

Barclays and Sage joint venture

I've been predicting a tie up between Sage (the market leader in accounting software) and one of the main banks for ages, so I wasn't surprised to see Sage link to Barclays under the "Clearly Business" programme. If you want a high-end version of Sage Line 50, then this is a cheap way of getting it. At the moment, the Sage package is distinct from the bank account system, but the 2 must eventually merge. Sage is so ubiquitous that the Revenue has software to interrogate it. It's a shame it's not a better piece of kit, but since when did that matter?

Apart from Sage, the Clearly Business deal gives access to a number of other facilities, including a Human Resources system. When David Cash came round to talk to us about it, he made reference (hearsay) to a case involving an unfair dismissal claim by a pole/lap dancer in a London Club. Apparently, the young lady in question had no written contract of employment and, upon announcing her pregnancy, was duly fired. At tribunal, she was awarded £80k. As David says, not only does this illustrate the danger of verbal contracts, but also how much lap dancers earn. We understand he is seeking similar accounts in the Hereford area. For further scurrilous, unsubstantiated stories, please contact him direct on david.j.cash@barclayscorporate.com

US taxman changes tack

Last month's dire warning that the taxman will eventually get some use out of all the data that he is collecting appears to already have happened in the States. The IRS has moved away from persecuting small companies and picked on wealthy investors and big companies instead. Investigations of these 2 groups have increased by 40% in the last year. It's probably too much to hope that we will follow suit?

Chip & pin

Are you ready for the brave new world? It seems unlikely that everybody will be geared up for the 1st January 2005 start date, but the real question is why it took so long to bring the system into play. Huge amounts of money were lost every year to fraud, but the credit card companies took the view that the losses were acceptable. The new smart cards are pretty hard to clone, although the biggest problem (as with all passwords) is that the card owner may well keep the password in the wallet with the card. Retinal scans next? This is also likely to make Cardholder Not Present (CNP) transactions more attractive to fraudsters and therefore more risky to accept.

Accountants at Christmas

The general view in the profession is that Christmas gets in the way of the Tax Season and should be ignored as far as possible. The trend amongst the big firms seems to be to send e.mail Christmas cards whilst gifting the money saved to charity. As previously discussed, Christmas parties are a nightmare, even before you consider the rules on benefits. And for goodness sake don't pay bonuses in cash and think nobody will notice. I am threatening to close the office between Christmas and New Year (for the first time ever), but I've got time to change my mind.

BER

Beyond economic repair? It's what happened to my phone when it got wet.

Standard risk

With Christmas approaching, I thought Sue deserved a treat, so I took her to a course on Internal Control Systems (ICS), somewhere in deepest Wales. [Courses like this make you appreciate why accountants are a by-word for boring, mindlessly bureaucratic rubbish. Upmarket traffic wardens, without the sexy uniforms?]

Anyway, the Institute appears to have noticed that being alive is risky. In fact, there is a 100% risk of dying (and paying tax, as regularly discussed). If there is a risk, it can be quantified, insured and traded and, under the new corporate governance rules, somebody has to dream up a control system for it (under BS7799). This leads to risk assessments (RAs), Risk Treatment Plans (RTPs) and a consultancy bandwagon of epic proportions.

Of course, we do all routinely face a multitude of risks:

- Fire, flood and other natural disasters
- Power and other utility failure
- Customers and suppliers
- Disaffected staff
- Spies (paranoia takes hold?)
- Thieves
- Vandals & terrorists
- Hackers
- Lethargy in the face of over-regulation
- Errors & mistakes

Surely, only accountants (and maybe solicitors) could classify customers as a risk? Try the website www.gammasl.co.uk

Incidentally, one of the above risks has been added by me. Prize for spotting which one.

Addicted to home-owning

There is no direct link between economic prosperity and home-owning as proved by the Swiss. Two-thirds of the population rent privately, yet Switzerland is the world's most prosperous nation. This is simply because preferential tax breaks have not been given to home owning. However, I feel the real downside to the home-owning addiction in this country is the proliferation of garden centres and TV programmes about house improvement. I understand that people actually go to garden centres for "fun". What this country needs, for long term economic prosperity, is more renting (and therefore fewer garden centres). Discuss. www.oswald.co.uk

Weight gain – a runaway train

We appear to be genetically programmed to over-eat as the day-length shortens (think Christmas Day), but the worrying factor seems to be that once you start to gain weight, the goalposts shift to make further weight gain more likely. We live in an "obesogenic" (good word – not in the spell checker) world where labour saving devices and fast food (via drive thrus) encourage weight gain. Once you start to gain weight, it takes more effort to move about and damage to hips and knees inhibits exercise. Once people have a weight problem, self-image slips and comfort eating (and drinking) makes the matter worse. The Fins managed to fix their heart disease problem. I'm sure we could move tax breaks away from houses towards higher levels of fitness and reverse the trend in a generation? www.bmj.com

Rediscovered book in passing

I've featured this list before, but it doesn't hurt to show it again. Taken from "Why smart executives fail" by Sydney Finkelstein.

Arrogance or self-delusion? The 7 habits of spectacularly unsuccessful (business) people:

- They see themselves and their companies as dominating their environment
 - They identify completely with their company: with no clear boundary between its interests and theirs
 - They think they have all the answers
 - They ruthlessly eliminate anyone who is not 100% behind them
 - They are obsessed with the company's image
 - They underestimate major obstacles
 - They stubbornly rely on what has worked for them in the past
- I'm sure we can think of some more?

Christmas list

Please Santa, can I have:

- Flat rate of income tax (say 30%)
- Higher personal allowances (say £15k)
- Husband and wife to use allowances between them
- Abolish NI
- CGT on own homes
- Abolish IHT
- Shoes to be allowable for tax (Sparkle suggestion)

This is almost politics. Can anybody do better? Santa@chrisduckett.co.uk

Don't leave me this way

In a quest to be proper accountants, we are embracing (enthusiastically) the new Practice Assurance rules. We've got very excited about the requirement to issue a disengagement letter when a client leaves and took advice from Ms "Get Your Own Back" Whiplash, our new Practice Assurance consultant and expert in the field of retribution and punishment. She has devised the ESAD protocol. I hope you never experience it, but there may be another prize for guessing what this stands for?

Disclaimer

What's the difference between corporate governance and haemorrhoids?

Haemorrhoids can get better.

In the Christmas Spirit.



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