

This presents a number of challenges, both technically and regulatory; however, it will be interesting to see what can be learnt from this change and if it will be a practice which will be continued in a post-pandemic world.

## **The Accountant: How hard are you finding it to move to remote examinations?**

**Alan Hatfield, executive director – strategy and development, Association of Chartered Certified Accountants (ACCA):** ACCA is introducing remote invigilation to be able to offer a contingency where we are unable to run centre-based exams.

Students will need to have the technology at home to support remotely invigilated exams, and we have developed a list of system requirements for students, to allow an

examination to be successfully carried out.

As a global organisation, changing how we run our exams is a big logistical project. We have been running exams in centres for over 100 years, but we constantly change how we do that, so we are used to change.

In 1998 we introduced our first computer-based exams for our Applied Knowledge exams. These are objective test-type questions, testing knowledge and some applications, so we were able to make that switch early on.

Then in 2016 we introduced computer-based exams for the next level which focuses on application; these included spreadsheets and word processing, replicating the workplace. So we are used to change, but each change brings challenges, and of course the biggest challenge with this latest innovation has been the speed with which we are required to move to allow our students to sit exams during the pandemic.

Remote invigilation was already part of our forward plans to explore; however we have taken the decision to accelerate this innovation in light of Covid-19. We are working with our regulators around the world who understand that Covid-19 is

having a huge impact on businesses, and they understand our need to create opportunities for students to continue to take their exams, progressing to membership.

The number one priority for regulators and ACCA is the need to maintain rigour, integrity and security in the examination process, both in centres and remotely, and we are confident that we can do that through remote invigilation, partnering with leaders in the field.

**Suzie Webb, director of education and development at the Association of Accounting Technicians:** Remote invigilation is not a straightforward process: it is a difficult and complex landscape to navigate, with numerous restrictions about what we can and cannot do.

AAT qualifications are regulated by all four UK qualification regulators, including Ofqual (England), CCEA (Northern Ireland), SQA (Scotland) and Qualifications Wales – with qualifications listed on the Key Stage 5 performance tables – so we need to ensure we have a robust and secure way of delivering assessments that also satisfies our obligations as a regulated awarding organisation. ▶



Alan Hatfield, ACCA



Suzie Webb, Association of Accounting Technicians

Our team has been working incredibly hard behind the scenes, and in constant conversation with the regulators, to come up with solutions that will work for many of our students. This has included a series of significant technical developments all required in parallel to enable us to work towards making remote invigilation available from August 2020.

**Stephen Flatman, vice-president – examinations, management accounting at the Chartered Institute of Management Accountants (CIMA):** For CIMA the move was rather straightforward, given that all of our exams have been computer-based since 2015. So from a technology standpoint, we were already ahead of the game by the time the Covid-19 pandemic hit, and therefore in a good position to rapidly switch to remote testing.

From a regulatory perspective, the CIMA L4 and L7 apprenticeship assessments are regulated, but we did not have any issues getting the remote testing approved. Since the launch on 4 May, we have successfully had students from over 70 countries take both their Case Study and Objective Test exams.

**TA: How does remote invigilation work?**

**ACCA:** Remote invigilation uses technology to allow students to take exams online, at home, or at a place of their choosing; this

could be in their office or another quiet space.

Students will be given an exam start time, just like our centre exams, and they will complete the exam in the allocated time, under the same conditions as an exam centre. This is one of the steps we are taking to ensure the continued rigour and security of our exam content.

The exam will be invigilated remotely by a real person who will invigilate a number of students via each student’s laptop or webcam. The invigilator will monitor what the student is doing, as well as checking that the room is quiet with just the student in the room.

simply be invigilated online. This will involve both the student and the screen being recorded, and this footage will be closely scrutinised by trained invigilators.

The key difference is that students must check whether they have the IT capability to sit the assessment, including home equipment that meets specific technical requirements. We will be updating students more about this on our Covid-19 website page in the coming weeks.

