

iinnovation



iin's newsletter

Issue 6, September 2004

Welcome to IIN's enhanced newsletter which we aim to publish twice between each IIN conference. This issue gives information about what the IIN is doing to ensure value to its member institutes through sharing information and inter-institute product licenses. The IIN is committed to providing excellent value for money to its members. This issue highlights examples of how we are delivering that.

Vancouver conference feedback

Our thanks go to the CICA (Canadian Institute of Chartered Accountants), particularly Cairine Wilson and Diana Chipchase, for hosting the IIN conference held in Vancouver in July.

The conference was a great success, combining a wide range of product and function related presentations. Those on product delivery and the Report of the Co-ordination Committee were especially well-received.

It is exactly this type of information-sharing that we agreed will help us promote membership of the IIN positively in future. It was also agreed that the IIN's future plans will concentrate on;

- Refocusing the work of the three task forces
- Developing communications
- Introducing measures of success and performance
- Continuing to encourage inter-institute licensing
- Restructuring the format of the conference.

The next IIN conference will take place in February 2005 in Amsterdam.

Interview with Sharron Gunn, Chairman of IIN

What will be the focus of the IIN in the coming period?

At our conference in July, the IIN's members acknowledged that sharing knowledge and information more effectively would bring us some real, tangible benefits. For this reason, improving communication will be an important part of our work in the coming period. Restructuring our conferences and reporting on a set list of performance measures will help us achieve this.

What are your visions, hopes and aspirations for the IIN?

The IIN has come a long way since its inception two years ago. The world of accountancy has experienced a lot of change and our member institutes have had to adapt. At the same time, the internationalisation of accountancy standards has provided some commonality between us. It's this common ground that I believe will take the IIN forward.



The Americas:

Canada

United States

Europe/Africa:

Austria

Belgium

England & Wales

France

Germany

Ireland

Italy

Netherlands

Scotland

Spain

Asia Pacific:

Australia

Hong Kong

India

Japan

My immediate hope is that we successfully reform our task forces and deal with all the issues associated with that activity efficiently. Looking more long term, I would like the IIN's members to build upon their member product and service propositions – we've had firm interest in taking particular products forward on an international level that we ought to bring to fruition. I also hope that the benefits of improving communication will help the IIN fully demonstrate the value of its work.

Please describe the IIN's communications and governance groups.

The strategic management of IIN is carried out by the General Assembly, comprised of representatives of IIN's member institutes. A Co-ordination Committee is responsible for the day-to-day management of IIN, each member of the Committee being a director of the company. Although the Board of the IIN is dominated by larger institutes, we will be inviting smaller institutes to join to ensure we take a more balanced view.

Not only do we need to improve communication amongst ourselves, we also need to keep colleagues within our local institutes fully informed on the work that the IIN is doing. We have therefore agreed to produce a quarterly newsletter that can be tailored for local use.

During your chairmanship, how do you plan to promote the IIN at the Institute of Chartered Accountants in England and Wales?

Initially I will be presenting to the ICAEW's Executive Directors to bring them up-to-date with the IIN's vision and progress. Presentations to key departments within the ICAEW will follow soon after that, so that they understand how the IIN operates and how their work fits in with the IIN.

What progress has been made on ICAEW licenses?

Several of the IIN's members are interested in learning more about the ICAEW's Faculty and money laundering licences. There has been some success with an international affinity licence with Hertz and I am pursuing something similar with MBNA.

What are some examples of information sharing (received or given) by the ICAEW?

The HKSA (Hong Kong Society of Accountants) has recently used some of the ICAEW's affinity contracts as templates, thereby making considerable savings on legal costs. The ICAA (Institute of Chartered Accountants in Australia) has recently distributed the results of a survey of its international members, which I and other IIN colleagues found very interesting reading.

What are the benefits of membership of the IIN?

The ICAEW wanted to help its members negotiate the new money laundering regulations so they understood what their obligations were. As part of a suite of support services, we created an *Anti-Money Laundering Procedures and Training Manual*, which the ICAA (Institute of Chartered Accountants in Australia), IDW (German Institute) and ICAI (Institute of Chartered Accountants in Ireland) have shown interest in recreating for their members.

