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YOUR BUSINESS NAVIGATOR

WELCOME TO THE SUMMER EDITION OF PILOT DIRECTIONS, OUR NEWSLETTER THAT PROVIDES NEWS, INDUSTRY ALERTS AND STAFF UPDATES.

With 2016 coming to a close, I have no doubt that the history books will look back and remember this year as 'the year of unexpected surprises!'

I believe what we can learn from 2016, is that sometimes events or actions take unforeseen turns that are outside of your control. When this happens it is important to have the right support network around you. Whether it is guidance in making an informed decision or just an ear to vent to; those supporting you will make a big difference.

At Pilot we have made several big decisions this year. We introduced two new services; bookkeeping and financial modelling. We also decided to expand our premises and the firm now occupies the entire floor at level 10, Waterfront Place. We believe that we have made the right decisions.

We want to thank our clients and advocates for supporting us throughout our journey, it is your

support which enables us to make these decisions with confidence.

On behalf of everyone at Pilot, we wish you a merry Christmas and a safe and prosperous new year.

We look forward to continue working with you in 2017.

B. McDonald
Brian McDonald

SCAMS TARGETING BUSINESSES BECOMING MORE SOPHISTICATED

Recently the firm has been approached by several different types of scammers. We believe fraud activity is on the rise and scammers are targeting businesses of all sizes. Below are three deceptive activities we have witnessed in the past few months:

1. EMAIL INVOICE SCAMS

Recently all Pilot directors and managers received malicious spam emails requiring invoices to be paid. Each of the invoices had their own unique email signature.

Some of our clients have been targeted in a similar manner. However the scam invoices were from legitimate contractors. This means the attackers had reasonably detailed knowledge of the clients' suppliers and associated projects. This was most likely obtained by hacking their supplier lists, bank account details or previous invoices.

Both Brisbane City Council and Townsville City Council have been scammed in a similar manner. Earlier this year it was reported that they were defrauded more than \$750,000 after they were notified about changes to contractors' bank account details and to amend records for all future payments.

Businesses dealing with overseas suppliers should especially take note of this particular style of scam.

2. CEO EMAIL FRAUD

Some of our clients' staff have received fraudulent emails impersonating senior management in an attempt to obtain accounting information, access codes and other sensitive information.

Unlike traditional phishing scams, spoofed emails used in CEO fraud schemes rarely get caught in company spam filters. This is because this type of scam is not part of a mass email. These attackers monitor employee email correspondence to identify certain words and language that the business' leadership routinely uses. They then replicate that language to trick employees.

Earlier this year, toy manufacturer Mattel reported it had wired \$3 million to a Chinese bank after hackers took advantage of a change in leadership. A senior finance executive received an email from her new CEO requesting the money to be sent to China. Mattel's payment protocol required approval from two high-ranking managers. Both she and the CEO qualified, so the money was wired accordingly.

3. TAX SCAMS

This scam involves an urgent call from an Australian Tax Office (ATO) representative claiming that you have underpaid your taxes and are required to repay a portion of the debt immediately or face severe legal consequences. The caller usually states he or she are at the courthouse steps waiting for you to arrive, or worse, the police are on the way.

Pilot deals with the ATO on a daily basis. We can confidently state they would never place an urgent, one-off, phone call to a taxpayer threatening jail time or looking for a quick (cash) payment. If you receive an unexpected and aggressive phone call from the ATO we recommend hanging up immediately and contacting your Pilot advisor.

OUR RECOMMENDATIONS

Scammers are taking time to learn about a targeted business before attacking. We recommend taking the following actions in order to combat this criminal activity:

- 1. Pick up the phone and never accept an email as authority** - any new changes or unusual requests for payments should always be verbally confirmed.
- 2. Revisit your management procedures** - place clearly defined control points for verifying and paying invoices.
- 3. Be detail-orientated** - scammers usually have slightly different email addresses. Poor grammar can also be a giveaway.
- 4. Communicate with your staff** - they need to understand the risks.
- 5. Be wary** - always exercise caution when sharing account or personnel details.

The ACCC estimates in 2015 more than \$85 million was stolen from Australians as a result of scamming activity. If you believe your business may be at risk, contact **Jason Bayliss** from our Business Advisory division for a review of your internal controls.