**CIMA:** For each exam they are sitting, our students are allocated a remote invigilator, who will do all the necessary pre-exam checks

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**“ FROM A TECHNOLOGY STANDPOINT, WE WERE ALREADY AHEAD OF THE GAME BY THE TIME THE COVID-19 PANDEMIC HIT, AND IN A GOOD POSITION**

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While the invigilator can see the student at all times and can talk to the student during the check-in process or if any problems arise, during the exam they will remain in the background so will not disturb students when they are completing their exam.

**AAT:** For students, remote invigilation is not that different from taking an examination in an assessment centre. Students will now

and monitor them for the duration of the exam. The process is quite straightforward:

- When it is time to sit their exam, students need to go the testing program page, log into their account, navigate to the relevant exam page and click ‘begin exam’;
- They will be asked to download the exam software and follow the prompts. Students will be required to take a headshot, show

their ID, and take pictures of the area where they will be taking the exam;

- Once students complete the checks, the exam will begin. The remote invigilator will monitor students through their webcam and microphone during the exam. Students will not be allowed to leave the room or move out of the invigilator's view until they finish the exam;
- If students have questions or encounter issues at any point during the exam, they can contact the invigilator via the chat function.

We believe this is the most suitable process to maintain the high levels of security, reliability and fairness of our exams, and put our students' concerns at ease.

### **TA: What has the response from the students been?**

**ACCA:** We have found ACCA students have been very positive and are appreciative of the opportunity to continue their journey while centres may be closed. ACCA remains on hand to support students and answer further questions they may have regarding remote invigilation.

**AAT:** We have been very conscious of the need to support our students through this challenging period.

We were delighted to be able to announce that remote invigilation and calculated results (for specific Level 2 students) are both activities that will facilitate progression for students through their AAT qualifications. Following this announcement, the feedback

"It is close enough to the test centre experience so it is not worth delaying your studies until they can reopen. I feel a lot better about the process now and will sit another exam next month."

### **TA: Are there any specific technical requirements for students to be able to take part?**

**ACCA:** We will be offering remote invigilation for exams currently available as computer-based.

Students taking remotely invigilated exams need to have internet access to access the exam and also a webcam or in-built camera, to allow the invigilator to see the student and surrounding area. Students will also need a quiet space to ensure there is no background noise, and a microphone to be able to communicate with the invigilator during the check in process. The microphone will stay on during the exam to monitor background noise, ensuring the student has a quiet, private space to complete the exam.

The following guidelines set out the broad technical specification which is likely to be needed to complete a remotely invigilated exam:

- Either Windows 7 or higher, or Mac OS 10.10 or above;
- RAM: 4GB or more
- Display: minimum resolution of 1024x768 in 16-bit colour;
- Working webcam: minimum 640x480 resolution @ 10fps, and microphone;
- Internet connection of at least 1Mbps.

Students without immediate access to the appropriate technology are encouraged to check if they can take exams at a relative's house; alternatively, they could explore testing options with their employers once workplaces start to reopen.

**AAT:** In order to access remote invigilation, students will need equipment at home which meets specific technical requirements. As such, we recognise that remote invigilation may not be accessible to all students. We will be publishing more detailed information on our Covid-19 website page as soon as it is available.

**CIMA:** CIMA offers remote testing for all its qualifications, this includes CIMA Certificate in Business Accounting, CIMA Professional Qualification and UK Apprenticeships. However, CIMA students in mainland China and those studying for the Russian Diploma are currently unable to take part in remote testing. ■

## “ THE FEEDBACK HAS BEEN OVERWHELMINGLY POSITIVE, BUT WE RECOGNISE THAT REMOTE INVIGILATION MAY NOT BE ACCESSIBLE TO ALL

### **TA: Is remote testing something you are considering continuing after the pandemic has subsided?**

**ACCA:** At present, ACCA's immediate focus is to ensure that all students can safely continue their exam journey, whether their sittings are centre-based or conducted remotely. We are carefully reviewing whether remote testing is practicable beyond the Covid-19 pandemic.

**AAT:** We are adapting each day to consider new ways to engage our customers, and provide suitable support and services throughout this challenging period and beyond. We are planning for different scenarios when we return to some semblance of normality and this could include continuing with remote invigilation as part of our revised digital offering.

While the substantial impact of Covid-19 cannot be underestimated, it has also been a catalyst for us to explore alternative ways of working, including using new and different technology to deliver our qualifications.

