



OCTOBER 2021 | Issue 1

# ICAI UK PRESS

## QUARTERLY NEWSLETTER

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Chandrra Sekhaar

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by Mr. Prabhakar Kaza

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Dear Fellow Members,

I am pleased to present the 1st newsletter of ICAI UK Chapter on behalf of the ICAI UK chapter committee and the volunteers/fellow members who have actively contributed to this newsletter. The newsletter includes the glimpse of past events, activities, and achievements together with our plans for the coming months.

The newsletter is especially important as it was supported by our own members who volunteered to support the chapter in different activities. We are very happy that our members have taken keen interest in chapter affairs, and we are sure that we can get each one of you to take active interest in affairs of the chapter and promote the platform our alma mater has provided to bring all of us together in this foreign land.

The past 18 months of COVID lockdowns have taught us many new things in life and we are sure that we all are eager to go back to our new normal.

In this newsletter we have focussed on how to be smart auditor, stock market crime, hot topics of discussion on our UKCA WhatsApp group in past few months and introduction with 2 of our members.

We would be very happy to receive your feedback for continuous improvement in our newsletter and other activities.

We had decided to not take annual fee for 2021 from the members who had paid annual fee in 2020. We have now decided that all members who have paid fee in 2020 or 2021 will be waived to pay the fee for 2022.

We have also decided to reduce the renewal fee for the year 2023 to £50. The new members fee will be £75 starting 2023. Membership not renewed by Jan 31 will lapse and will be treated as new members.

We are planning to have a mega event to meet all of you with family in the 1st half of January.

Enjoy quality time with friends and family and enjoy festivities.

Regards,

CA Ajay Kumar, Chairperson

# UK CHAPTER EVENTS



Due to pandemic, over the last 18 months we couldn't organise face to face events but the Chapter made best efforts to keep connected through online events covering diverse interests from members. Some of the big hits in 2021 were:

## **A session on Dark web**



The session was held as an online event on 06 July 2021 in which Francis West, a Global Security Specialist and renowned speaker focussed on protection measures against the dangers of Dark Web from an individual as well as business perspective.

## **How to get best out of savings & investments**



An online session on the above topic was held on 26th Feb 2021 where Amit Mittal, an independent financial planning expert gave tips to members on how to get best out of their savings. The session was well liked by all attendees and Chapter is conscious for a demand for second session on the same.

## **Online Networking over Real Kombucha.**



On 16, April 2021, ICAI UK chapter hosted a live pairing of Real Kombucha with awarding winning cows cheese & a tin of Rose & Harrissa nuts which was sent as a hamper to all active members of the chapter

## **F2F Networking social @ London Bridge**

On 22 October 2021, ICAI UK chapter facilitated the first post covid interaction of the CA fraternity at a Thames riverside restaurant of London Bridge.

## **Watch out for Grand family networking event in January**

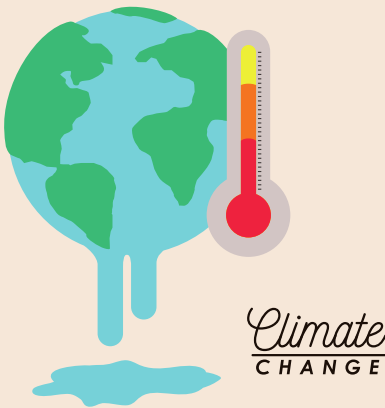


# NEWS AND HEADLINES

## The labour shortages and supply disruptions



British businesses are experiencing labour & supply shortages that is likely to persist with no meaningful easing until late 2022 or 2023, according to CFOs of the UK's largest companies. CFOs are particularly concerned about labour supply, with three-quarters reporting that their businesses have experienced some, significant or severe recruitment difficulties in the 3 months preceding the survey. They expect only limited improvement in the situation in a year's time.



## Climate change

Amid growing short-term threats, CFOs rate climate change as one of the main risks facing their business now, almost on par with labour shortages, the pandemic and inflation, which top the risk list. Strikingly, three current challenges - supply chain disruptions, the risk of higher interest rates and Brexit - rank below climate on the list of threats.

## ICAI News



ICAI Regional & Central Council elections will be held on 3rd and 4th Dec 2021. Overseas members are eligible to vote and you should have already submitted postal voting request form to the Institute (deadline of submission was 1/10/2021).

