March Issue 2020

Accountancy Plus

The Official Journal of CPA Ireland

CPA Ireland Conferring Ceremony 2019

CyberSecurity:

The 1 Trillion Dollar Industry,
Rois Ni Thuama

CPA IRELAND

Editorial

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March 2020

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President's Message

Welcome to the March 2020 edition of Accountancy Plus.

2019 was an exciting year for CPA Ireland which saw a number of significant initiatives and achievements.

In the first year of the new brand, CPA Ireland has remained true to the core brand values of being credible, forward thinking, assured and open. During the year, CPA Ireland ran both a digital campaign and nationwide radio campaign to further increase the brand awareness of CPA Ireland members and firms in the SME market, and highlight the value that CPA's contribute to businesses in Ireland.

CPA Ireland was delighted to have been awarded a European Digitalisation Award for Services to Members by Accountancy Europe in acknowledgment of the innovative digital learning initiative through the new learning management system, Canvas. CPA Ireland was also shortlisted for an IITD National Training Award 2019 in the Excellence in Digital Learning Category. In today's digital world, the online experience for members and students is essential and Canvas provides learners with the building blocks needed to enable members to maximise their learning experience.

CPA Ireland was delighted with the success of the online further learning courses in 2019 which are now all available on Canvas. Canvas hosts courses in FRS102, US GAAP, Governance in the Charitable Sector, Certified Tax Adviser, Data Analytics and Forensic Accounting all of which are delivered through a variety of learning channels. Throughout 2020, CPA Ireland will be building on the success of the further learning courses through the Canvas platform and through a digital first initiative.

During 2019, CPA Ireland signed an MRA with CAI Sri Lanka and extended existing MRA's with CPA Canada and CPA Australia. These agreements provide routes for qualified members of CPA Ireland to become a member of another body, and to enjoy the benefits which each organisation offers. CPA Ireland is planning to increase global alliances further and are working on increasing MRA's with other countries.

In December 2019, I was delighted to formally admit the new conferees into membership. I challenged young accountants to show leadership in the fight against climate change and stated that members of the profession are uniquely placed to exert positive influence on businesses to behave sustainably. I would like to wish them every success in their future careers and look forward to them becoming involved with the Institute on many levels.

CPA Ireland is excited to host the first ever 'Future of Accountancy' event during the first half of 2020 which will see leading experts in the fields of digital transformation, human creativity and strategic business advisory discussing the dramatic transformation the future holds for all of us both personally and professionally.

As this is my last message as President of CPA Ireland, I would like to thank CPA members, students and staff for your ongoing support. I will pass over the office of the President to John Devaney at the AGM and I wish John a very successful and enjoyable term.

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Gearóid O'Driscoll

Gearóid O'Driscoll
President CPA Ireland

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Pictured left to right Pauline Hayden, Lyndsey Kavanagh, Majella Regan (Liam Donnelly Medal Winner), Gearóid O Driscoll, President, CPA Ireland and Eileen Hurley.

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Cybersecurity 101: "An Ounce of Prevention is Worth a Pound of Cure"

by Rois Ni Thuama

A Doctor of Law and subject matter expert in cyber governance and risk mitigation, Rois is Head of Cyber Security governance for Red Sift one of Europe's fastest-growing cybersecurity companies. Working with key clients across a wide market spectrum including legal, finance, banking, and oil & gas Rois writes and presents on significant cyber threats, trends, addressing and managing risks.

High profile data breaches have brought Facebook, British Airways and Equifax into the media spotlight, resulting in both media and consumer backlash and a good deal of negative shareholder attention.

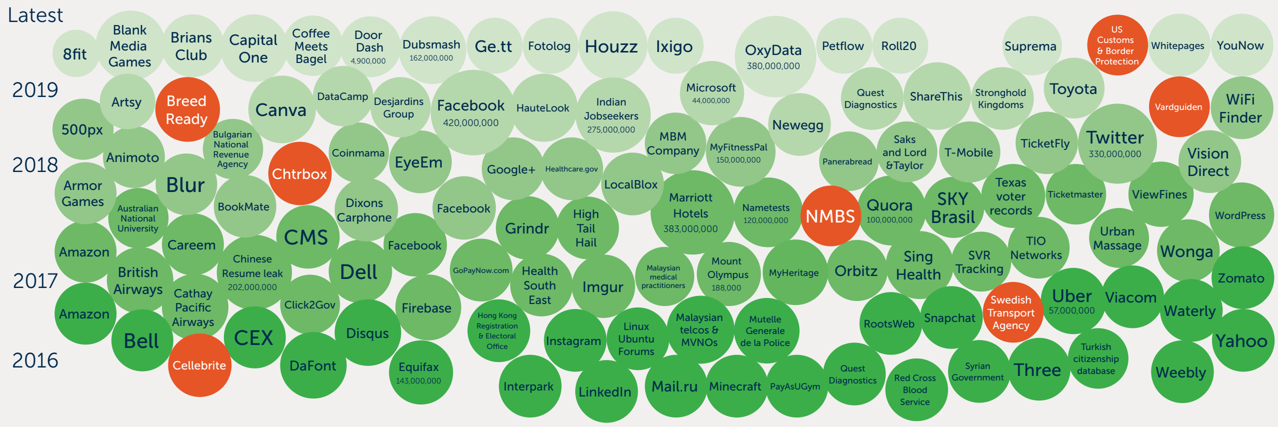
It is unsurprising then that the reputational damage and business disruption that followed these incidents has created a sense of urgency for board members to review their cybersecurity policies, products and spending.

Not only will directors want to ensure that they are protecting their firms' digital assets, commercially sensitive information & personally identifiable information (PII) amongst other things, but they will undoubtedly want to protect themselves against shareholder reaction and litigation.

The operational impact, media coverage and consumer backlash, together with record fines as a result of breaches of the General Data Protection Regulation (GDPR), have doubtless contributed to the increased spend. The fact that directors have a legal obligation to their company to exercise reasonable care, skill and diligence clearly informs their view and their appetite for sensible security measures. What is meant by 'sensible security measures' can be summed up with the old adage, an ounce of prevention is worth a pound of cure. So, it is entirely foreseeable that firms would rank protective cybersecurity products & services more highly than those services that offer remediation.

World's Biggest Data Breaches & Hacks Jan 2020

Source: informationisbeautiful.com



The expectation within the cybersecurity industry is that the current trend for spending on cybersecurity products and services will continue to increase and is expected to exceed $1 trillion cumulatively over the five-year period from 2017 to 2021. To put that into context, the aggregate spend globally for cyber security in 2004 was $3.5 billion.

In 2018, JP Morgan CEO Jamie Dimon wrote in the 2018 Annual Report that the firm spends nearly US$600 million a year to protect their business. That's a single business with a cyber security budget that 14 years previously would have represented a 1/7th of the total global spend. If you're not wide-eyed reading that, go back and read it again.

But there's more, take a look at an excerpt from the annual report.

> **The threat of cyber security may very well be the biggest threat to the U.S. financial system.**
>
> I have written in previous letters about the enormous effort and resources we dedicate to protect ourselves and our clients - we spend nearly $600 million a year on these efforts and have more than 3,000 employees deployed to this mission in some way.

This short paragraph reveals two things:

1. A willingness to spend significant sums to protect assets and client's privacy.
2. An error. The headline in bold refers to the 'threat of cyber security' which is obviously not right. The author(s) must have intended to refer to cyber threats. In all likelihood it should have read 'Cyber threats may very well be the biggest threat to the U.S. financial system'.

There are a number of reasons why all of this information should matter to accountants.

1. Increased oversight -
As cybersecurity budgets balloon, this will be required. Some cybersecurity products are so expensive that a compelling business case will need to be made at board level and will merit a discussion. Accountants familiar with good governance principles specifically the 'four-eyes' principle will desire a robust business justification for a material spend. No one in a business should have carte blanche to sign off huge sums. To that end, it is imperative that accountants, auditors, CFO's, etc. are able to participate in the conversation by:

a. understanding the business case,

b. being able to sensibly interrogate that business case,

c. learning to rely on their internal cyber and information security experts.

It is worth pointing out that reasonably priced cybersecurity products which address significant cyber threats would not merit such attention from the board. These 'no-brainer' solutions should be signed off without conversation on the advice of the firms cyber and information security experts. Not every cyber matter merits a lengthy inquiry and trusting your experts saves your firm money and time.

2. Errors -
Often, these appear in cybersecurity literature. JP Morgan is a sophisticated, innovative firm. They are undoubtedly a global leader in terms of their cybersecurity posture. However, despite this level of sophistication, this report to their shareholders contains a glaring error, as discussed above. Cybersecurity isn't the threat, it's the solution. Just keep this in mind, if something doesn't make sense to you, it might not be you.

3. Career advancement -
By 2022 the EU will not be able to fill 355,000 jobs in the cyber security sector. For anyone wanting a career change or accelerated career advancement, they should consider some additional cybersecurity training to gain a better understanding of essential products and policies.

Understanding the business case

It's frequently said in cyber that the offence informs the defence. Indeed, it's a sensible rule to live by. But to deploy it, you must first understand what the offences are (i.e. threats), and then determine which offences/ threats are the most significant. In order to do that, you will need to have at least a passing familiarity with the cyber threat landscape which organises the offences in a clear way.

For this, an excellent starting point was provided by Prof. Wall, Head of Law School at Leeds University, a leading cybersecurity academic. His matrix distils cybercrimes into their component parts so that every cybercrime fits into a set description. By knowing where the threat sits, you are more easily able to determine the solution.

Cyber threat landscape

For example, certain cybercrimes do not need a technical or expensive solution. Firms can protect their reputation from damaging social media comments (i.e. hate speech or defamatory remarks) by ensuring that employment contracts have carefully crafted provisions that encourage compliance to a well-formed cyber governance policy. The key is not to deploy expensive technical solutions simply because the crime occurs on a computer. The answer might be a written process, policy or carefully crafted provision in a contract.