Alternatively, if you believe your business has been targeted, contact **Brad Hellen** from our Forensic Accounting division as he can help you collate evidence and quantify the amount lost.

Our partners can be contacted at
(07) 3023 1300.

WISHING YOU A VERY MERRY CHRISTMAS AND HAPPY NEW YEAR!



MEET CAMERON WOODCROFT

Cameron joined Pilot as a graduate accountant in 2009. He started out in the firm's Business Advisory division, however, after two years, he moved over to the Business Performance and Recovery (P&R) team.

On the day he started in P&R, Brad Hellen, the division's lead partner, welcomed him to the 'dark side.' Since that first day, Cameron has loved working in P&R and has never looked back.

Earlier this year Cameron was promoted to manager.

WHAT IS YOUR CURRENT AREA OF FOCUS?

Being a part of the P&R division guarantees that every day is different. I was recently involved in two very different but interesting jobs.

The first was a solvent partnership dissolution. These are always unique as they involve different approaches to find the best possible resolution. Each side will have differing opinions or stories. The challenge is trying to obtain a mutually beneficial outcome.

I am also involved in a statutory trustee matter. Pilot was appointed to realise a very unusual property in Far North Queensland. The property had several issues that required us to deal with and overcome in order to secure a sale.

WHAT IS THE MOST REWARDING PART OF YOUR ROLE IN THE P&R DIVISION?

Achieving an outcome for creditors that exceeds their expectations. Anytime we can improve the position of the stakeholder involved is a very rewarding experience.

WHAT ARE YOUR RECOMMENDATIONS FOR BUSINESSES CURRENTLY EXPERIENCING FINANCIAL DISTRESS?

Seek qualified professional advice from Pilot. The earlier you speak to a professional the more likely a favourable outcome is achievable.

A restructuring professional can review the business, identify areas for improvement and develop strategies for the best course of action. We have successfully helped a number of different businesses get back on course.

TELL US SOMETHING ABOUT YOURSELF THAT WE WOULDN'T FIND ON THE PILOT WEBSITE.

My middle name. If you guess it correctly, I will buy you a coffee.

I also love anything to do with motorsports. I used to race go-karts when I was younger. This helped me dominate at Pilot's last go-kart race day!

Cameron can be contacted on (07) 3023 1300 or cwoodcroft@pilotpartners.com.au.

RIP SUPERANNUATION

Superannuation reform has been at top of the Federal government's agenda since the budget announcement earlier this year.

The new changes have significantly redefined the objective for Australia's superannuation scheme. It is now 'to provide income in retirement to substitute or supplement the Age Pension'.

These changes may well be the death knell of superannuation as an investment tool for high net worth individuals and entrepreneurs.

Over the past six months we have had a number of conversations with our clients about superannuation. The general sentiment we have gauged is that the business community no longer trusts super.

With superannuation no longer a safe place to grow a nest egg; now is the time to be looking for alternatives that can offer the same asset protection and safety net to future-proof your income.

Investment alternatives do exist. It is a matter of exploring which options fit your unique set of needs and situation.

To discuss your investment options or to better understand how the proposed changes will impact you, contact **Murray Howlett** from our Tax division on **(07) 3023 1300** or **mhowlett@pilotpartners.com.au**.



CLEAN UP YOUR DATA AND PROTECT YOUR BUSINESS



Computers need data but people need information. Information is data that has been processed, organised, structured and interpreted. Information gives context and meaning to data.

But if the underlying data is inaccurate, the information gained from it will be poor, leading to potentially bad decision making that could be very costly for your business.

It would be easy to assume that data accuracy is only an issue for large businesses with extensive databases, but this is not so. Typos, duplications and incorrect information are probably even more damaging to a smaller business. Fewer customers means a greater risk of losing one due to data integrity issues.

Small businesses also have fewer team members to cover the essentials, so time spent correcting data is time spent away from activities that create value for the business.

Equally important to accurate data is being selective in what data you capture and record. Too much redundant information takes time to process, doesn't add anything to the understanding of the business, and can even obscure what's really going on.

Our analytics team can help you identify and

quickly clean up data issues before they turn into costly problems.

