



Hello, each month we'll bring you a short CPD training video, our blog, technical updates and FAQs from courses and reviews.

Whatever the size of your business, Insight Training offers **finance and management development programmes** for business professionals just like you. [Click here](#) to find out more.

[Download our Autumn CPD brochure here](#)

September sees the return of our CPD courses, including Interpersonal courses, IFRS sessions and a General Tax Update. Details of all our public courses can be found [here](#). We also have several of our CPD Bites courses available for [on demand viewing](#).

[Latest vlog](#)

This month Peter Herbert discusses deferred tax and the impact of The Finance Act 2021.



[Latest blog](#)

This month's blog deals with difficult conversations and Emotional Intelligence.



Upcoming courses

Our upcoming live public CPD courses are detailed below. Bookings can be made directly on our [website](#).

Date - Course - Presenter

24 Sept - 12.30-1.30 - [Working Well with Others](#) - Nicky Clough

27 Sept - 12.30-1.30 - [Managing Difficult Situations Assertively](#) - Nicky Clough

28 Sept - 9.30-11.30 - [IFRS Financial Statements End to End](#) - Peter Herbert

28 Sept - 11.45-12.45 - [IFRS Update](#) - Peter Herbert

29 Sept - 9.30-12.30 - [General Tax Update](#) - Ros Martin

5 Oct - 9.30-12.30 - [Top Tips for an Efficient Audit](#) - Richard Hemmings

8 Oct - 9.30-12.30 - [Financial Statements Update](#) - John Selwood

11 Oct - 9.30-12.30 - [MTD Update](#) - Rebecca Benneyworth

13 Oct - 9.30-12.30 - [Practice Regulation Update](#) - Peter Herbert & Edward Rands

18 Oct - 9.30-12.30 - [Tax Issues of Buying and Selling Businesses](#) - Ros Martin

21 Oct - 9.30-12.30 - [Commercial Awareness for Audit Seniors](#) - Nicky Clough & Richard Hemmings

AML E-Learning Programme now available to [purchase](#) for on demand viewing.

For details of all courses in our Autumn series, please [click here](#)

“Delivery ideal as very practical. Good explanation of the course content and very willing to answer questions whilst on the course and afterwards” [Delegate, Spring 2021](#)

FAQs from recent courses

Audit

I'm hearing a lot on courses about IPE at the moment. What's the big deal?

'IPE' is 'information produced by the entity' and it's topical in the light of the pandemic because where audits have been conducted remotely information has been extracted by clients especially for audit purposes. Care needs to be exercised though:

- Scans of documents which might be emailed across to an auditor by a client can easily be fabricated. Sometimes auditors need to stand firm and request sight of original documentation, however hard that might be.
- There has been some evidence of clients actually completing analytical review related audit working papers for firms and that being really clear from the way they are worded. Any analytical review must surely be performed by the auditor and not their client!
- Where a client has extracted information and downloaded it, for example, into an excel spreadsheet it is crucial that the auditor checks its veracity. Might they be able to watch the client extract the information or even re-extract it themselves for example?

The above examples all demonstrate the challenge of balancing professional scepticism with an eagerness to 'get over the line' and complete the audit successfully for the benefit of the firm and the client.

Financial Reporting

My client has received a COVID related pay out from an insurance company under a Business Interruption Policy. The payment has been made on the basis that it is not disclosed in the notes to the financial statements. Is this treatment acceptable as the amount concerned is very significant?

This is a tricky one. Assuming that the entity feels that it is 'virtually certain' that the amount concerned will be receivable, it should recognise it in its financial statements. There are no specific rules about the labelling of income items of this type in the P&L account or the notes thereto, though paragraph 5.9A of FRS 102 states that 'where items included in total comprehensive income are material, an entity shall disclose their nature and amount separately.'

The accountant or auditor will need to assess whether **not** to disclose the precise nature of the receipt from the insurance company will impair the truth and fairness of the accounts. We suspect that commercial reality is likely to prevail here – and the credit is likely to be wrapped up within 'COVID-related support income' in the notes to the accounts, without specific reference as to what it relates to.

Commercial Awareness

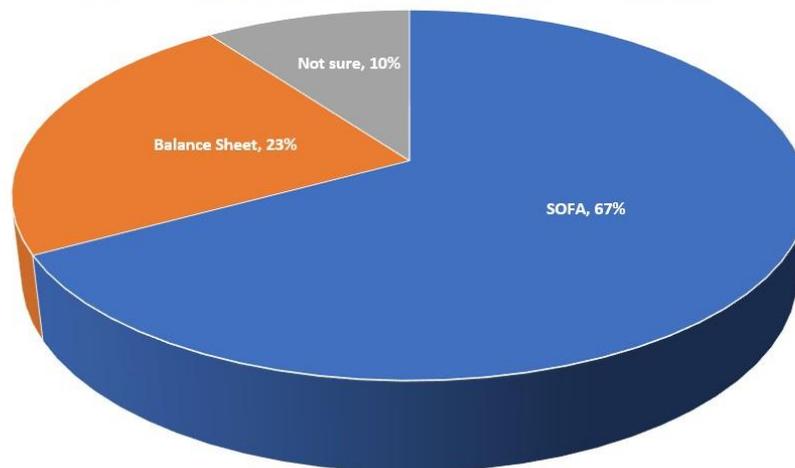
What do banks look for when reviewing a business plan?

Not a question arising from one of our CPD courses, but one from the financial and commercial awareness training workshops that we deliver for relationship managers in the banking sector.

Obviously financial information is important but bank managers focus lots on the 'key drivers' of a business – specifically non-financial factors such as the composition of the management team, the product range, the customer base, the competition, key customers and suppliers and related dependencies, regulatory risks and so on. These drivers are critical to banks when making a lending decision. Firms can play a really useful role in helping clients be prepared for these discussions. Often the questions firms might ask pre-empt what the banks want to know.

In a recent poll – Academies

Can COVID catch up funding not spent at the year end be treated as deferred income and carried forward in the balance sheet, rather than being recognised in full in the SOFA and carried forward in the restricted funds balance?



The answer is SOFA. The charity SORP states that grant income should be recognised when three criteria are met – probability of the amount crystallising; legal entitlement; and measurability. This is called the performance method. Provided the academy is entitled to spend the money in the following period it should recognise it in full in the SOFA but classify it as a restricted fund.

For further information on any of our services, please contact us
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Kind Regards, Liz



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