Conversely, don't rely on policies when the problem is 'in the machine'. It is vital not to turn staff into filters and firewalls. No amount of training will assist staff in crunching through metadata, that is computational work and should be done by, you guessed it, computers. There are a number of downsides to expecting human resources to do computational work, including:

i. burnout
ii. decreased productivity
iii. increased stress levels
iv. failure
v. employment tribunals

Crime Types →	**Crime againgst machines/ integrity-related**	**Crime using machines/ Computer related**	**Crimes in the machine/ Content related**
Opportunities ↓	Harmful/Trespass	Acquisition/(Theft/ Deception)	Onscenity/Violence
Cyber-Assisted Crimes Traditional crime using computers. More opportunites for traditional crime	• Phreaking • Chipping	• Frauds • Pyramid Schemes	• Trading sexual materials • Stalking • Harassment (personal)
Cyber Enabled Crimes Hybrid cybercrime New opportunities for traditional crime (e.g. organisation across boundaries)	• Cracking/Hacking • Viruses • Hactivism	• Multiple large-scale frauds • 419 type fraud • Trade secret theft • ID Theft	• Online sex trade • Camgirl sites • General • Hate speech • Organised paedophile rings (child abuse)
Cyber-Dependent crimes True Cybercrime New opportunities for new types of crime (Sui Generis)	• Spams (list construction and content) • Denial of service • Information Warfare • Parasitic Computing	• Intellectual Property Piracy distrubution • Online Gambling • E-auction scams • Phishing, smishing, vishing	• Cyber sex • Cyber-pimping • Online grooming • Organised Bomb talk / Drug talk / Targeted hate speech • Social network media crimes

We're already seeing legal cases where human resources have been put under exceptional strain, leading to suffering with post-traumatic stress disorder (PTSD) because they have been expected to do the work of AI.

When we assess the entire picture, the first question to ask is: which of these *represents a significant cyber threat?*

This is typically where vendors will explain that their solution solves *the most significant* cyber threat. Now although that may be true, more often than not it's mere puff. This leads to the second question, that must be asked: *who is your source for that claim?*

If independent, trusted experts within the Intelligence Communities (IC) have warned from both perspectives that something is a significant cyber threat, that should be enough guidance for reasonable directors to move to the third question. Sensible, independent sources for cyber threat assessments include National Cyber Security Centre (NCSC), Federal Bureau of Investigations (FBI), Internet Crime Complaint Centre (IC3) and the Department of Homeland Security. There are other bodies, but this is a good starting point.

Let's take phishing/business email compromise (BEC) as an example. The IC on both sides have warned businesses that phishing emails/BEC are a significant cyber threat. The FBI refers to it as the US$26 billion scam. The NCSC have warned about phishing and even put the legal sector in the UK on express notice that this is the most significant cyber threat facing law firms. Bad actors use phishing emails as their starting point for 70% of data breaches and 90% of targeted cyberattacks. It follows that if you fix phishing, you can remove the starting point for 70% of data breaches and 90% of targeted cyberattacks, therefore reducing the overall chances of these events happening.

This leads neatly to the third question: *is there an industry standard fix?*

For BEC/phishing attacks, there is. The solution to BEC is DMARC. DMARC is the global industry standard protocol recommended by Email Service Providers (ESPs) and government agencies. The protocol helps your computer to verify that the email you send from your business email address is authentic, protecting both your brand and your clients. This is why the IC in the US and Britain have repeatedly emphasized the importance of deploying the DMARC protocol. For people new to cybersecurity, here's a neat hack: if you ever see something done at protocol level, its importance cannot be overstated. Protocols are the fundamental building blocks of the internet, it's the digital equivalent of underpinning a house. Failing to fix at protocol level means you are on shaky foundations.

To recap:

1. What's the problem?
2. Will trusted independent sources support the claim that it is a problem?
3. Is there an industry standard fix that is well known and understood?

After answering yes to those three questions, the final question to ask is whether it is reasonable and proportionate to deploy a fix it? For example, if the fix costs X times the total value of the firm, the answer will, of course, be no. If it's less than the cost of the Christmas party or what the office spends on non-essentials like plants or days away, the answer will undoubtedly be yes.

Now that we have a passing understanding of the cyber threat landscape and the questions a reasonable director would ask; it remains to review the risks.

Cyber risks

The major risks associated with cybersecurity failures are:

1. **Business operational -** the scale of the operational damage depends on the threat and what steps your information security team have taken to protect against it. It might result in a total cessation of business capabilities for minutes, hours, days or weeks.

2. **Litigation -** includes fines, legal costs and damages. By now everyone is familiar with the fine: up to 4% of global annual turnover or €20 million, whichever is higher. Less well known perhaps is that GDPR contains a provision which will give rise to claims from data subjects affected by data breaches. Some law firms have positioned themselves to respond quickly to data breaches by optimising keywords to drive web traffic to their website.

   In the event of a data breach, these law firms, already highly ranked, will be returned for users on the first page on a Google search which will facilitate class actions, at speed. This will undoubtedly contribute to business disruption as senior management turns their attention and man hours away from production to damage limitation.

3. **Reputational damage -** studies indicate that public companies suffer a loss of 7% off their share price on the initial news shock, further amplified by 15-20% on additional news flows. However, the reality can be far worse than researchers initially evidenced. For example, in 2016 a BEC attack saw a French firm lose 20% off its share price in a single day. It started the day at €35 billion and, despite the firms rapid response to a 'fake news' article, had €7 billion wiped off its price. It is of course not possible to measure the impact to a privately held firm, but we do know that a combination of factors, including the loss of earnings because of business disruption, leads to a reported 60% of firms folding within 6 months of an attack.

Conclusion

The decision-making process can be somewhat nuanced but ultimately, the process is more science than art. Businesses need to learn quickly that dealing with known cyber threats, which cybercriminals rely on, might not sound ground-breaking, but it is essential governance 101. If you're not fixing the known problems with well-known solutions, your firm's cyber security and risk posture is immature, indefensible and imperils the business and its staff.

Rois Ni Thuama

Doctor of Law and subject matter expert in cyber governance and risk mitigation. Head of Cyber Security governance for Red Sift.

CPA Profile
John Donoghue

Title: Chief Executive
Company: ifac
Qualifications: FCPA

Why did you decide to start out on a career in accountancy?

I knew I wanted to be in business, and when I looked at the people who led successful businesses, they tended to be from a finance background, so I felt accountancy was a good platform for building a successful career. It was an easy decision to make.

Why did you choose CPA Ireland as your qualification route?

I discussed the options with friends and colleagues to get a sense of what might be in-volved in gaining a professional accounting qualification, and then contacted the Institutes. I liked the fact that CPA is an Irish organisation, it felt more local, and the people I talked with in the Institute were warm and welcoming. CPA felt like the right fit for me.

Please provide a brief history of your career.

I qualified in 2005, having trained in ifac's Carlow office and an accounting firm in Kildare. I was appointed Managing Partner of our Tullamore office in August 2005. I held that role for almost seven years before being appointed ifac Commercial Manager. Our Commercial Manager role is focused on helping our practice teams in thirty locations across Ireland to optimise their business processes and business development. I was appointed ifac Chief Executive in 2015. The work goes on…

How do you find your CPA qualification has helped you in your role?

The CPA qualification and my studies in Griffith College have been of huge benefit to me. Studying for the qualification gave me a disciplined and focused approach to work and how I use my time. It also gave me a broad understanding of business principles and strategy, in addition to the core skills of accounting. I met great people along the way, and I wouldn't be where I am now without the qualification.

What has been your biggest career achievement?

Ifac has gone from strength to strength over the last few years. We have consistently grown the practice at about 10% per year, and we have developed and grown our Tax, Advisory, Food and Agribusiness, Business Support Services and our Financial Planning teams.

Our people are totally committed to helping our clients to achieve their potential and build sound financial futures. We are training, retaining and recruiting fantastic people across the business. No single achievement stands out, we are working all the time to do more for our clients and teams across the country, and that philosophy is paying dividends as our busi-ness continues to grow.

What or who inspires you most in business?

In business, Chuck Feeney set an amazing example and inspired a new wave of Philanthropy and Warren Buffett is inspiring for his success and for his extraordinary com-munication skills. There are also many inspiring people in ifac, who have faced, or are fac-ing challenging personal situations, we do our very best to support them.

If you were advising someone just starting out with their CPA qualification, what tip would you give them that would make their journey smoother?

Commit. Don't half do it. Set your timetables, make your sacrifices, understand it's a big commitment and drive on. It will be worth it in the end.

What do you think are the most pressing issues for accountants?

Keeping up with the pace of change in technology is a big issue for accountants. In ifac we are embracing new technologies to give our people more time to focus on high value activi-ties. The need for firms to have a multi-disciplinary skillset is becoming more obvious with each passing day. Clients need access to a wide range of expertise to help them to optimise their businesses and achieve their potential. Our profession is changing fast. The ability to identify and understand client issues/problems or opportunities and engage experts when needed is the most important and valuable skill that accountants bring to their clients. The numbers are important, advice around the numbers is where we add value.

How do you unwind?

I spend time with my wife Lorraine and daughters Aoife, Neasa and Tara. They keep me on my toes and put everything in perspective. I love standup comedy; I read a lot and try to keep fit!

What traits do you admire most in others?

Generosity, which can be underrated and sometimes overlooked. If you are giving your time, expertise or financial support to help other people, you are making a positive differ-ence in the world. And of course, honesty, it's an essential ingredient in building high trust, high impact relationships.

CPA Profile
Deirdre McDonnell

Title: Director of Education
Company: CPA Ireland
Qualifications: CPA, MoR

Why did you start out on a career in accountancy?

I wasn't 100% sure of what I wanted to do when I finished secondary school. I was due to start an Arts degree at UCD, and my sister who was a trainee CPA accountant at the time, secured me a summer job in her training firm, and I really loved the work.

I was surprised how much I loved the routine of being in an office, part of a team, independent and earning my own money, I was sold.

Why did you choose CPA Ireland as your qualification?

My sister was already training with a CPA practice, and she recommended CPA to me enthusiastically as she found the support and advice from the Institute staff to be really useful. The CPA qualification has served me very well, especially when I worked on projects in the States later in my career. CPA was immediately recognised in the boardroom and clients were always happy to be dealing with the CPA designation.

Please provide a history of your career.

Having spent 3 years in practice with Gavin & Co, I moved into the advertising industry as financial controller of All Ireland Media, which was later bought out by Carat, a global advertising group. My 5 years in this role were hugely enjoyable, it was a very dynamic time in the ad industry in Ireland. In the late 80s early 90s, it was the steadiness of accounting with the glamour of advertising.

I did however feel like I needed a change, and when an opportunity came up to join CPA Ireland in 1996 as Director of Member Services, I joined Eamonn Siggins and his team at Ely Place and spent 5 great years learning new skills and developing the management and creative side of my skillset.

One of the projects I worked on during that time in CPA Ireland was the representation of our Institute on the FEE (European Federation of Accountants, now Accountancy Europe) Euro Working Group, where I served on the FEE Committee for the development of the new Euro Currency.

At the time, PA Consulting, a global management consulting company was advertising for 'Euro Experts' to work with their Euro Changeover projects internationally. I applied and was accepted as I had experience that very few people had in the development of this new currency.

I spent 3 very happy years at PA Consulting, working on Euro Changeover and Y2K projects, specialising in Business Continuity Planning. I worked all over Europe and the US with multinational companies including Philips CE, Vendome Luxury Group, Willis Plc, amazing experience and I will remember it always.