If you would like to change your voting booth within India (deadline is 11/11/2021), follow the link here: <https://changebooth.icai.org>

# NEWS AND HEADLINES

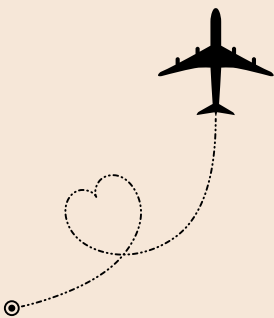
## Business news

- Furlough formally ended on 30th Sept after running for 19 months and costing Treasury £66bn
- Furniture giant Ikea said that stock shortages were likely to last for at least another year
- Kristalina Georgieva was retained as managing director of the International Monetary Fund following accusations that she had acted to artificially increase China's ranking in a 2018 World Bank report
- Heathrow airport proposed raising its landing fees by 90% over five years in a bid to recoup pandemic losses, sparking criticism by airlines
- The EU sold a record €12bn of green bonds
- UK train operator Southeastern has been taken over by the government. This follows the revelation that it had failed to declare £25m in taxpayer funding
- The contactless card spending limit in the UK rose from £45 to £100 last week
- Paper notes of £20 and £50 will formally cease to be a legal tender from 30th Sept 2022. So spend them now!!



## Travel news

- Travel between UK & India opened up earlier this month with both countries now allowing eligible double jabbed visitors without the need of quarantine
- Expensive PCR tests will replace with cheaper lateral flow tests from 22nd Oct



## Events news

- Our first face to face event after nearly 18 months is on Friday, 22nd Oct in Tovolino Restaurant, London Bridge. We look forward to seeing you there!
- Committee is planning few more events in couple of months so watch out for the announcements



# MEMBERS' CORNER

## A warm welcome to our new Chapter members in 2021

CA RAJEEV SHRIKRISHNA SUBHEDAR  
CA DEBRAJ HAZRA  
CA AJAY KUMAR GUPTA  
CA BHAVIN S BHATT  
CA ABHINAV HANDIQUE  
CA VARUN JAIN  
CA RAMESH VISVANATHAN  
CA MADHVI SUHAS CHAUDHARI  
CA ANKIT RAWAT  
CA PRATEEK KHANDELWAL  
CA AALIA MEYHTA  
CA RAVI KALRA  
CA ATUL ARVIND PHATAK  
CA KEDAR SALGARKAR  
CA GAURANG VISHNUBHAI PATEL  
CA AKHIL GUPTA  
CA VIDHI VANDIT SHAH  
CA PRABHAKAR REDDY GUNAM  
CA AJAY TAMOLI  
CA POOJA MARU  
CA SHIVKUMAR GANESAN  
CA SUSHMITHA PULIKONDA  
CA ANANDBABU NAIDU CHAKRALA SETHURAM  
CA ABHISHEK KAMLAKAR MAHAJANI  
CA ROZINA RIYAJ SHININGWALA  
CA PIYUSH SOMAIYA  
CA KISHOR VYAS  
CA JASHPAL RAJENDRA PARMAR  
CA PRASHANT KRISHNANKUTTY EZHUTHACHAN  
CA KIRIT B MISTRY  
CA VIKASH SUREKA  
CA FAISEL KARINGADA MATHEW  
CA POOJA RAJESH MEHTA  
CA CHRIS TREASA ANTO  
CA MANDAR ARVIND KULKARNI  
CA VINAY GAIROLA  
CA SHANKAR LAL DAHIMA  
CA APURVA SATAVALEKAR  
CA VIVEK JAIN  
CA ANKUR LALAJI  
CA BHANU PRASANNA KUMAR ALLU  
CA REEMA GUPTA  
CA ATUL AIRAN

# MEMBERS' CORNER



## CA Sushmita Pulikonda

CA Sushmita is one of the newest additions to our UK Chapter.

She is a chartered accountant since 2019 and currently working with one of the leading Chartered Accountancy practices in Cheltenham.

Originally from Andhra Pradesh, she started her accounting career from Chennai in India. After many gruelling months of job search, Sushmita is happy to have found a job opportunity at one of the top 25 accounting firms.

She recommends new chartered accountants to take advantage of the network of friends and professional colleagues available.

Sushmita loves to travel and try different vegetarian cuisines. She also enjoys painting and has recently started painting Madhubani art.

We wish Sushmita success in all her endeavours and making the Indian CA fraternity proud.



## Dr Narinder Madan

Originally from the city of Karnal in India, Dr. Madan holds a PhD in securitization and has been supporting the UK Chapter since he moved to UK in 2008.

He is currently a self employed management consultant and is well settled in London with family.

Beginning his long and illustrious career with Planning Commission of Govt. Of India, Dr Madan later moved into financial sector, where his main forte has been raising financial resources for Direct Foreign Investments(DFIs) in India.

He has served on the Boards of several financing and venture capital entities while being a member of high level public sector committees and working groups. His noteworthy assignments include setting-up & operationalisation of IIFC (UK) Ltd (a Government of India enterprise) in London in 2008 and as a Country Head of SME Development Bank in India.

He is an ardent lover of the Bhagwat Gita and loves to spend time trying to understand the real deep meaning of verses contained in the holy book.

Internal Audit is going through a lot of changes recently given the way technology and data have created many opportunities and challenges. This article is for internal audit professionals who are looking to upskill themselves or their teams.