They will be able to save time, money and research when putting their versions together. Whilst the IIN was originally created to facilitate the buying and selling of commercial

Future IIN Conferences

Amsterdam: Monday 14 –
Wednesday 16 February 2005

July 2005: in Germany,
possible dates: 11 – 13 July
or 18 – 20 July 2005

Web site pages of interest

Notes of the Vancouver conference: in the network conferences / Vancouver section on
www.icaew.co.uk/IIN/index.cfm?AUB=TB2I_68340

A summary of the interest in products presented in Vancouver: in the products in planning section on
www.icaew.co.uk/IIN/index.cfm?AUB=TB2I_69138

IIN's 2004/05 Budget: in the finance section on
www.icaew.co.uk/IIN/index.cfm?AUB=TB2I_68322

products and services between the different Institutes, and this remains a valid benefit, I think the advantages of membership are learning from others, using their models as templates and avoiding 'reinventing the wheel'.

Encouraging results

It was with a fair degree of astonishment that I discovered recently from an IIN member that without my pushing for something to happen, it might not have done so! Yes, I have a reputation for cracking the whip, but as regards product licenses, I thought members would get on with it when the time was right for them – and to a considerable extent that is true, but sometimes a nudge in the right direction or a helping hand can be all that is necessary to move things forward.

IIN members have already demonstrated an extraordinary measure of success. Having identified the concept of creating a network to share ideas information and products, the members set about developing a formula for working together and doing business together. Considerable determination meant that the task was completed both quickly and successfully and the members signed the Charter and Master License Agreement in July 2002. We now need to continue with the same determination, to ensure that the IIN delivers what everyone expects of it, and ideally more, so that the IIN is regarded as an indispensable tool for member institutes to meet the needs of their members.

Delivery is about both product licenses and the sharing of information and knowledge – both add value to member institutes. Delivery sounds easy but can be very different in practice. Member institutes and representatives have demanding schedules and priorities. One hurdle can be enough to shelve their IIN plans. But often the barrier to progress can be relatively easy to overcome – an introduction to the right contact; a bridge over time zones; advice that will make something simpler or easier; information about how something worked elsewhere. That is where the IIN Manager can help. I aim to help by both responding to enquiries and also by telephoning members at least once a month to establish progress and to identify anything I can do that will keep things moving along.

Regular contact with members is one way that data about progress and success can be gathered. We are also introducing an electronic return for members to complete on a quarterly basis. The first one is scheduled for issue to members in September and will be used as a source of information and articles for future issues of this newsletter. Through communicating IIN's successes in this way as part of an overall communications plan, we will be demonstrating the current and future value of membership of the IIN to its members.

Alison Portlock, IIN's Manager

ICA Scotland/ICA Ireland do deal on Practice Care

Ever since its launch in the Scottish market in late 2002, the Irish Institute has expressed an interest in licensing Practice Care. At the time of writing, the parties are just about to execute the Licence Agreement that will see ICAI deliver the product to all of its practising firms.

The timescale of almost two years was quite unexpected and by way of encouragement to others, the following tale outlines the thoughts and actions that have brought us to where we are today:

New questionnaires

Performance measures return: a new quarterly questionnaire seeking information from member institutes about progress on license discussions and information sharing, to be issued in September 2004

Conference format: a questionnaire seeking member institutes' views about the format of future IIN conferences, to be sent to members by early October in order to seek views in time for Amsterdam in February 2005