When I was expecting my first child, I knew I couldn't continue with the weekly international travel, and I set up my own consulting firm. I wanted to get more freedom from the corporate world, to spend more time with my family, so I made a decision to bring my skills from working with global companies to SMEs in Ireland.

I worked on many projects over the years with CPA Ireland in a consulting capacity. When the previous Director of Education, Paul Heaney announced his retirement, I was approached to see if I would be interested in the role, and following much consideration, I realised that my CPA qualification, my understanding of the requirements of the market in relation to newly qualified accountants and the wonderful network of academic support surrounding the role at CPA, I took it on and have not looked back.

What has been your biggest career achievement?

This is a tough question as I qualified as a CPA accountant 30 years ago exactly this year and there have been a number of key moments where I have really felt that I have reached my potential.

Working with global companies during my time in PA Consulting, finding myself at boardroom tables with heads of business for companies turning over billions each year, and helping these companies make significant changes to their operations, is definitely a high point, but also working with some really amazing SME clients, has been just as rewarding in different ways. Speaking at conferences in Europe during my involvement with FEE also stands out as one of my significant career memories.

However, today, as I work on the development of a new syllabus for CPA Ireland to educate future fit finance professionals in a rapidly changing environment and see my team transforming our examination system to become fully online, including online invigilation, I realise that some of the biggest career achievements may still be ahead of me.

What do you think are the most pressing issues for accountants?

There is no doubt in my mind that big data and the emerging very disruptive technologies that are enveloping the profession, will challenge all accountants and their role in adding value. Unless we become comfortable with the advance of these technologies and understand the source and composition of the data, we will be prisoners to the data analysts and our ability to make meaningful contribution will be threatened. Our syllabus review has demonstrated that while we must still be experts in our core accounting, finance, tax and auditing disciplines, we must also be data analysts, artificial intelligence specialists and pioneers of future developments such as continuous audit and blockchain.

Financial Reporting News

European Union (Qualifying Partnership, Accounts and Audit) Regulations 2019

In November 2019, the European Union (Qualifying Partnership, Accounts and Audit) Regulations 2019 (S.I. 597/2019) were signed into law. These regulations change the accounting and auditing rules for 'qualifying partnerships' for financial years commencing on or after 1 January 2020. For accounting periods commencing prior to this date the European Communities (Accounts) Regulations 1993 continue to apply.

The meaning of a qualifying partnership is set out in Regulation 5 of the 2019 Regulations which outlines two types of qualifying partnership. Firstly, the new rules apply to a general partnership, formed under the Partnership Act 1890, all the members of which are themselves limited such that the ultimate beneficial owners of the partnership enjoy the protection of limited liability.

In addition, the rules also apply to limited partnerships (formed under the Limited Partnerships Act 1907) where the general partner(s) effectively enjoy the protection of limited liability. The regulation also contains provisions which covers certain entities not governed by the law of the state which are similar in nature to either of the above.

The Regulations apply Part 6 Companies Act 2014 to a qualifying partnership as if it were a company, subject to any modifications necessary to take account of the fact that the qualifying partnership is unincorporated. Part 6 of the 2014 Act is the section that deals with Financial Statements, Annual Return and Audit and sets out provisions on, inter alia, the preparation of financial statements, disclosures including directors' remuneration, audit, audit exemption, annual returns, appointment and removal of statutory auditors and offences.

Regulation 15 dis-applies a number of Sections of Part 6 including provisions relating to the keeping of adequate accounting records (S281 to S286), share capital (S318 and S319), the statement on relevant audit information (S325(1)(e)), circularisation of financial statements (S338) and remuneration, appointment and removal or resignation of auditors (S381 to S385, S396 to S398 and S401 and S402).

The financial statements of a qualifying partnership are required to include a Partners Report which will include similar information to that required in a Directors Report under the Companies Act 2014. The duties, obligations or discretion imposed on the directors and/or secretary under Part 6 Companies Act 2014 are deemed to be imposed on, or granted to, members of a qualifying partnership by virtue of Regulation 8.

A qualifying partnership can avail of audit exemption, however an audit will be required where one partner, serves a notice in accordance with Section 334(1) Companies Act 2014, stating that the partner does not wish that audit exemption be availed of by the qualifying partnership for the financial year specified in the notice.

A qualifying partnership is required, by the 2019 Regulations, to file an annual return with the Companies Registration Office using form P1. Financial Statements, a Partners Report and an Auditor's Report will be required to be annexed to the annual return. The provisions in relation to Abridged Financial Statements also apply where the relevant size criteria are met.

The 2019 Regulations also impose a reporting obligation on auditors to the ODCE, similar to that required of statutory auditors in relation to the reporting of category 1 and 2 offences under Section 393 Companies Act 2014. Regulation 42 sets out the offences that can be committed by a qualifying partnership. The offences, which if committed, are required to be reported to the ODCE by an auditor of a qualifying partnership are set out in Regulation 31.

Snapshot of IAASA's financial reporting activities in 2019

IAASA has recently published summary information of its financial reporting enforcement activities undertaken during 2019.

Source: www.iaasa.ie

Sustainable Development Goals Disclosure (SDGD) Recommendations

The International Federation of Accountants (IFAC) recently published a joint report calling for improved reporting on the UN's sustainable development goals in an attempt to hit goals set for 2030.

The report includes recommendations the purpose of which are to establish a best practice for corporate reporting on the SDG's and enable more effective and standardised reporting and transparency on climate change, social and other environmental impacts.

Source: www.ifac.org

Law & Regulation News

AML update

The European Union (Money Laundering and Terrorist Financing) Regulations 2019 were signed by the Minister and became effective from 18th November 2019. The regulations amend the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (the Act).

One of the key changes for accounting firms is the new requirement to have in place "appropriate procedures" for employees, or persons in a comparable position to report a contravention of the Act internally within the firm through a specific, independent and anonymous channel. These procedures should be proportionate to the size of the firm.

Practitioners will need to consider how this can be provided for within their firm. Firms should now update their policies and procedures in this regard and provide the appropriate training to staff.

The regulations require competent authorities, which includes CPA Ireland, to apply a risk-based approach to the exercise of its supervisory functions and to provide access to its employees and officers to relevant information on the domestic and international risks of money laundering and terrorist financing which affect its own sector.

It also requires that competent authorities take measures to prevent a person convicted of a relevant offence from performing a management function in or being the beneficial owners of an accountancy firm.

Practitioners operating within CPA firms and beneficial owners of such firms are now required to inform CPA Ireland if they are convicted of a relevant offence.

A "relevant offence" means –

(a) an offence under this Act,

(b) an offence specified in Schedule 1 to the Criminal Justice Act 2011 , or

(c) an offence under the law of a place (other than the State), consisting of an act or omission that, if done or omitted to be done in the State, would, under the law of the State, constitute an offence under subsections (a) or (b)

Source: www.irishstatutebook.ie

International peer review finds Central Bank is effectively regulating credit union sector

The Central Bank of Ireland recently published the "Peer Review: Central Bank of Ireland's Performance of its Regulatory Functions in Relation to Credit Unions". The review, undertaken by an external and experienced team of regulatory experts from the International Credit Union Regulators' Network (ICURN) found that the Central Bank effectively performs its functions in the regulation and supervision of the credit union sector. It was also highlighted in the review that significant improvements had been made since the previous review in 2015.

Source: www.centralbank.ie

ESMA sets out its strategy on sustainable finance

The European Securities and Markets Authority (ESMA) published its Strategy on Sustainable Finance. The strategy sets out how ESMA will place sustainability at the core of its activities by embedding environmental, social and Governance (ESG) factors in its work.

The key priorities for ESMA highlighted in the strategy include:

- completing the regulatory framework on transparency obligations via the Disclosures Regulation. ESMA will work with the EBA and EIOPA to produce joint technical standards;
- reporting on trends, risks and vulnerabilities (TRV) of sustainable finance by including a dedicated chapter in its TRV Report, including indicators related to green bonds, ESG investing, and emission allowance trading;
- using the data at its disposal to analyse financial risks from climate change, including potentially climate-related stress testing in different market segments;
- pursuing convergence of national supervisory practices on ESG factors with a focus on mitigating the risk of greenwashing, preventing mis-selling practices, and fostering transparency and reliability in the reporting of non-financial information;
- participating in the EU Platform on Sustainable Finance that will develop and maintain the EU taxonomy and monitor capital flows to sustainable finance; and
- ensuring ESG guidelines are adhered to in the entities that ESMA supervises directly, while being ready to accept any new supervisory mandates related to sustainable finance.

ESMA's work spans the investment chain from issuer to investment funds, investment firms and retail investors. It has already delivered on several objectives of the EU's action plan on financing sustainable growth and will continue to assist the EU institutions to achieve sustainable finance goals, including by providing advice on areas where new Level 1 and Level 2 measures may be necessary.

To help deliver its strategy ESMA set up a Coordination Network on Sustainability in 2019. The network is composed of experts from national competent authorities and ESMA staff. It will be supported by a consultative working group of stakeholders, which will be established in the coming months.

Source: www.esma.europa.eu

CPD Requirements for the 2020 - 2022 Cycle

Members working in Practice:

The CPD requirement for the CPD cycle is 75 structured and 45 unstructured hours.
The minimum hours in any one year is 30 hours, of which 15 have to be structured.
By the end of 2022, you will need to make sure that you have completed
the full requirement of 75 structured and 45 unstructured hours.
If you are a practicing cert holder, a minimum of 40 out of your 75 structured hours
have to be completed in the core hours.

Members working in Industry:

The CPD requirement for the CPD cycle is 60 structured and 60 unstructured hours.
The minimum hours in any one year is 20 hours, of which 10 have to be structured.
By the end of 2022, you will need to make sure that you have completed
the full requirement of 60 structured and 60 unstructured hours.

If you have any queries on your CPD requirement,
please contact Niamh Sheehan on nsheehan@cpaireland.ie

cpa IRELAND

Is Irish employment law keeping up with the gig economy?

By Derek McKay

Much has been made about the protection of gig economy workers but what should companies using self-employed contractors be doing to protect themselves?

Since the emergence of the "gig economy" over a decade ago, there has been a lot of debate about the evolution of work and how it will continue to change into the future. There is a clear reality that certain types of jobs and roles are changing and with the introduction of new technology platforms, such as Uber and Deliveroo, we are seeing the creation of roles that were never there previously.

Despite concerns that there would be a surge in those working in the gig economy, the numbers are relatively low and have not shown signs of dramatic increases. In 2018, the Workplace Relations Commission sponsored a report by the Economic and Social Research Institute that put the figure at between 8 and 9%[1].