CLIENT CASE STUDY - DATA CLEANSING ELIMINATES MISINFORMATION

Recently a client was having difficulty tracking their products, which they rent to customers, because in some cases the identifying code was either missing from their database or had been typed in wrongly.

The individual assets were at risk, as was the income they generated.

Manually going through each entry to identify and correct the error would have taken an enormous amount of time.

Our modelling team built a simple, low cost model that quickly reviewed data extracts and identified the errors. These were then easily corrected by referring to other customer information.

We also put in database controls to reduce future errors, leaving a complete and error-free dataset as well as safeguarding future data. The improved data resulted in more accurate information and consequently better decisions.

Data cleansing is just one of a number of modelling

solutions we offer clients. Modelling can also help your business:

- **Get management information that actually informs**
- **Give banks the information they need to make an informed decision**
- **Maximise every business opportunity with simple automation**

PILOT'S ANALYTICS TEAM

Pilot's analytics team is run by financial modelling specialist, **Thomas Paul**. He is an associate director with many years of financial modelling experience. Thomas has a passion for problem solving which he brings to analysing and interpreting data. It's a combination of these expert skills that he uses to create new insights from existing data and build financial models that support effective decision making.

Pragmatism is at the forefront of everything Thomas does and saving time and money for clients is his priority.

Thomas' practical approach starts with a conversation. He can be contacted on **3023 1300** or **tpaul@pilotpartners.com.au** for a confidential discussion about how we can help you tackle your data issues.

WELCOME TO THE TEAM!

BUSINESS ADVISORY

Welcome to **Katie Dawson** who has joined the Business Advisory division as a senior accountant. She brings to the firm more than five years' experience and is a qualified Chartered Accountant. Katie has previously worked at a mid-tier, national accounting firm. Katie attended James Cook University and completed a Bachelor of Business majoring in accounting and finance.

BUSINESS PERFORMANCE AND RECOVERY

Anthony Ralston has commenced in the Business Performance and Recovery division as an accountant. He recently graduated from the University of Queensland with a Bachelor of Commerce. He has previously worked as a paralegal in a mid-tier law firm.

CORPORATE ADVISORY

Marc Schneider has joined the team as a financial analyst. He has nearly four years' experience in professional services, most of which was with a mid-tier accounting firm. He was previously a business analyst at Domino's Pizza Enterprises. Marc attended Queensland University of Technology and obtained a Bachelor of Business with majors in accounting and finance. He is currently studying to be an accredited Chartered Financial Analyst.

Robert McKay is a graduate accountant in the division's audit team. This is his first full-time role in an accounting firm. Robert has previous experience managing a Brisbane startup online retail company. Robert has a Master in Business, majoring in professional accounting from the Queensland University of Technology.

FORENSIC ACCOUNTING

Dean Strati has joined the forensic team. He brings to the firm more than five years' experience. He has previously held two roles at the Bank of Queensland. Dean has a Bachelor of Business majoring in both accounting and forensic accounting from the Queensland University of Technology. Dean is also a qualified Chartered Accountant.

PILOT IN THE COMMUNITY

NOOSA TRIATHLON

Congratulations **Jennifer Veitch** who placed second in her age group at this year's Noosa triathlon. **Brad Hellen** and **Craig Seaton** also represented the firm in their respective age groups. The Noosa event is now the biggest olympic distance triathlon in the world.

CONGRATULATIONS

The Chartered Accountants (CA) program is a challenging time for young professionals as they balance full-time work with an arduous academic program. Congratulations to the following staff members who have completed their professional membership:

Kaitlyn Bennett - Business Advisory

Ramona McGregor - Taxation Services

Demi Hatchman - Business Performance and Recovery

Emma Marcovich - Corporate Advisory



pilot®
BOOKKEEPING
ON THE ROAD TO YOUR BUSINESS

**GET YOUR BOOKS
BACK ON TRACK**



ARE YOUR BOOKS IN SHAPE FOR THE NEW YEAR?

Our local, mobile and professional bookkeepers can ensure your books are kept on track. With fixed monthly fees, we will meet with you free of charge to scope your needs and provide you with a quote specifically for your business.

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Chartered Accountants

Level 10, Waterfront Place 1 Eagle St, Brisbane QLD 4000 Australia

P +61 7 3023 1300 | F +61 7 3229 1227 | pilotpartners.com.au

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