1. ICAI having expressed an interest, ICAS prepared and issued a draft licence agreement for consideration. This was prepared in the standard royalty format.
2. Whereas ICAS sold the software to its members, the Irish intention was to provide it free to all its firms, therefore a royalty model was not appropriate. A revised draft licence agreement was then issued anticipating a one-off payment. This provided for ICAS to customise the software for the Irish market free of charge but with ICAI picking up any other costs associated with bringing the product to the Irish market.
3. Because ICAI were providing the software to member firms free of charge, they decided to seek a commercial sponsor. This involved demonstrating the product to potential sponsors and attempting to convince them of the worth of being associated with ICAI and its firms. This stage of proceeding took about a year in total.
4. Once a sponsor was in place, ICAS and ICAI sat down to discuss the customisation that was required to make the product suitable for Ireland. The number of changes wasn't anticipated to be large but one main issue was identified. That was the situation that although ICAI is an all Ireland body, it covers two jurisdictions with two currencies etc. Further detailed review of the customisation was necessary and a decision was needed as to whether one version could be tailored for the joint market or if two versions were needed. That issue is still to be decided but it is likely that we will be able to get by with one version.
5. While all of the above was going on, ICAS was in touch with its media house to obtain costings for the ICAI production, and at the same time ICAI was trying to obtain from its sponsor of the product their logo, sponsor message, etc.
6. A few weeks ago, the sponsor delivered its material and instead of a message they have effectively submitted another module to add to the software. Discussions are now ongoing with ICAI and the media house as to the best way to handle this whether as part of the programme or as separate content.
7. During this recent spell, ICAS has proceeded with and finalised the customisation, all subject to ICAI approval and with various questions for ICAI to resolve. This is where we are now.
8. Once a draft version of the ICAI software is available (sometime over next few weeks), it will have to be checked by both ICAS and ICAI and the sponsor content and presentation approved by them.
9. When all is agreed, the production company will have to produce the CDs.

We would expect that the licence will be formally signed over the next two or three weeks and that everything will be wrapped up at the latest by the end of the year. No doubt some of the steps in this process could have been taken quicker, but that has to be set against other demands on the time of the people directly involved in the project.

The message is that international licence agreements do take time. Don't expect things to happen too quickly, stick at it and keep your Board or line manager aware of what's going on.

Ken McManus, representative of ICAS

Taskforces

The Small and Medium Practitioners Products Taskforce chaired by Cairine Wilson is focusing in the short term on products relating to succession planning for practices.

The Corporate Management Tools and Products Taskforce chaired by John Morrow is also focusing in the short term on one topic being ethics for members in business and the tools and products that may help them.

The Tools for Digital Security Taskforce chaired by Jan Pasmooij is reviewing its brief to ensure its continued relevance to IIN member institutes.

IIN is my Treasure Island

The Hong Kong Institute of Certified Public Accountants (HKICPA) took home from Vancouver more inspiration, best practices and a pot of gold!

IIN celebrated its 2nd year anniversary in Vancouver this July. We have seen a lot of ideas exchanged and products presented to the delegates over the past few meetings. Two years sounds a long while but time really flies between each meeting.

The ideas generated from IIN meetings may not be as they first appear. But each idea can spin to a great show or a successful product if we care to give it a little innovative twist. Our very successful example was the licensing of the educational CD-ROM on "Anti-fraud" from the American Institute of Certified Public Accountants (AICPA). It was a good self-study tool that AICPA gave away to user IIN institutes for circulation to their members free of charge. HKICPA decided to package the circulation of the CD to its members with a symposium event. Leveraging on the privilege of having the Police Commissioner to speak at the symposium, we raised our institute's profile and market image through advocating that the accounting profession becoming the fraud buster. Over 400 members and guests showed up for the event which was widely publicized by the media. This was a classic example of turning a small idea into a great show!

IIN meetings see the enthusiasm of those attending in striving for better services to be offered to their members. We have seen a parade of interesting products and best practices which all have one aim in mind – to enhance members' skill sets with tools and ideas so that they can upgrade themselves and offer better service to their clients and employers.

IIN members have different agendas caused by the different professional environments in which they each operate. Some institutes support only public practitioners while others also have members in business. Other factors relate to some institutes having provincial or state societies and some having strong external competitors for the provision of services. One consistent theme which emerges among IIN members is the need to be able to deliver services electronically.

HKICPA is pleased to be part of the IIN network. There are a lot of good ideas and the range of good products is fascinating for Hong Kong members. HKICPA has moved quickly to adopt products from the outset. Depending on the nature of the development, some have taken a longer timeline than others. The quick wins for Hong Kong have been the AICPA's anti-fraud CD and Trust Services re-launch. CA Source, developed by the Canadian Institute of Chartered Accountants has taken longer. Bringing it to the Hong Kong market has been a typical software customization development project. It went through the complete SDLC (system development life cycle) which required thorough testing and user training. The plan for marketing the product is next in line to be worked out. CA Source in Hong Kong is a major IIN showcase project to prove the success of the IIN concept and objectives.