The informal structure of this type of employment suits many people. The general consensus is that those working in the gig economy do so out of choice rather than necessity. The ability to choose when you want to work and for how long, suits some peoples' lifestyles, especially students or those looking to make some additional income. But there is a trade-off; with this flexibility comes a lack of security and benefits for employees. And for employers, there can be some unintended consequences as well.

One thing is for certain, employment relationships will continue to evolve and be challenged particularly given the Government's aim to heavily penalise those involved in bogus self-employment, where employers are wrongly classifying workers as self-employed rather than direct employees, thus avoiding or evading their obligations, including tax and PRSI.

In October 2019, the Oireachtas Committee on Employment Affairs and Social Protection heard that bogus self-employment could be costing the Irish State €1 billion each year in lost tax and PRSI[2], which results in savings of up to 30% for the employer and a loss to the Social Insurance Fund. Trade Unions have also described the situation as a massive fraud being perpetrated against the State.

Employed or self-employed... or bogus self-employed?

As it stands there are only two classifications of employment status – employed or self-employed. To help provide some guidance and clarity, the Revenue Commissioners published its Code of Practice for Determining Employment or Self-Employment Status of Individuals. The criteria set out to identify if an individual is an employee includes:

- That the individual is under the control of another person who directs as to how, when and where the work is to be carried out.
- The individual receives a fixed wage and works set hours or a given number of hours per week or month.
- Their work cannot be sub-contracted to another individual.
- The person does not supply materials for the job or the necessary equipment to do the job other than the small tools of the trade.
- They are not exposed to personal financial risk in carrying out the work.
- Does not assume any responsibility for investment and management in the business.
- They do not have the opportunity to profit from sound management in the scheduling of engagements or in the performance of tasks arising from the engagements.
- The individual receives expense payments to cover subsistence and/or travel expenses.
- They are entitled to extra pay or time off for overtime.

And, the criteria set out by Revenue on whether an individual is self-employed include:

- The individual owns their business.
- They are exposed to financial risk by having to bear the cost of correcting faulty or substandard work carried out under the contract.
- They assume responsibility for investment and management in the enterprise.
- The individual has the opportunity

[1] "Measuring Contingent Employment in Ireland", ESRI, August 2018.
[2] "Bogus Self-Employment Presentation to the Social Welfare Committee", Martin McMahon, October 2019.

to profit from sound management in the scheduling and performance of engagements and tasks.

- Has control over what is done, how it is done, when and where it is done and whether he or she does it personally.
- Has the freedom to hire other people, on his or her terms, to do the work which has been agreed to be undertaken.
- They can provide the same services to more than one person or business at the same time.
- They provide the materials and equipment necessary for the job, other than the small tools of the trade.
- Has a fixed place of business where materials and equipment can be stored.
- They are responsible for costing and agreeing a price for the job.
- They are responsible for providing their own insurance cover e.g. public liability cover, etc.
- And, they control the hours of work in fulfilling the job obligations.

These guidelines are pretty straightforward and self-explanatory and, if necessary, all easy to demonstrate. However, there are circumstances where it isn't always clean-cut. Our advice is Employer Beware.

High Court rules delivery drivers are employees

In December 2019, the High Court ruled that delivery drivers for a company in the Domino's Pizza franchise are to be treated as PAYE employees. The ruling came following an appeal by the pizza company against the Tax Appeals Commissioner's finding, which found that its drivers working in 2010/11 under contracts "of" service were taxable workers paying PAYE and national insurance.

Karshan (Midlands) Ltd., t/a Domino's Pizza had argued that the drivers operated under contracts "for" services, were therefore self-employed and responsible for their own tax deductions. The company argues that the Commissioner's reliance on a UK case (Weight Watchers v Revenue and Customs Commissioners, 2011) was wrong and that the Commissioner failed to follow Irish law in relation to mutuality of obligation and also failed to give proper consideration to the terms and conditions of the contract with the driver.

Mutuality of Obligation exists where an employer is obliged to provide work for an employee and the employee is obliged to perform or fulfil that work as would be considered normal employer/employee relationship.

The Commissioners had argued that the contract required the driver to initiate an agreement in relation to availability to work. When confirmed, a roster was then drawn up based on this availability and it found that once a driver was rostered for one or more shifts, there was then a contract of "mutual obligation".

The High Court agreed, finding that the contracts operated by Domino's Pizza included Mutuality of Obligation; once a driver was rostered by the company, there was a contract that retained mutual obligations.

Interestingly, in the UK, a trade union failed in its High Court bid to represent and lobby Deliveroo, the popular food delivery platform, on behalf of its riders on pay and conditions. The High Court case came on the back of an appeal of a decision by the Central Arbitration Committee, which has previously found that riders could not be recognised for collective bargaining because they were not classed as "workers". Because riders could freely pass jobs to other people to do on their behalf, they couldn't be classed as employees.

Review and analyse employment contracts

While the Domino's Pizza example is specific to the contracts operated by the company and their delivery drivers, employers should take note of the findings and assess their own contracts with any self-employed contractors they may be working with.

For example, an individual who is working on the basis of commission may still be regarded as an employee, even if they are not working from the employer's premises – there is clearly a Mutual Obligation in this situation.

Or if the self-employed contractor is required to use company branded materials or equipment in the process of completing their work, they may be considered employees – the company is providing direction on how the person should be completing their task.

Employers beware – if in doubt, review contracts and get advice

The gig economy, contractors, self-employed workers, agency workers – all these categories of workers bring about questions for Companies about how they manage these workers and remain compliant.

Until such time as Irish legislation has caught up with the changing face of work, our advice for employers is assess their contracts and working relationships with individuals through the lens of being compliant with both Revenue and the Employment Fora such as the Workplace Relations Commission.

Derek McKay

Derek McKay is Managing Director at Adare Human Resource Management. Adare Human Resource Management is a team of expert-led Employment Law, Industrial Relations and best practice Human Resource Management consultants.

For more information go to www.adarehrm.ie

Finance & Management News

Investors call for improved workforce reporting

A new report issued by the Financial Reporting Council's Financial Reporting Lab concludes that reporting on workforce related issues needs to improve both to meet investor needs and to reflect modern-day workforces.

Workforce related matters such as working conditions, changing contractual arrangements and automation have all become areas of increasing investor focus in recent years and the lab's report reveals overwhelming support for clearer company disclosures.

The report provides practical guidance and examples on how companies can provide improved information to investors. It encourages companies to think of the workforce as a strategic asset and explain how it is invested in, underpinned by data on the composition, engagement, retention and diversity of the workforce.

Source: www.frc.org.uk

Assessment of the economic impacts arising for Ireland from the potential future trading relationship between the EU and UK.

The Minister for Business, Enterprise and Innovation has published a study commissioned by her Department, examining the economic impact on Ireland of a potential EU-UK free trade agreement.

The report, which was undertaken by Copenhagen Economics, reflects the trade provisions of the Revised Political Declaration for the Future Relationship between the EU and the UK. The Political Declaration sets out the intent of both the EU and UK to negotiate a comprehensive Free Trade Agreement to replace the current economic relationship. At this point, it represents the best indication of what a future EU-UK FTA will look like.

Previous analysis published by the Department in 2018 found that the economic impact on Ireland of a worst-case Brexit scenario - trading with the UK based on World Trade Organisation (WTO) rules - would reduce Ireland's projected annual growth rate and result in GDP being approximately 7% lower in 2030 (i.e. the economy would still grow albeit at a slower rate).

Taking the parameters of the revised Political Declaration, this study points to a reduction in GDP of between 3.2% and 3.9% in 2030. Effectively this reduces the level of harm on the Irish economy by half.

While this latest study assesses the specific impact of moving to a new EU-UK FTA, in reality, the Government and firms have been engaged in intensive Brexit preparations which, taken together with new opportunities under recent EU FTAs (e.g. South Korea, Canada, Mexico and Japan), have the potential to significantly mitigate the impacts of the changed EU-UK relationship.

For further information and to read the report please visit

https://dbei.gov.ie/en/Publications/Assessment-economic-impacts-Ireland-potential-future-trading-relationship-EU-UK.html

Source www.dbei.gov.ie

Leadership Insight

by Paul Healy Chief Executive Skillnet Ireland

Paul has operated at an executive level in commercial environments for over 20 years. His broad areas of expertise include: Education and Labour, Market Policy, Human Resource Development, Public Affairs and Corporate Governance.

Please provide a brief history of your career.

I spent the first 10 years of my career in financial services, in sales and sales leadership positions. The experience of being a Financial Advisor at the age of 22 was a positive one for me, setting the basis for sound commercial awareness, customer service and self-discipline. I went on to manage a business for Bank of Ireland, before switching to a career in HR, a discipline I worked hard to master and served in a number of senior HR management positions through my career. I also ran my own business for a time and developed a career in academia, all before taking up my current position as Chief Executive of Skillnet Ireland.

You joined Skillnet Ireland as Chief Executive in 2016 and since this time, the structure of and messaging from Skillnet Ireland has changed. Were you brought into Skillnet Ireland to bring about this change or was this something you instigated?

Probably a bit of both. Skillnet Ireland is a unique organisation in so many ways. We sit neatly between industry and Government, leading a partnership of 70 enterprise bodies, providing talent development and upskilling to 15,000 businesses and 60,000 workers throughout the country every year. What attracted me to the role was the immense pent-up potential of a Government agency that puts businesses in control of the process, and one that fosters a networked approach that leverages Ireland's open culture of collaboration.

Working in deep collaboration with our industry partners, including CPA Ireland, we have developed our organisation substantially since 2016, investing €140million in Ireland's workforce during this period, and delivering some of the most innovative workforce development initiatives ever seen in Ireland.

Can you give some insight as to what the catalyst was for this change?

When you think about it, technological advances, globalisation, climate action and an array of competitive forces are combining to disrupt the workplace to an extent that is unprecedented in history. Powered by AI, we are seeing technology performing ever more complex tasks that were once thought to be the sole domain of humans. Some jobs are disappearing entirely, but new technologies are also unlocking enormous potential within businesses, bringing new jobs, many of which never existed previously. We are also seeing the very nature of employment itself being redefined, with the rise of the gig economy, portfolio careers, virtual and remote working, and extended working lives.

Turning specifically to Ireland, there are multiple challenges now facing businesses here, not least of which are the complexities arising from Brexit. As our labour market continues to tighten, businesses are confronted with acute skills shortages in ICT, engineering, science, construction, healthcare and financial services among others.

Ireland's foreign direct investment (FDI) model has never been in a position of greater challenge. The trend over recent years is for countries to reduce their headline corporation tax rates.

