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## ITALY: A COUNTRY DIVIDED?

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Italy is already split politically, especially since the recent elections. It may face further divisions in the form of rising and rewards brought by new regulations, new financial results.

Italy is a country divided, according to Sergio Stanzani (Member of Parliament) founding partner Paolo Stanzani, who says that there are two different beliefs in the wake of the general election held in early March.

On one hand, there is the economically developed north backing the Northern League, a regional party advocating for regionalism, and the centre-right coalition, Stanzani explains. On the other there is the less economically developed south, which supports the populist Five Star Movement.

The current policy in Italy is not limited to political dynamics but goes to regulation we are set to take place over the coming year, which will undoubtedly affect the way firms work.

Knowledge of Italy is not without its challenges. *Accounting of companies in an ERP world* by Studio Corno (Russell Bedford International) chartered accountant Fabio Corno comments: "We have a task force dedicated to this and it is working fine. We have shared this knowledge with the other firms from our network."

Corno says that lowering the threshold is "a big concern" for both affected companies and the audit firms that will be have to take on the extra work.

"The cost of the audit might be felt by the company to be overwhelming," he says. "On the other hand, from the auditor viewpoint, it is common to allocate the right [amount of] time needed to perform the audit adequately."

Corno adds that his firm is looking at ways to ease the potential "burden": "We are starting [to look at] the possibility of implementing a platform that might help companies to develop their information base and to help them share this information with their auditors while, at the same time, helping the auditors get the right information from the companies.

"Having an early warning system – a dashboard with the key results to be shared with the auditors – might be something that can help [companies] manage."

Corno describes it as a "very cumbersome system". Companies issuing the invoices will have to communicate with the Italian tax agency, which in turn will send the invoice to the client, which will then be sent back to the issuer of the invoice via the tax agency.

Speaking on future challenges, Corno comments: "I think what companies really need is to have their accountant/auditor beside them to help them through this strong evolution that [is] this digital world."