**CIMA:** Remote testing will be a permanent CIMA offering to ensure that we continue to give our students maximum flexibility and convenience. Depending on their personal preferences, students will have a choice of sitting their exam remotely or attending a test centre.

from our students has been overwhelmingly positive; however, we recognise that remote invigilation may not be accessible to all students due to the need for equipment at home which meets specific technical requirements.

**CIMA:** The feedback that we have had from students has been overwhelmingly positive so far: they have been very enthusiastic about remote testing being made available to them. This is, of course, reflected in the numbers, with students booking exams in over 70 countries, but also in the comments they have shared with us.

Despite most students feeling nervous prior to sitting their exams at home for the first time, they have told us how smooth and easy the process – from booking to sitting the exam – has been. They have also found the online invigilators to be very easy to contact and helpful if they had concerns. We have worked very hard to make this happen, so it is great to see that the technology is working well and that our students are adapting well to at-home testing.

One of our students, Matthew Barton, commented: "I was feeling rather nervous about sitting my exam, especially under new and unfamiliar conditions, but once I clicked the 'begin exam' button the process was very smooth."

# THE CHALLENGE OF RESPONDING TO UNPRECEDENTED CIRCUMSTANCES



Managing the finances of a group of NHS hospitals is a challenge even in the best of times. Budget deficits and perennial health issues such as smoking and obesity constantly put pressure on NHS finances, but what is it like to find yourself at the centre of a global pandemic? How do you steer a group of frontline hospitals through the biggest health and financial crisis in a century? *Michael Jarvis* speaks to Dawn Scrafield, FCCA, chief financial officer at the Mid and South Essex NHS Foundation Trust

**Michael Jarvis: What is the atmosphere like at Mid and South Essex? What has the reaction been to the moving shows of support for NHS staff nationwide?**

**Dawn Scrafield:** It is hugely humbling to work with talented and committed clinical and non-clinical people, and to be part of an organisation that is so critical in this crisis. It is impossible not to feel proud to work for the NHS, particularly with the massive public displays of gratitude.

Working in the NHS, I am extremely aware of the pressures and challenges that are facing the frontline. In the time of an incident it is critical that we are responsive in the management of resources, and that we have a formal structure in place to ensure actions and issues are delivered quickly and escalation is swift.

**MJ: What are your concerns for frontline colleagues who work for the hospitals?**

**DS:** My biggest concern for frontline colleagues is the emotional impact of this crisis on them. I think that will take its toll on colleagues for years to come.

We are responding to unprecedented circumstances, and everyone is affected by what they are seeing first hand. They are making difficult decisions in the best interests of preserving lives, but at the same time as

being human and juggling the worries of supporting family, children or older parents.

Everyone will be affected by the sad loss of life. We recognise the importance of supporting each other, and we talk openly about the importance of taking care of ourselves as well as our teams.

**MJ: What are you doing now, day to day, to combat the global pandemic?**

**DS:** As a director for our organisation I am part of the gold response to the emergency incident, which is the senior team leading our response to the crisis. Within a few days of the national Covid-19 incident being declared, we quickly got into a 'battle rhythm' of reporting and actions.

Early on, we needed to enact our business continuity plans, which for finance is primarily paying suppliers. However, as we merged on 1 April, earlier in March it was also mission-critical to establish the single ledger for the new organisation.

Working in the NHS there is a national financial framework, and a further area that we have been asked to conclude are the accounts, recognising our responsibility for public accountability and being mindful of the limitations of this task in the current environment. In support of the incident, we also needed to ensure that we had appropriate governance in place to capture the costs in these unprecedented circumstances.

**MJ: What actions or mitigations have you already put in place? What steps are you considering for possible use in the future?**

**DS:** When it became apparent that the emergency response would be for a sustained period, we established an emergency scheme of delegation to support the organisation with speedy decision-making.

We have also used the emergency response structure to ensure that resources that are committed are documented – for example, using the log book in the incident rooms as a means to record decisions. The executive gold meetings also ensure that we have clear communications, decisions and actions.