To remain competitive, we must boost the other pillars of Ireland's FDI proposition, particularly talent. The issue of small and medium enterprise (SME) productivity is also a growing priority area with several national and international reports expressing concern around the productivity levels within our indigenous SMEs. Finally, to the most pressing issue of our time; climate change and the implications for businesses and workers as Ireland transitions to a low carbon and environmentally sustainable economy.

For our businesses and workers to adapt to this new world, and for our enterprise base to thrive and to prosper, a major shift in the intensity of talent development and upskilling is now urgently needed. The work of Skillnet Ireland is deeply rooted in all of these challenges and they serve as a catalyst for ongoing change in our organisation.

What were the biggest challenges in implementing the changes and how did you overcome these challenges?

A challenge for a comparatively small Government agency is to make your voice heard. In many ways I am fortunate in this regard because Skillnet Ireland has such a powerful story to tell. The agency has been recognised as an international best-practice model by the EU Commission, the OECD and the ILO, among others.

Yet, that message hasn't always cut through to the domestic audience. For us, the job of good 'storytelling' is vital as each year we must successfully navigate an intensely competitive funding process.

Skillnet Ireland operates on a cost sharing basis with businesses, so the investment we secure from Government is effectively doubled.

However, the work of convincing businesses to continuously invest in their people can sometimes be an uphill battle, and understandably so, as business owners are distracted by a multitude of issues. Yet again, this points to the importance of promoting the benefits of workforce development so that we can engage enterprises that are not investing sufficiently in their workforce and that are vulnerable to economic shocks.

We ourselves have invested heavily in our brand strategy and our marketing and communication activities in recent years, and we will continue to do so. At Skillnet Ireland we are building a world class enterprise-led organisation to help prepare Ireland for the future of work. We are ambitious for Ireland. We are ambitious for Irish businesses.

With over 60 distinct Skillnet Ireland Networks nationwide, how did you go about helping these networks through the changes?

Ireland's enterprise base is fortunate to be effectively served by well-organised industry clusters, sectoral associations, employer bodies, Chambers of Commerce and enterprise-led regional development associations. These bodies and their Network Managers form the core of Skillnet Ireland. 630 industry leaders serve on Skillnet Steering Groups up and down the country, volunteering their time, energy and expertise in service of both their sector and the national interest. In many ways we 'lead from behind' - yes, we create the framework, design the supports and provide the funding, but it is these bodies and their talented and committed people that make it happen.

What is the most important business lesson that you have learned in your career to date?

I think it is the value of self-awareness and reflection. Thinking about 'what worked well, what didn't work well, what have I learned and what will I do differently'. But this thinking should also be applied to the world around us - to be curious about that world, to ask questions and investigate things, and importantly to challenge our assumptions and 'norms', particularly when it comes to people.

The best advice that I have been given through the years has always been about perspective. Work and career, although important, are but just one aspect of our lives. If we centre our lives around career too much, I think in the long term this will not produce good outcomes for us. I try to be grateful for the past, enthusiastic for the present, and optimistic for the future.

To date what has been your career highlight?

I'm still chasing it!

Artificial Intelligence is the next leap for Accountants. Is this a theme that you see coming into all industries and careers?

Disruptive technologies like artificial intelligence and automation will dramatically affect how we work and the jobs we do. OECD analysis suggests that 14% of jobs in OECD member countries have a high probability of being automated and, on average, as much as 40% of jobs could be significantly impacted by automation over the coming years. Also, PwC research has stated 85% of CEOs from around the world expect their commercial landscape to change as a result of AI.

The accountancy profession is no different, and in some ways is on the front line of AI. Throughout history automation has brought both a downside and an upside: jobs have been lost to technology, but new growth has been unleashed. What unites these is of course upskilling. Accountants should embrace these new technologies, learn how to work with them, and re-train where necessary. From this, new value and new opportunities will be created for the profession.

Within this context, it was particularly pleasing to see the work of CPA Ireland Skillnet and CPA Ireland recognised by peers on a European stage for a Digitalisation Award and I applaud the ongoing work of CPA Ireland Skillnet in transforming workforce upskilling and development within the Accounting profession.

What advice would you give to aspiring leaders today?

I think leaders sometimes can get tangled up in their own organisations, particularly in large companies. I think it's vital to be outward looking. You can be very successful and good at what you do, but without building relationships or an outside network you will struggle to advance a career or grow a business.

UPS GLOBAL ACCOUNTING CENTRE DUBLIN

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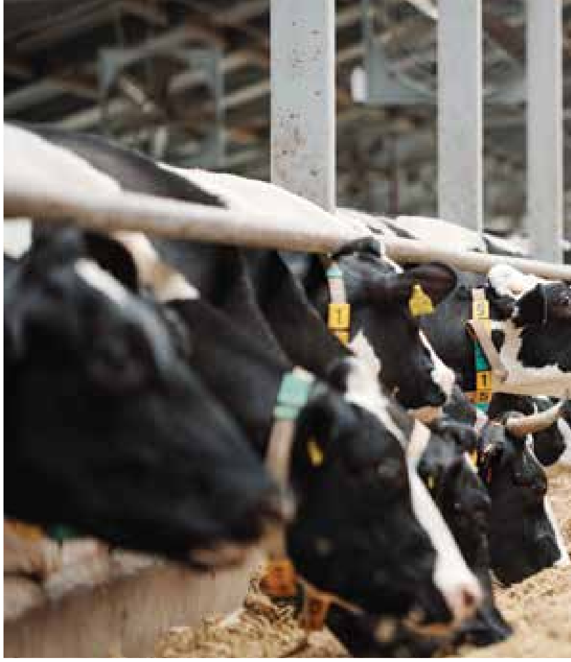
For more information and to apply for this position e-mail Lynsey Cummins at lynseycummins@ups.com

Making the Agribusiness Tick

by Brendan McGowan

In this article, Brendan McGowan explores the factors that make the unpredictable agribusiness sector tick.



To comment or write about the agribusiness sector in Ireland now is almost impossible without referring to the topic that has consumed us all for the past three years – Brexit. As I write this just now, I see on RTE news the British MEP's saying farewell in the parliament chamber, as our own Mairéad McGuinness, vice president of the European parliament, ensures that their exit from the chamber is not disorderly. Thankfully, for now, it would appear that the shape of the final withdrawal and subsequent trade deal should largely preserve the status quo for agribusiness on this Island. So, putting Brexit aside, let's look at what and who makes this business tick.

Agribusiness in Ireland is a fascinating, diverse and unpredictable sector to work in and extremely rewarding and satisfying when the influencing factors that dictate the outcomes are aligned. When those factors go askew then it can be frustrating, extremely trying and have serious impact on individuals and businesses alike.

Weather: Every single agri-product has its origins in the land. The land on this island, when tended to properly, is fertile and ideal for the growing of grass. This grass is an extremely important asset to the agribusiness sector as it provides an affordable feed alternative to manufactured feed for livestock in the dairy and beef sector. This is very much dependant on the weather patterns behaving in an expected fashion. In recent years, 2013 and 2017, a long and exceptionally wet winter and the late onset of Spring has caused two major fodder crises with the resultant cost to the farming community estimated at €500million in 2013 alone. Although weather disruptions have occurred in the past, the frequency of recent events brings climate change challenges that the farming community will need to adapt to.

Farm Incomes: The farming community is a mixture of part-time and full-time farmers. In the Republic of Ireland there are circa 137,000 farmers with less than half of these farming full-time. The dairy sector would have the highest proportion of full-time farmers with the beef, sheep and tillage sectors having a higher part time representation. Whilst many of the part-time farm activities may show a modest income, when examined in detail a high proportion of these are actually loss-making enterprises. Virtually all of these farms and families are sustained by off farm incomes. Almost 40% of the farmed area in Ireland falls into this category. This certainly isn't sustainable into the future and new and innovative thinking must be applied here to deliver a more sustainable use of this fragmented and large area of farmland.

Most Recent breakdown of farm holdings (Source – CSO)

Size	Holdings Total	Output Total	Farmed Area
Very small	32%	3%	11%
Small	33%	11%	26%
Medium	15%	11%	19%
Large	8%	13%	15%
Very large	12%	62%	29%

The large and very large categories are primarily made up of dairy farmers. The average income in these enterprises/businesses can vary from around €50k to €70k+, depending on the cent per litre paid. Around 85% of our dairy output is exported so a small movement in global dairy supply and demand can have a big impact on dairy farm incomes.

Just in the region of 20% of all farm holdings would fall into this earning bracket.

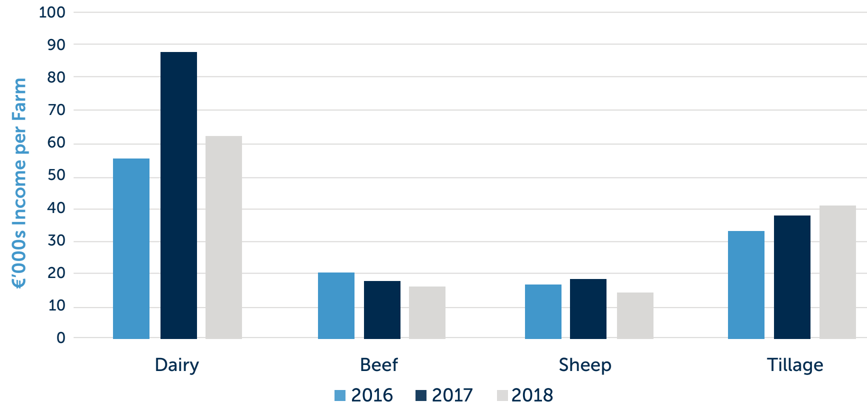
Factors affecting supply

- Weather
- Milk price (the higher the farm gate milk price the more milk farmers will produce)
- Milk price to feed cost ratio (big factor in the US were a lot of grain is fed)
- Regulatory restrictions (Environmental quota e.g. Holland)

Factors affecting demand

- Price of dairy commodities (high prices result in substitution thus eventually reducing demand)
- Oil prices (a big factor for oil exporting nations who tend to be big dairy importing nations)
- Economic health of importing nations
- Move towards western diets in Africa, Asia and the Middle East
- Inventory levels of dairy commodities
- FX (a weaker US Dollar tends to stimulate demand as the Dollar is the currency of trade for Dairy)

Average Farm Income by Sector



Source: www.agriculture.gov.ie

Number of Farms by Age of Farm Holder, 2013 - 2016				
	2013		2016	
	000s	%	000s	%
35	8,200	5.9%	7,400	5.4%
35-44	22,800	16.4%	21,400	15.6%
45-54	34,800	25%	32,500	23.7%
55-64	35,600	25.6%	34,700	25.3%
>65	37,700	27.1%	41,200	30%
Total	**139,100**	**100%**	**137,200**	**100%**

Source: www.agriculture.gov.ie

The beef sector exports almost 90% of its total output and Ireland is one of the largest exporters of beef and beef products globally. We have experienced recently a mini revolution in this sector by the beef producing farmers, with meat processing plant boycotts and tractor protests at retail distribution centres and on Dublin city streets. The representative bodies in this sector say the farmers are getting too small a share of the profit margins from the food chain. This is very difficult to dispute. We in Ireland pride ourselves on the quality of our beef and we've often heard it said that an Irish steak is the best in the world. Why then would UK and other EU countries have, over the years, paid a higher euro per kilo to their producers than has been received by beef farmers here in Ireland. A radical root and branch analysis of this sector is urgently required to ensure its sustainability into the future. This must include farmers, processors and retailers.