The Auditor of the future is called the "SMART Auditor". They will be all of the below combined:

- Business Auditor
- Technology Auditor
- Data Analyst

## **Finding The SMART Auditor**

A number of activities are needed to drive successful adoption of "Smart Auditor" concept, the key being:

1. Leadership alignment;
2. Base-lining the existing skills in the Audit team.
3. Providing the leadership team with a consolidated view of external training requirements and associated costs;
4. Approval for the training budget and inclusion of this in the individual performance objectives;
5. Tracking the progress against the courses and issuing stakeholder surveys to assess the improvement in audit efficiency & quality;
6. Providing appropriate guidance and support to the audit team members, initiating "train the trainer" programme and celebrating success

A Hybrid auditor seems to be the shape of the auditor of the future. When planning your career in Internal Audit or even reviewing the development of your own team the parameters have broadened.

## **Creating your own skillset**

Ensuring that you and your team have the right skills in place will be an essential part of planning for the future. Creating your own team skills matrix will give you an overview of your team and your own skillset highlighting gaps. This is a crucial step forward in getting and staying ahead of the curve.

**CA Chandrra Sekhaar, is a respected senior leader within Internal audit and has 24 years experience in this field. The views expressed above are of the author's.**

# STOCK MARKET CRIMES

BY  
MR. PRABHAKAR KAZA,  
CEO, HAMILTON RESERVE BANK, NEVIS

I am sure members are familiar with Harshad Mehta and Ketan Parekh scams in India. History has been filled with major financial crimes involving stock markets. I have made a humble attempt to illustrate a few.

## **THE POYAL'S CON**

Gregory McGregor in the 1820s drew up an imaginary country called Poyals in Central America and sold Sovereign Bonds/Land certificates in London. The con busted when there was a general instability in South America as well as when a few investors ventured a visit to America and returned disillusioned. Quite rightly, Gregory McGregor has been called as "The Founding Father of Securities Fraud".

## **Insider Trading**

Surely all the readers know that it is a financial crime to use personal/non-public material information for stock market transactions. History records that William Duer, Assistant Secretary of the Treasury in the times of Alexander Hamilton in 1789 was the first to be caught taking advantage of his access to confidential information in order to speculate on stocks and bonds.

## **Bogus Company**

Barry Minkow produced more than 20,000 phoney documents and sales receipts and through this forgery and theft, he took his company 'ZZZZ Best' to public in 1986 eventually reaching a market capitalization of more than USD 200 million on the Stock market.

## **Rogue Trader**

Nick Leeson, an English derivatives trader in Singapore brought down UK's oldest Merchant Bank---Barings, in 1995, by his fraudulent, unauthorized and speculative "arbitrage" trades. The unauthorised investments, primarily Futures Contracts collapsed the Bank with a Billion Pound loss and the Bank was eventually bought by ING bank for £1.

## **Cooking the books**

Keeping debt off its books and recording fictitious revenues, thanks to some Shell companies, fooling analysts and investors, Enron imploded and brought the phrase "Cook the Books" a household term once again.

*Continued on the next page...*

# STOCK MARKET CRIMES

BY  
PRABHAKAR KAZA,  
CEO, HAMILTON RESERVE BANK, NEVIS

*Continued from the previous page...*

## **Careless Lending**

NINJA Loans (No Income No Job and No Assets) were extended to borrowers with little or no attempt by lending banks to verify the applicant's ability to repay and ignoring the normal verification process of evidence of stable income stream or sufficient collateral. These loans were bundled and sold by all high-street Corporate and Merchant bankers, after getting them rated AAA by Credit-Rating agencies as high-yielding bonds, knowing well that they were junk bonds. This led to the Global financial crisis of 2008

## **Hi Tech crime**

Narinder Sarao remotely traded on Chicago Mercantile Index from Hounslow London and every time an order was placed to buy or sell, "High frequency traders"—not all humans but computers running algorithms -- would make their own trades milliseconds before those orders could be executed. Once he had created artificial demand, his bespoke software took advantage of this by placing thousands of orders before quickly cancelling or changing them. He is estimated to have made in all \$ 40 million. He pleaded guilty to Electronic fraud and " Spoofing".

## **Conclusion**

In conclusion, financial Criminals are very intelligent players who exploit the weaknesses in the people, procedures and systems. In order not to repeat history we need to have a more comprehensive, assured and demonstrable approach to Financial Crime.

**Mr Prabhakar Kaza has also been former CEO of SBI (London)**



# Archives

WhatsApp proved to be one of best friends during Pandemic - the App kept us all well connected. UKCA community shared news and had healthy discussions on many topics such as crypto, how to best transfer money to India, travel guidelines and many more.

We bring some memories back - here is some of what you said

## Crypto



## Travel India



## Money Transfer to India



## HMRC - Tax & Furlough



## Regulatory Axe



## Jobs





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**Warm Regards**

**Pratap Singh**  
Head of Retail  
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