The main priority for the finance team is to support the business continuity requirements during the incident, which means I needed to put in place a way of communicating with my team quickly so we can speedily divert resources as necessary.

I also needed to ensure that my team plan is resilient as and when members of the team fall poorly. All of these arrangements are good examples of sound business continuity plans in the future, which will have been rigorously tested.

**MJ: What plans have you put in place to cope with the enormous extra cost that your NHS hospitals will incur?**

**DS:** As part of our business continuity plans,

it is essential that all functions provided that are not in response to the incident have been reprioritised, such as my commissioning and income team, and my costing team.

My team is no different, and all clinical and non-clinical functions have been required to do the same. This allows us to redeploy resources where possible across the organisation, and has supported us to convert the elective capacity we have to support the increased emergency demand due to Covid-19.

Owing to the speed in response that has been required, there are increased costs associated with equipment, minor building works, staffing and consumables, including personal protective equipment.

**MJ: Looking ahead, after the crisis has passed, do you have an idea of the long-term effects on your hospital group? Do you think there need to be any policy changes from government in terms of funding and/or resources for NHS preparedness?**

**DS:** The NHS had a flu pandemic plan, but Covid-19 has far exceeded any emergency response imagined that would be necessary for a global pandemic – apart from by Bill Gates in 2015. There will definitely be lessons learned from this incident, and no doubt future plans will attempt to challenge the boundaries of our thinking to ensure that we have resilience plans in place.

The recovery of routine elective activity according to the NHS constitution will take a very long time to address. However, I think the population might think more carefully about how they use NHS resources. Some of the demand that has historically been placed on the NHS has been due to the public not always making good use of other avenues, such as self-care through pharmacists.

I think the public will understand better what resources are available to support care needs. I also think traditional hospital services, such as outpatients, will have been revolutionised with the enhanced use of technology.

**MJ: You were working on a merger of three hospitals for 1 April. How was delivering that in the middle of a pandemic?**

**DS:** I am pleased to say the merger did happen and we officially became Mid and South Essex NHS Foundation Trust.

We were on track to merge, and all arrangements were in place leading up to 1



Dawn Scrafield, Mid and South Essex NHS Foundation Trust

April. The co-ordination of the emergency response as a single organisation provides so much more resilience than three individual hospitals working side by side.

**MJ: As a finance leader in the NHS, what are your urgent financial concerns for your group?**

**DS:** As a finance leader for our system, working with NHS and social care partners, the main concern is that we continue to work together to ensure that the financial resourcing needed to respond to the incident is aligned, and we are not inadvertently duplicating efforts or resources.

**MJ: Has the hospital group had any financial assistance from the government?**

**DS:** The NHS has been assisted with a government financial response. We have been gathering the information on a daily basis, and are required to report back to ensure transparency of public funding. There will, no doubt, be an audit and look back to ensure that public funding has been used appropriately.

**MJ: Mid and South Essex already had financial difficulties with an annual deficit of £110m-120m. How will the Covid-19 pandemic affect that?**

**DS:** The NHS has responded to the emergency as expected and directed, which has meant that we have had to reprioritise

resources and requirements. Due to this being a national incident, the NHS financial framework has changed during this time and will be reviewed as part of the recovery phase after the incident.

**MJ: How has the organisation coped with adding a global pandemic to the existing pressures regarding obesity, smoking and an ageing population?**

**DS:** Public health prevalence has no doubt impacted on the types of patient affected by this pandemic. However, the clinical evidence has yet to be confirmed regarding patients that have been affected by Covid-19.

Given the restrictions from social distancing measures, it will be interesting to see how the individual choices – such as smoking – may have been influenced during the crisis, and if these lifestyle choices may endure when the crisis is over.

**MJ: Are you working from home? How are you continuing to function with meetings and so on?**

**DS:** As part of the incident response, remote working facilities have been stepped up and we have been using tools such as Starleaf and Teams to work from home and stay connected.

We seem to have just as many meetings and emails, and the business delivery model has evolved quickly. Certainly, this new method will reduce the travelling time in the future as my team can make use of the technology.