Many farm enterprises in Ireland are heavily dependent on direct EU support and were that to be stripped away most of these farms would not survive. The Common Agricultural Policy (CAP) was introduced to guarantee farmers a price for their produce and protect from cheaper non-EU imports. The recent Mercosur trade deal between the EU and four South American countries, Brazil, Argentina, Paraguay and Uruguay is viewed by farming organisations here as a major threat to the beef sector and a deviation from the original values of the CAP. Whilst there will certainly be some impact on our beef trade, I believe the quality of our beef and the regulations surrounding its production will largely negate the impact of lesser quality imports.

Across all farming sectors the average farm income in 2018 was just over €23k. This is a shockingly low figure but given the part / full-time nature of the sectors and the diverse activities per sector this might not be a useful measure. It is nonetheless a standout number and should raise some eyebrows. A deeper and more in depth analysis of farming statistics can be found at https://www.teagasc.ie/media/website/publications/2019/NFS-2018_final_web.pdf

Another area of concern in agribusiness and farming life would be the age profile of our farmers. The total number of farm holders in Ireland is around 137,000 of which 32% or 45,000 are over the age of 65. This percentage is higher in western and border region areas. The total number of young farmers fell from just over 10% in 2005 to 6.1% in 2015. These numbers relate to farm holders with the farm in their name. There would however be other trained young farmers working on family farms where the holding remains in the parents' name. Nonetheless the drop in a decade is concerning as it appears the lifestyle for many doesn't present itself as a viable option.

There is one area that will have a major impact on agribusiness and farming practices in the coming decades – Environmental concerns. In Ireland the agriculture sector is directly responsible for 32% of the national greenhouse emissions. This comes in the form of methane from livestock and nitrous oxide from the use of nitrogen fertiliser and manure management. These emissions are accountable under the EU Effort Sharing Decision and are included in Ireland's target reductions for 2020 and 2030.

There are huge challenges ahead in decoupling food production from GHG emissions. Since the removal of milk supply quotas a few years ago the national dairy herd has increased, and this presents a real challenge to the achievement of the set target emissions reduction. The way we produce our food and farm the land will undoubtedly change and adapt over the coming years. The farm holders and associated food businesses will play their part in all of this which needs to be assisted by sensible support schemes from national and EU government levels.

Despite all of these challenges, the future I believe is largely positive. The agribusiness sector is extremely important to Ireland's economy and with careful management and a positive outlook it will continue to be. The agri-food sector exports over €15billion annually, almost 10% of Irelands total exports and employs over 10% of Ireland's workforce in inputs, processing and marketing. In terms of food we are largely self-sufficient which allows us to export 90% of our produce globally to places where supplies are uncertain.

I have worked in the agribusiness sector all my working career and have seen many changes and challenges, from the introduction of milk quotas, CAP reform, severe weather events, foot and mouth disease and now Brexit. We have come through all of this largely unscathed and with an enhanced reputation globally in the food produce sector. What makes this business tick are the people and most especially the farm holders.

I am of that community, having been born into one of those very small farm holdings in the west of Ireland in the early 1960's.

We had a household of 10 people – my grandparents, parents, 5 siblings and me. We were never cold or hungry. The farm, 35 acres, was run like a business and the timing of produce and incomes was orchestrated to ensure throughout the year we were always sufficiently catered for. No need for intricate budgets or future forecasts, the business knew instinctively the skills of survival and those skills are alive and well in the farming community of today and will survive and thrive into the future.

Brendan McGowan

Head of Finance, Agribusiness at Aurivo Co-op Society Ltd

Going, going, gone...

by John McGrane

John McGrane examines what it might ultimately mean for how businesses operate and trade following Brexit.

At 11pm GMT on Friday 31 January, the UK formally left the EU. While there has been little change for consumers and businesses thanks to the transition period and the temporary standstill for trading arrangements between both parties; the UK is no longer part of the EU and its institutions and has relinquished all formal representation in the EU decision making rooms of the European Council, Commission and Parliament.

This historic moment marked the end of 47 years of UK membership of the European Union, nearly four years of uncertainty since the referendum vote and just under three years of negotiations.

While many businesses are relieved to see an orderly withdrawal for the UK under the arrangements negotiated in the Withdrawal Agreement, businesses really shouldn't be complacent about Brexit and what it might ultimately mean for how they operate and trade.

The Withdrawal Agreement is only a stepping-stone towards the much more important future trade talks. It is these talks that will ultimately decide how businesses across these islands interact and trade with each other over the longer term. While the Protocol for Northern Ireland / Ireland provides some clarity for trade arrangements on the island of Ireland, the future of East- West trade is still far more uncertain.

This is hardly surprising as East-West trade between Ireland and Great Britain has always been viewed as a phase two issue both by the Irish Government and the European Commission. While future trade arrangements have somewhat seeped into the ph[illegible] withdrawal talks, it has only ever been in relation to how trade interacts with border arrangements in the context of the border on the island of Ireland.

As a result, our only indication of how future trade might be managed is what is included in the Revised Joint Political Declaration and from what has been said by leaders and negotiators from both sides. While the updated Political Declaration remains ambitious in its scope and breadth, it includes some revisions that significantly point to a more distant relationship between both parties than what was envisaged by the current UK Prime Minister's predecessor.

Separately, talk of non-alignment and not agreeing to level playing field provisions sets the scene for what will be very difficult negotiations to be completed in an unprecedented amount of time.

Since the New Year, the British Irish Chamber of Commerce has been engaging extensively with stakeholders and decision makers from both the UK and EU in advance of the publication of negotiating mandates. Insight from these discussions will provide little comfort to those businesses interested in maintaining close business and trade links with the UK after Brexit.

Discussion with contacts from the EU suggest that given the end of year deadline and public statements from UK Government Ministers regarding non-alignment, the best that can be hoped for is a bare-bones free trade agreement (FTA) for the trade of goods and with little to offer in [illegible] Even on the [illegible]-tariff [illegible]nt [illegible] Field provisions – something the UK Government has already indicated it will not agree to.

On the UK side, there has been a dramatic change in Westminster as opposition MPs, backbench MPs and external stakeholders all get used to working with a Government that has a substantial and stable majority. It is currently expected that the UK will not ask to extend the Transition / Implementation period and that Customs Union and Single Market membership will therefore end on 31 December 2020.

It is being suggested that by the end of the year the UK and EU will have some level of FTA in place and that new contingency arrangements (transition by a different name?) will come into play for the detailed needs of sectors where negotiations are still ongoing. This view is in contrast to statements made by the Taoiseach that specifically ruled out a piecemeal trade deal between the UK and the EU.

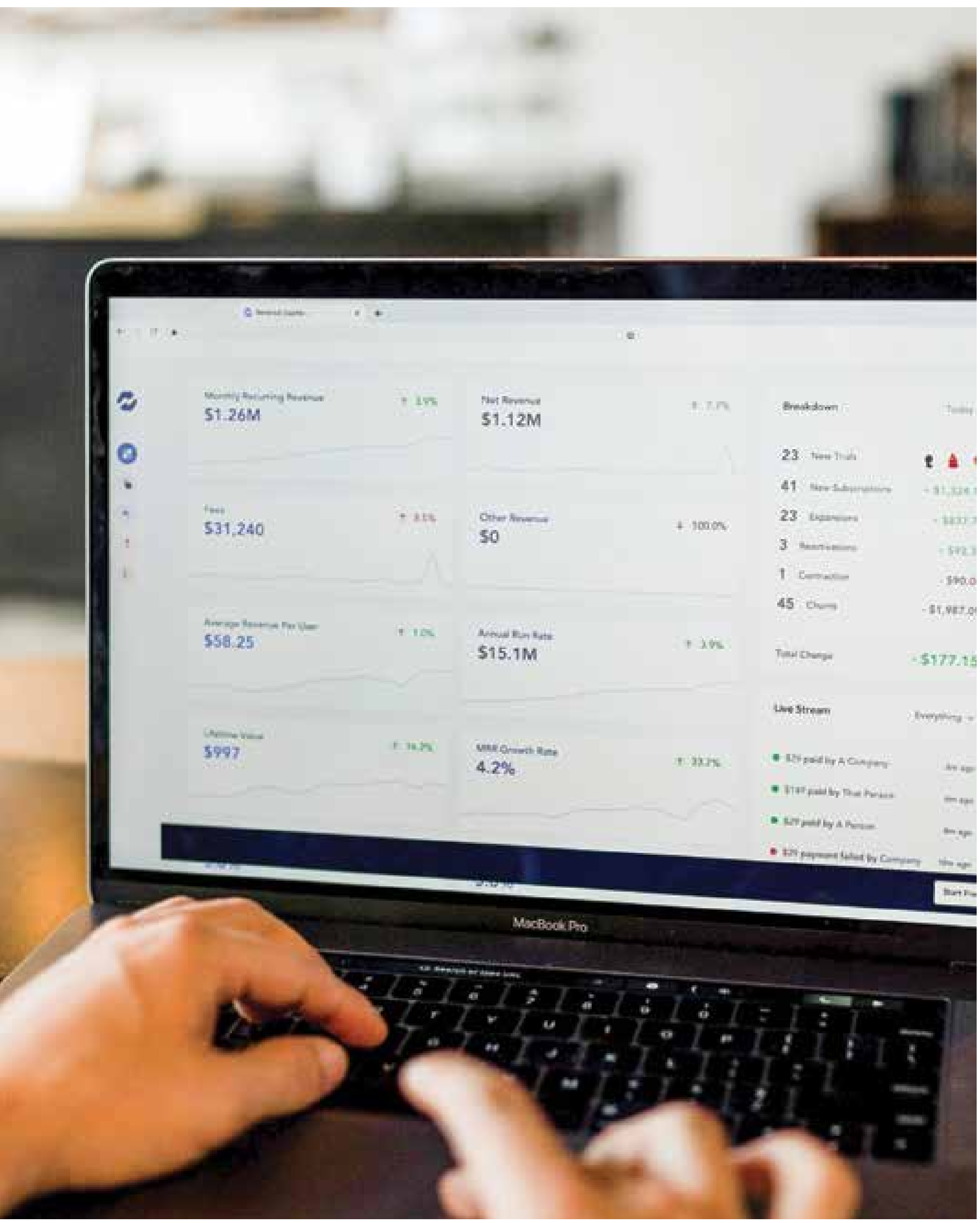
What this means for businesses is that plans, and preparations need be made and maintained for a significant change to trade between the UK and EU. If an extension to the Transition Period is not agreed by 1 July and if a FTA is not agreed by the end of the year, then trade between the UK and EU will be on the world trade organisation terms – an outcome similar to a 'no deal' Brexit but with the Protocol arrangements kicking in for trade on the island of Ireland.