The remainder of 2004 will be the high time for HKICPA to deliver. The timing couldn't be better following our re-branding launch in early September. Apart from the CA Source project scheduled for roll-out in the Fall, the concept of other products such as the benchmarking survey for practitioners (AICPA's MAP Survey) and the practitioner's starter's guide (ICA Ireland) will be considered together with the whole range of professional reference publications from respective IIN member institutes. These are all treasure ideas to our institute.

Thank you

Thank you to all those working at and for the ICAEW who have enabled the production of this issue of **innovation**. Thanks also to the AICPA for the original design, based on the 2003 Chairman's Update.

IIN is my "Treasure Island". I take home new ideas and concepts from each IIN meeting. With a little innovative adaptation they can turn into a pot of gold back in my home base.

Gary Wong, representative of HKICPA (formerly HKSA)

IIN's Governance Group

The current governance structure of IIN was set up when IIN was established in 2002. IIN is governed by a Co-ordination Committee (CC) comprising 6 members, representing the 17 IIN members located in three regions (the Americas, Europe, Asia-Pacific). Each region is represented by 2 CC members who together with the Chairman (one of the CC-members) are elected by the IIN members annually. The CC members and Chairman are elected for a period of 2 years with the possibility of another term of 2 years. To ensure that the governance arrangements of the IIN continue to meet its needs, and taking into account in particular the needs of the smaller member institutes, the IIN members decided to set up a Governance Group to review these matters and to make any recommendations for change to the CC.

The following IIN members have declared their willingness to participate in this group: ICAEW (England & Wales), AICPA (America), CICA (Canada), ICAI (Ireland), ICAS (Scotland), IDW (Germany) and CNDC (Italy). The group is chaired by Royal NIVRA (the Netherlands). It plans to report to the CC by the end of October 2004.

Jan Pasmooij, Chairman of the Governance Group

Changes on the Co-ordination Committee

Tony Pugliese (Americas region), Denis Laxenaire (Europe region), Winnie Cheung and David Smith (Asia Pacific region) retired from membership of the Co-ordination Committee in July 2004. Thank you to them all for all their work for the Committee. And a special thank you to Tony who was a respected and committed Chairman of the IIN.

Also in July 2004, four new members were elected to the Co-ordination Committee which now comprises:

Americas	Al Anderson (USA) elected to 2006 Cairine Wilson (Canada) elected to 2005
Asia Pacific	Stephen O'Brien (Australia) elected to 2005 Gary Wong (Hong Kong) elected to 2006
Europe	Sharron Gunn (England and Wales) elected to 2005 Jan Pasmooij (the Netherlands) elected to 2006

Sharron Gunn was elected Chairman – see the feature about her and her plans for the IIN on pages 1 and 2.

Our Mission

July 2004

- enhance **value** with IIN members *through* aligning IIN's outputs with the priorities of its member institutes, sharing information and knowledge **and**
- be a channel and a catalyst for initiatives affecting the accounting profession

This is achieved by:

- facilitating the provision of products for IIN members to provide to their members ("member services")
- facilitating the provision of tools and services to members for use with/within their clients, employers and businesses
- establishing IIN affinity relationships
- sharing information and knowledge

Which create:

IIN's Outputs

- Products, services, benefits, tools, knowledge transfers, best practice, networking *that are*
- Relevant to IIN members and their members, *that achieve*
- Cost savings, information exchange, competitive advantage and delivery of product

And the short term plan to achieve this is:

- 1 Support for the 3 continuing IIN Taskforces
 - Small and Medium Practitioners Products Taskforce (Cairine Wilson)
 - Corporate Management Tools and Products Taskforce (John Morrow)
 - Tools for Digital Security Taskforce (Jan Pasmooij)
- 2 Further develop communications
- 3 Continue to encourage and motivate product delivery

The mission was agreed by the General Assembly of the IIN in Vancouver in July 2004.

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