**MJ: Do you have any words of advice for fellow finance professionals taking on enormous challenges created by Covid-19 in their own industries?**

**DS:** My advice for any colleagues taking on enormous challenges would be:

- **Be flexible and adaptable to what is going on around you.** The strategic objectives in a crisis are different from those in 'business as usual'. As a critical business partner to frontline services, ensuring that resources are available for them to respond is mission-critical;
- **Always look for the positive or an opportunity.** The need to use technology at such an accelerated rate will revolutionise how we deliver services. We will find quicker and improved ways of doing things from learning. Even when it feels impossible, look for a positive.
- **Look after yourself.** If you do not, you cannot look after your team and those important around you. ■

# OVERDUE INVOICES: A SPIRALLING PROBLEM THANKS TO COVID-19



An overlooked aspect of the Covid-19 economic crisis is the mountain of overdue invoices now facing UK businesses. *Andrew Birkwood*, founder and CEO of Azzurro Associates, a finance provider for unpaid invoices, writes

**A**lthough unpaid commercial debt is not a new problem, Covid-19 has seen it spiral out of control for many businesses.

We are increasingly seeing larger businesses stop paying their suppliers in order to protect their own cash flow – whether they strictly need to or not. This has created a cash flow shock that has rippled through the entire supply chain. When the biggest businesses fail to pay their suppliers, it encourages those suppliers not to pay their bills. That liquidity crunch does not exist in a vacuum – it triggers furloughs, redundancies and, in the worst cases, insolvencies. The economic impact is substantial.

Some sectors of the economy have been hit particularly hard. In our experience, it is sectors where businesses have a large number of different customers where the impact has been greatest – building materials suppliers, security businesses, food manufacturers, media companies, truck rental and logistics businesses, among a long list of others.

There have been reports in the media in recent weeks that have backed up the idea that we risk a liquidity crunch. A large number of US businesses in those sectors are having to set aside significantly larger sums for unpaid invoices. For example, Columbia Sportswear was forced to treble its bad debt provisions to £28m (\$34.13m) as retailers failed to pay invoices. Similar issues have

been reported at labels company Avery, and at Disney and Amazon.

There is certainly a suspicion that a few bigger UK businesses have chosen to stop paying invoices to their suppliers, and used Covid-19 disruption as an easy scapegoat. With borrowing rates so low, and access to government-backed lending schemes like the Coronavirus Business Interruption Loan Scheme so ready, it is in some cases difficult to believe that those businesses could not deal with cash flow issues through a modest increase in borrowing, which would allow them to pay their bills and not use their suppliers effectively as a source of interest-free lending during the lockdown.

## STEPS TO TAKE

So, what can businesses do as they see bad debts mounting?

There are the obvious steps that can be taken to chase debts under any circumstances – steps that every accountant will advise their clients to follow. These include having an effective credit control process following submission of the invoice, sending regular statements if clients fall behind, and ultimately, using the services of external professionals like debt collection agencies and law firms where invoices remain unpaid.

Some businesses may reluctantly choose to pursue legal action against their customers to

recover those debts, and accept the cost, stress and burden on management time that go along with it. But for most, the final step is to give up and write off those debts.

But unprecedented times call for completely new approaches. One approach that businesses and their accountants should consider is accessing immediate cash from their bad debts. This is a service that has long been available to businesses with unpaid consumer debt, but only now has it become available to businesses with overdue commercial debt. Most are still unaware that this is even a possibility.

They are also unaware that they can do this with invoices that are up to six years old. How many businesses are even still chasing six-year-old debt? How many give up and write it off after six months or a year? How many of those desperately need an injection of cash at the moment, to help them through coronavirus disruption?

We are looking to acquire £1bn of unpaid commercial invoices from UK businesses, in exchange for an up-front cash payment and a share of recoveries. For some businesses, that cash could mean being able to open their doors again, avoid redundancies and bring their staff back from furlough.

We are looking to be another tool in the box for businesses and their advisers if they are dealing with mounting bad debts. Because in 2020, it is virtually certain that they are. ■

# OVERCOMING EMPLOYMENT CHALLENGES IN THE COMING RECESSION

A global financial crisis or pandemic, while tragic, creates opportunities if we have the courage to seize them. What better place to start than certification, education, training and professional networking using online learning and collaboration tools? *Jeff Thomson*, president and CEO at the Institute of Management Accountants (IMA), writes

**The Covid-19 crisis has already led to an economic downturn and mass unemployment throughout the world – with a probable recession also underway.**

First and foremost, we should be concerned for public health and safety during this time, and our hopes should be for the physical well-being of everyone.