If, on the other hand, a bare bones FTA is agreed between the UK and EU, **there will still be significant challenges for business** and the reality may feel a lot like the above scenario. This outcome would involve the complete introduction of customs controls and paperwork for trade, possible regulatory checks on goods, significant changes for the trade in services and potentially the re-introduction of tariffs and quotas. It's really important for businesses to note that even if a tariff-free and quota-free FTA can be agreed in relevant goods sectors, there will still be a need for checks and controls on East-West trade regarding rules of origin, SPS etc.

Anything better or more comprehensive than the above will require a political shift from both sides of the negotiations.

Getting a deal agreed by the end of the year is a tall order on its own. Adding in the need to operationalise the Protocol and to build up domestic regulatory capacity in the UK for areas previously under EU control, the task soon looks Herculean.

However, there is hope that now the UK is no longer an EU member, a more practical approach will emerge from both sides that will take account of legitimate business interests and concerns. Both the UK and EU have yet to finalise their negotiating mandates for the next round of talks so there is still an opportunity for business to influence the direction of the next phase.



The British Irish Chamber of Commerce will continue to positively input ideas and solutions into the debate. To this end, we began the year by publishing our How to Make Brexit Work for All Part 2: Signposts for Services paper, which highlights the potential disruption that services trade might face and provides a roadmap for negotiators to achieve an unparalleled deal that gives effect to the ambition stated in the Joint Political Declaration such as the mutual recognition of professional qualifications and the granting of an adequacy decision to the UK regarding data flows, which are crucial to continuity of key services trade after this year.

In the meantime, **businesses must continue to prepare** to ensure they are able to continue to do business and trade in any scenario that might emerge over the coming months. The Chamber will continue to support its members over this period, and we welcome engagement from businesses on all issues relating to the future trade talks.

To input into this process, please email paul.lynam@britishirishchamber.com.

John McGrane,
Director General, British Irish Chamber of Commerce

John McGrane is Director General of The British Irish Chamber of Commerce, a private sector organisation which he co-founded in 2011 to represent businesses with interests in the two islands and their economies. He is a retired financial services professional having completed a 40-year career with the Royal Bank of Scotland / Ulster Bank Group in Ireland.

Taxation News

Revenue Publishes Headline Results for 2019

The Revenue has published preliminary headline results for 2019 including tax and duty collected, services provided to customers, timely compliance rates, and yield from a range of compliance and enforcement interventions. Data arising from the successful reform of the Pay As You Earn (PAYE) system and Revenue's support for preparations by trade and business for Brexit were also published.

The preliminary results tell us that Revenue collected €58.4 billion in taxes and duties, income tax was the highest followed by VAT and Corporation Tax. The Revenue collected €15.5 billion for other Departments and Agencies including €12.244 million on behalf of the Department of Employment and Social Protection and Local Property Tax of €473 million on behalf of Local Authorities.

During 2019 the Revenue completed over 567,000 compliance interventions with a yield of €547 million. High levels of compliance were maintained, with 98 percent timely compliance for large and medium taxpayers and 89 percent for others.

The full 2019 headline results including a results infographic can be viewed at www.revenue.ie.

Membership Fees paid to Professional Body by an Employer – Tax Treatment.

In January 2020, Revenue updated the Tax and Duty Manual (Part 05-02-18) https://www.revenue.ie/en/tax-professionals/ebrief/2020/no- in relation to deduction of expenses in respect of annual membership fees paid to a professional body by an employer in respect of an employee.

The updated manual includes the already established guidance – that for a deduction to apply the expense must be wholly, necessarily and exclusively incurred in the duties of his/her employment. Where membership fees meet these criteria, the payment may be made by the employer without deduction of income tax, PRSI or USC.

Prior to this update Revenue were guiding that the following circumstances would be regarded as meeting the required criteria:

1. Where there is a statutory requirement for an employee to be a member of a professional body.
2. Where statutory provisions restrict the ability of an individual to fulfil the full duties of an employment unless s/he is a member of a relevant professional body.

Revenue, in the latest update have added two new circumstances where such expenses may be regarded as meeting the wholly, necessarily and exclusively test, i.e.

1. Where annual professional membership fees are commercially necessary.

Examples provided by Revenue include:

a. where failure for an employee to hold a professional membership (or a practicing certificate) would invalidate the employer's indemnity insurance policy; and

b. where failure would prevent potential customers from doing business with the employer.

2. Where being a member of a professional body is an indispensable condition of the tenure of the employment.

To meet this test, all the following conditions must be met:

a. The duties require the exercise of the occupation/profession to which the membership fee refers;

b. The employee actually exercises or practices the relevant profession; and

c. Membership of the professional body is an indispensable condition of the tenure of the employment.

In relation to the last condition, Revenue provide indicators which would suggest the condition is met – and more than one indicator should be met to qualify.

The indicators are:

a. If the requirement is included in the relevant employment contract;

b. If all staff in the same role are required to hold the particular membership (or certificate);

c. If the staff member would be dismissed or transferred if s/he:
   a. Did not acquire the membership (or certificate)
   b. Did not hold such membership (or certificate)
   c. Failed to maintain the membership (or certificate).

d. If job advertisements for the same role require the membership (or certificate) to be held.

Members are reminded that generally Revenue will only allow one membership subscription per individual to be allowed as a deductible expense.

Changes to USC Threshold as a result of the increase in the National Minimum Wage

As a result of the decision in December 2019 to increase the National Minimum Wage, Minister Donohoe has announced a consequential change to the USC threshold which will see the current ceiling of the 2% rate raised from €19,874 to €20,484.

The change will be legislated for as part of the Finance Bill 2020 through amending Section 531AN Taxes Consolidation Act, 1997. In the interim, the Revenue Commissioners have agreed that this will be implemented on an administrative basis for the 2020 tax year.

Although the purpose of the change is to ensure that minimum wage workers receive the full value of the national minimum wage increase, all individuals with income over €19,874 will benefit from the measure as they will have more income subject to the 2% rate rather than the 4.5% rate.

The maximum benefit per person is €15.25 per annum or 29c per week.

Source: gov.ie

Highlights from Revenue's Statement of Strategy 2020- 2022

by Mairéad Hennessy

Mairéad Hennessy gives a review of the Revenues Statement of Strategy 2020-2022 which was announced in December 2019.

The Irish Revenue published its' Statement of Strategy 2020-2022 last December setting out its objectives for the three years ahead and reflects Revenue's Mission Statement, Vision and Core Values.

The Statement is centred around Revenue's twin strategic pillars of Service for Compliance and Confronting Non-Compliance. Revenue commits to implementing a range of measures across these two pillars, namely:

Secure Compliance by Design and Excellent Service

Revenue states that it will continue to minimize opportunities for non-compliance and identifies the exploitation of technology as playing a key role, for example, the use of pre-populated tax returns. Revenue commits to expanding real-time reporting of taxes and duties and will continue to explore opportunities to work with customs agents and intermediaries to improve compliance.

Enhance its Risk-focused Approach to Compliance

Revenue states that it will continue to implement tailored approaches to taxpayer segments in order to reduce risk and support compliance. Specifically, Revenue commits to reducing the compliance burden on taxpayers with small amounts of self-assessed income.

Revenue will refine its range of intervention types to ensure maximum effectiveness in tackling non-compliance and strengthen its use of data analytics and intelligence to better target risks in duty tax evasion, fraud, organized crime, drugs, illicit trade and smuggling.

Work with Partners to Meet International Challenges

Revenue commits to continue working with Government Departments and other State agencies to manage the impact of Brexit. Specifically, Revenue commits to implementing customs controls that will manage compliance risks but also encourage legitimate trade and support business.

Revenue will work with the Department of Finance on proposals by the EU and OECD to address the tax challenges of digitalisation and international taxation. As part of this, Revenue commits to working to protect Ireland's reputation and minimize the compliance and administrative burden on taxpayers.

These measures will be implemented through Revenue's people and its structures and Revenue commits in its strategy to continuing its investment in its people and IT capability.

Final Comment

In recent times, Revenue has experienced very strong returns on its investment in technology. In 2018 it carried out 10% fewer audits than in 2017 yet its 2018 activity generated a 25% higher yield compared with 2017. By increasing its technology capability to leverage the power of the third-party data, Revenue is in a stronger position to identify potential tax underpayments and fraud.

Mairéad Hennessy,

Mairéad is founder of Taxkey, a specialist practice providing virtual tax partner services to accountancy firms around Ireland.

PAYE Modernisation – One Year On

by Sinead Sweeney

Reporting arrangements for PAYE came into operation on 1 January 2019, representing the most significant reform of the administration of PAYE since its introduction in 1960. The changes mean that every time employers pay their employees; they report the pay and statutory deduction details to Revenue as part of the payroll process.

The co-design approach for the new system saw Revenue engage extensively with employers, payroll professionals, tax practitioners, tax and accountancy bodies, business representative organisations and payroll software developers. As a result, real-time PAYE reporting is seamlessly integrated into the payroll system, bringing significant streamlining of business processes and a reduction in administrative burden and costs for employers. The co-operation of the various stakeholders in collaborating with Revenue to deliver PAYE Modernisation was central to the success of the project.

The extensive engagement and communications initiatives adopted by Revenue helped to ensure that the vast majority of employers and payroll service providers were prepared for the go-live and successfully integrated the new reporting requirements into their processes. Revenue fully acknowledges the efforts made by employers, agents and other key stakeholders to implement the new arrangements.

Legislation

The introduction of PAYE Modernisation required significant changes to the PAYE legislation. The Revenue Payroll Notification (RPN) replaced the P2C. The RPN is only valid for the tax year that it is made available and employers must always use the latest RPN. Payroll submissions must be made on or before payment to employees. A monthly statement is made available by Revenue on the 5th of the following month, making a return statutory for each month. The statement is then deemed a return by the 14th of that month, whether an employer has amended, accepted or done nothing with the statement. A variable direct debit option was introduced to facilitate streamlined payment processes in line with the reporting processes. The employer 'P' forms, including P30s, P45s, P35s and P60s, were abolished to provide significant time savings for employers.

