

Inside⁺ **OUTSOURCING**[®]


The newsletter for forward-thinking professionals

Hit or myth?

We debunk – or confirm – myths about the way in which outsourcing and offshoring works.

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Practice Compliance Outsourcing

Final accounts production  Personal tax returns  Corporation tax returns  Management accounts
HMRC-recognised iXBRL tagging services  Payroll  Cloud bookkeeping  Dedicated offshoring

Budget 2024: Employees become a tougher business call

Whither the growth? Driving up business costs, discouraging employment, and cost increases that will likely fall on consumers... Vipul Sheth sees hard work ahead for accountants.



THE AUTUMN BUDGET WAS tough on businesses, their owners and ultimately the general public – with knock-on effects for accounting practices.

Where to start? Well, let's start with the cost of employing people. Employers' NI hikes would be tough in isolation, but there are two other issues that compound the 'true cost' of employment.

First, while talk of the NI hike has focused on it being most impactful on larger businesses, it should be forgotten that the threshold at which employers will start paying the tax will; fall to £5,000 from £9,100. This will drag thousands of cafes and small retailers into the regime.





THE 'TRUE COST' OF EMPLOYEES

I said 'true cost' earlier because there has already been a huge non-Budget change that is on the horizon: the Employment Rights Bill 2024. The bill aims to offer protection from unfair dismissal from day one, the removal of zero hours contracts and restrictions on 'fire and rehire' strategies. While not all of these new proposals in the bill are 'bad', taken in context of the tax hikes – and let's not forget the minimum wage increases – then it makes recruiting staff a less attractive prospect.

In a world where we are desperate to improve our economic prospects, this is hardly a positive set of moves.

While some of these changes will directly impact accounting practices, it shouldn't be forgotten that clients are directly affected, and this means practitioners must be prepared to help them manage costs and efficiencies. And, as we know, increased costs of doing business get passed onto the end clientele – namely the general public.

I won't labour the point (if you pardon the pun), but resourcing is the most critical of issues for businesses and accountancy practices. Gauging the right skillsets needed in these organisations – and gaining access to them, hasn't exactly been boosted in the last week.

PACKING UP AND MOVING ON

Finally, if you find me in foreign climes during upcoming Zoom and Teams calls then it might be because I'm distancing myself from the UK's tax regime and getting ready to sell up. And I won't blame others for doing the same. (I have no current plans!)

Entrepreneurs work hard and take risks to drive their business, and therefore the economy, forward. They often want to hand a legacy on, for those that are family-oriented. Changes to Business Property Relief and Agricultural Relief are a slap in the face to those looking to hand something on to the next generation.

Hard-earned pensions will be now caught within IHT, while BADR and CGT rates will also climb. Perhaps a (non-alcoholic) Pina Colada looms... ■



Vipul Sheth is founder and managing director of Advancetrack



If you'd like to talk to us about supporting your accounting practice's resourcing strategy, [get in touch](#).



What do award-winning practices have in common?

As we celebrate with the winners of the Accounting Excellence Awards 2024, Vipul Sheth outlines some of the key characteristics that these firms exhibit.

IT HAS BEEN ANOTHER great year for accounting practices that we work with, in terms of representation at the Accounting Excellence Awards.

Not only did we have tons of our partner firms in the shortlist, a significant proportion picked up trophies on the night.

When we start working with practices they often come to us with a problem that needs 'solving'... and that is usually around resourcing. However, for those that go the next step, our offering becomes more than just a defensive move – instead we become integral in driving these practices forward.

And this is what you see among the award-

winning practices every year at events such as the Accounting Excellence Awards.

THE SCIENCE OF COMPLIANCE

There is much operationally that firms have to do to drive excellence, but everything starts with an ethos, which leads into strategy and (hopefully) culture. This will be about identifying their ideal clients, and offering them the best service possible to thrive and grow.

'Compliance' is a bit of a loaded term in accounting, as it can imply low value and low-margin work. However, we all know that the preparation and production of tax and accounts is generally the foundation upon which all other services are offered. However,



Pete Linforth from Pixabay



it's impossible to drive value-added services without really getting a handle on compliance – it needs to be undertaken as efficiently, quickly and accurately as possible.

This is where processes, workflow and tech come into this. If compliance work is done well, and transactions are captured smoothly and in a timely fashion, then practices have a springboard from which to support their clients to grow and be sustainable.



Mimi Thian on Unsplash


This is easier said than done... but the practices we work with, and those representing at these awards, are testament that it can be done.

SUSTAINABLE CLIENTS, SUSTAINABLE PRACTICE

Supporting clients through their business cycle is not only high-margin work, it's rewarding for your people. Your practice becomes more attractive to new recruits, while existing team members will stick around for longer. If all else is equal, your journey will be supported by thriving clients. It can be a win-win.

Committing your practice to process improvement and optimising your operations isn't the be all and end-all – and it doesn't necessarily guarantee that you'll win awards – but making your firm 'better' has to start somewhere, and we've seen it work for our partner firms. ■

 Vipul Sheth is founder and managing director of Advancetrack

 If you'd like to talk to Advancetrack about driving improvement in your practice, [then drop us a line.](#)



Audit Support Services

Firms looking to manage their audit resource this coming season, get in touch for quality staff on an Outsourced or Offshored basis

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Mythbusting: Outsourcing, offshoring and security

In the first of a new series of articles, the Advancetrack team will look to debunk – or confirm – myths about the way in which outsourcing and offshoring accounting works.



We look at some of the popular ‘myths’ around security, [outsourcing](#) and [offshoring](#).

MYTH 1: ‘DATA AND OUR SYSTEMS ARE NOT AS SECURE WITH OUTSOURCING AS IF WE, AS AN ACCOUNTANCY FIRM, MANAGE IT OURSELVES IN-HOUSE’

Sadly this is true in some cases, because of poor data security by some providers in the industry. However, the top providers (of which we include ourselves) have very sophisticated ways of managing access to client data. Those processes and systems are audited by external bodies – we use the BSI to audit us and provide accreditation.



“When data can be viewed on a computer screen outside the UK, then it ‘has left the country’”

MYTH 2: ‘DATA DOESN’T HAVE TO LEAVE THE COUNTRY WHEN USING AN OUTSOURCER IN ANOTHER COUNTRY’

This is a myth. Some outsourcers might claim that, as they’ve logged onto your servers, data ‘hasn’t left the country’. But there is legal precedent that sets out when data can be viewed on a computer screen outside the UK, then it ‘has left the country’.

MYTH 3: ‘OUTSOURCERS ARE GDPR COMPLIANT’

Sadly, again, this is (on the whole) a myth. The majority of outsourcers that claim to be GDPR

compliant have little or no accreditations to prove that is the case. It’s also a bellwether of a lack of true concern about IT and data security. Advancetrack has been externally audited and accredited since 2013: check out our blog: [Does outsourcing to India mean ‘GDPR compliance’?](#)

MYTH 4: ‘IT’S DIFFICULT TO GAUGE AN OUTSOURCER/OFFSHORER’S SECURITY CREDENTIALS’

Gauging security credentials requires a holistic approach, involving discussions, an understanding of the outsourcer’s operating model and approach to security, their security accreditations and speaking to existing clients. You may even want to visit their operations abroad. So, it’s not a myth to say it’s ‘difficult’... however it’s certainly not impossible and you should be able to gain assurance. Here at Advancetrack we think that externally-gained accreditations such as those from the BSI/ISO are a crucial box to tick. ■

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