Secondarily, as the CEO of a global association for management accountants, I see this as a chance for professionals to seize the current challenge and take opportunities to grow personally for their careers. As we are now in a time of massive disruption, crises, change and uncertainty, professionals need to take charge of their careers to help stand out among their peers.

Finance professionals are no strangers to disruption and challenges to their jobs and careers. The financial crisis of 2008-2009 and subsequent recession caused many established professionals to lose their jobs, while also making it more difficult for students who were just finishing their studies to find employment. Consequently, many students chose to stay in school to pursue advanced degrees, while established professionals returned to academia. As a result, higher education enrolment surged by around 16% between 2007 and 2010.

Undoubtedly, many students and professionals who acquired degrees and skills during this time benefited. However, the need to upskill is constant, and when there is a sense of urgency, it is even more important. Here are some options on how

finance professionals can navigate the current situation and come out on top:

## **Pursuing a professional certification**

Pursuing certification can boost one's credentials while also ensuring flexibility regarding time. A mid-career professional can pursue certification while still working or applying for jobs, and much of the studying and test preparation can be done virtually in cases where courses and testing themselves cannot be taken online.

There are multiple certifications available for finance professionals, depending on what type of work they specialise in and their own talents and career goals. In addition to the CPA, finance professionals can explore the following options:

- **Chartered Financial Analyst (CFA):** This equips professionals with the skills they need to work in investment management and financial analysis, and is ideal for those who seek to work at major investment firms;
- **Chartered Alternative Investment Analyst (CAIA):** This more specialised certification in financial analysis focuses on investments other than equities and bonds, including real assets, commodities, structured products and intellectual property, and insurance-linked securities;
- **Certified Internal Auditor (CIA):** This is the only internationally recognised certification for internal auditors, whose role is to serve as 'watchdogs' within organisations and uphold compliance and transparency;

- **Certified Management Accountant (CMA):** This certification – administered by the organisation of which I am CEO, IMA – equips finance professionals with a wide range of skills, from data analytics to ethics, with the aim of becoming senior business leaders.

Though all these certifications involve time and financial commitments, they are generally less time-consuming and expensive than advanced degree programs. They can be ideal for professionals facing a period of unemployment who want to improve their skill sets and CVs relatively quickly.

## **Taking one-off online courses**

Another way in which professionals can improve their credentials and skills is by taking one-off courses.

Most universities offer courses without requiring those who take them to matriculate. This is a good way to refine skills, in particular, finance and accounting subject areas, while updating existing knowledge. As the Covid-19 crisis has forced the closure of most physical universities and other higher education institutions, these courses would be taken online for the time being.

Even after social distancing rules are lifted, it may be a good idea to explore online rather than classroom-based options, as they can reduce the time and effort professionals must invest and allow them to continue working or searching for employment full time.

## **Finding a mentor**

A less formal – but highly effective – way for finance professionals to upskill for a tight job market is to find a mentor.

In my own career, I have seen many professionals help guide their peers through difficult situations and career pathways, offering advice and support along the way. Using LinkedIn is a good way to find such valuable connections, as is belonging to a professional organisation like IMA.

The next few months – and possibly the next year and beyond – will undoubtedly be difficult for many people in the profession. But a commitment to learning and upskilling – whether through formal certification or informal mentoring and networking – can help professionals weather the downturn and distinguish themselves in the job market and within their organisations.

This time of urgency and crisis can serve as an opportunity for professionals to take charge of their careers and learn more. ■

# THE Accountant

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## The Accountant.

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**NOTICE IS HEREBY GIVEN**, that the PARTNERSHIP lately existing between myself and Mr. James William Thomas, as Public Auditors and Accountants, has been DISSOLVED as from the 17th August, 1874, and that all debts due by the late firm will be paid by me, and all debts due to the late firm will be received by me alone, and my receipt alone will be a discharge.

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