Statistics

For 2019 there were 8.4million RPN requests, with approximately 6 million successful payroll submissions having been successfully filed for over 2.9 million employees.

These figures encompass a range of payroll sizes from the largest employers in the State to sole traders and micro-businesses.

Enhancements to online services for PAYE customers

To ensure our customers benefit from real time information, Revenue continues to make enhancements to its online services.

Recent enhancements to our online service, myAccount, allow customers to:

- View their pay, tax, USC and PRSI details as reported by their employer;
- Provide a secure document as proof of income to 3rd parties;
- Claim an unemployment repayment;
- Update their civil status; and
- Upload supporting documentation for a claim.

From January 2019 to December 2019

€98 billion
Total Gross Salaries

6m
Completed Submissions

€81 million
Payslips Received

2.9m
Number of Employees Reported

181k Number of Employees Reporting

0.5 seconds
Average response time to payroll software

294
Submissions Received on Christmas Day

Pay and Tax Summary

This online service allows customers to create a password protected document summarising their pay and tax details. This allows customers to manage access to their information. Customers can securely transfer a summary electronically as proof of income to any person or body, such as a financial institution, a solicitor or Local Authority. It can be used for the purposes of applying for a loan, mortgage, grant or similar applications.

The summary document can include one or all of the following:

- Pay and tax details for the current year to date.
- Full details of payments received from an employer(s) for the last 1 – 3 months.
- End of Year Statements (P21s) for the last four tax years.

Customers can select the information they wish to include.

Employers are reminded that the quality of the data which is reported to Revenue should be accurate and timely. 2019 data can be viewed by employees and will be included in an employee's End of Year Statement. Financial institutions will also rely on this data as proof of income.

Employment Summary Detail (P60 Replacement)

One of the benefits for employers as a result of PAYE Modernisation is that they are no longer obliged to provide employees with a P60. Since 1st January 2020, employees can access an Employment Detail Summary through 'PAYE Services' in myAccount. This summary replaces the P60 and contains details of pay and statutory deductions for each employment or pension held during the year. It can be either downloaded or printed and used where proof of income is required by a third party in the same manner as the P60 was previously. Since 1st January 2020 approximately 50,000 Employment Detail Summaries have been viewed and created.

Statement of Liability

A Preliminary End of Year Statement has been made available to all PAYE customers from 15th Jan 2020. This statement will be based on the income and statutory deductions reported by employers/pension providers and any other income known to Revenue. It will indicate whether the customer has paid the correct amount of tax for the year. If a customer wants to receive their Statement of Liability, make additions, amendments or corrections to the information included on the preliminary statement, he/she must complete and submit an online Income Tax Return. To date over 350,000 have been submitted and completed successfully.

Requirements in a week 53 scenario

Employers should indicate on each payroll submission the expected number of pay dates for that year. Section 480B, Taxes Consolidation Act 1997 provides that in a week 53 scenario specified tax credits will be increased by 1/52. The data reported by employers on the payroll submission will be used in the calculation of each employees Statement of Liability. Employers must therefore ensure that the information reported is correct throughout the year. Where an employer changes pay dates during the current or previous year, the employee will not be entitled to the additional 1/52 of the additional tax credits or rate bands.

Section 985B

Section 985B, Taxes Consolidation Act 1997 allows employers to make a PAYE settlement of the tax on non-cash benefits provided to employees on condition that the benefits are minor and irregular.

Where the conditions for operation of this section are satisfied, a new payment facility is now available to employers in ROS, once the settlement has been approved by Revenue.

Transitioning from 2019 to 2020

Revenue Payroll Notifications (RPN) for 2020 have been available for download by employers from the 5th December 2019. It should be noted that a 2019 RPN must not be used in 2020 in accordance with the Income Tax (Employments) Regulations 2018.

RPNs should be requested for all employees under each employer registration number for 2020. Where there is no RPN available, the emergency basis must be operated.

It should also be noted that payment dates for 2019 and 2020 must not be included in the same payroll submission. Payment dates for different years must be made in separate payroll submissions.

Changes and Tips for 2020

Acting on feedback received from employers and agents, from 2020 onwards, Revenue will mark RPNs for employees that have ceased employment when returning all RPNs. This means employers can distinguish which RPNs are for employees no longer in the employment and which ones are for employees who are still employed with them.

Employers should note that employment IDs should not be changed from one year to another. Employment IDs assigned in 2019 remain the same for 2020.

It remains the employer's responsibility to inform Revenue when an employee commences in their employment. If it is the employee's first employment in the State, they are required to register with Revenue in advance of commencing employment. The employee should use the 'Jobs and Pension' facility in myAccount to register.

Further information on these changes can be found on www.revenue.ie/en/employing-people/paye-modernisation/index.aspx

Sinead Sweeney,

Sinead is the Change & Communications manager for the PAYE modernisation project. Sinead is a qualified Revenue professional with over 20 years tax experience. Prior to this role Sinead was the PREM audit manager for LCD with responsibility for audit and compliance across the division. She has extensive experience across diverse functions within the Revenue organisation.

Ireland's Corporate Tax System

by Peter Reilly

In this article, Peter Reilly examines why corporation tax receipts are so high, and whether this is sustainable.

Ireland is stuck in a comical paradox at present and I must admit that if I was an official on Merrion street I'd be pulling my hair out when wading through the commentary proffered on our corporate tax system.

If you were to believe certain commentators, we are collecting too much and too little corporation tax all at the same time!

Ireland is accused of being a location in which Multinationals can operate without paying any tax and yet simultaneously Ireland is overly reliant on buoyant corporate tax receipts which are unsustainable - therein lies the paradox of current public perception.

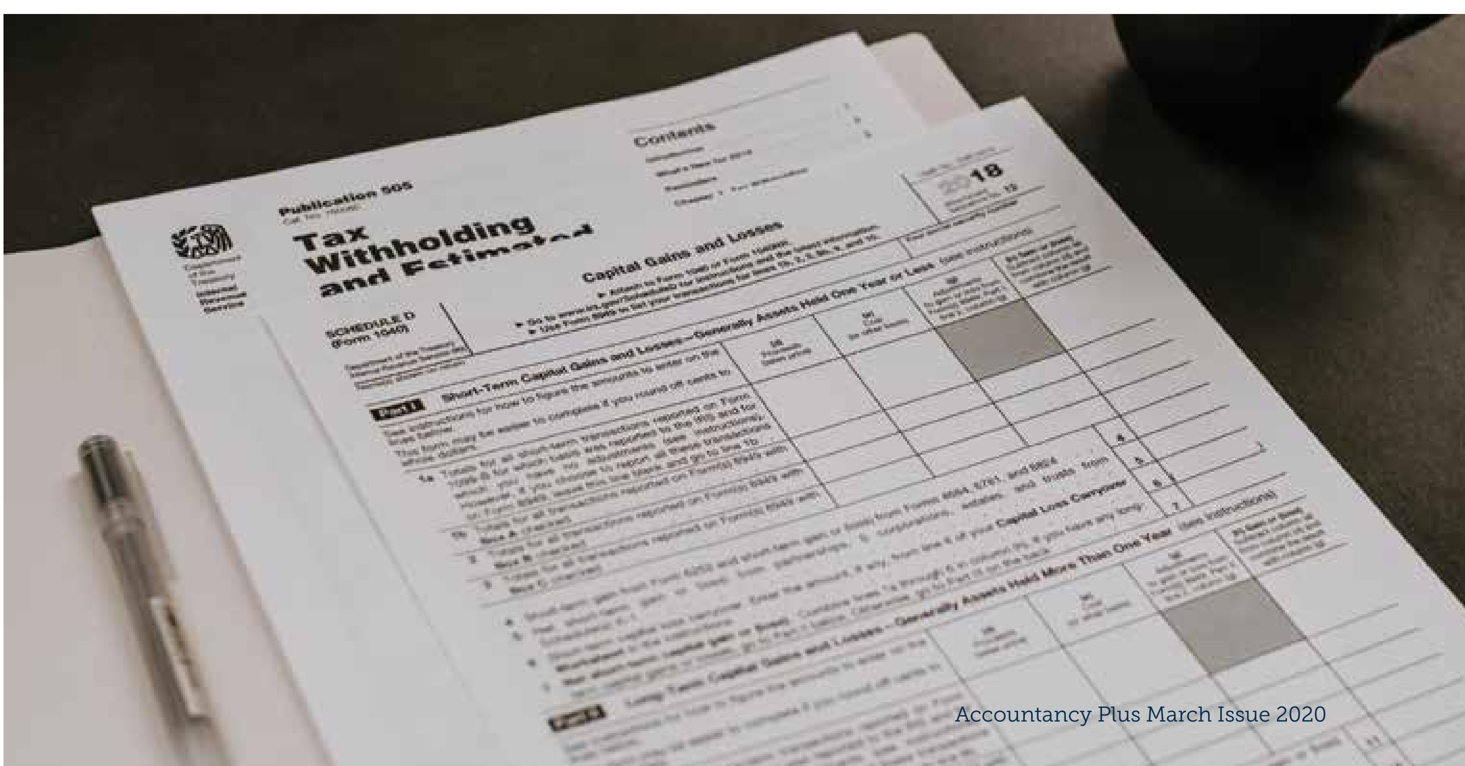
So why does Ireland get such bad press? To use a very Irish phrase, in my opinion, it's tall poppy syndrome. Ireland made an inspired decision many years ago to move from an incentives-based system to one which offered a low tax rate to all corporates, albeit on a wider base.

The intervening history tells us that this was a clever move and indeed has been copied to a greater or lesser extent by most developed countries across the world which has resulted in a significant decrease in average corporate tax rates across the OECD.

Right from the early years of this process, Ireland found that capital inflows would increase and that the "lost" revenue as a result of the rate drop was more than made up for by additional business being undertaken here. Crucially this system was also based upon substance and was not a "letter box" regime. Hence, if you were willing to invest in Ireland with substantive business functions and jobs then you were going to be able to achieve a low corporate tax rate on your Irish profits. Ireland has also been able to keep with the times and has tracked the global shift of jobs and labour, therefore the substance and functions in Ireland have risen up the value food chain as we have moved away from manufacturing towards Research and Development and Intellectual Property ("IP") exploitation. The success of Ireland's regime can be measured, from a Foreign Direct Investment perspective, by the fact that many non-Irish multinationals have their EMEA HQs based in Ireland.

This, however, hasn't gone unnoticed and it is has made us the envy of many of our European counterparts. Certain countries are uncomfortable with the idea that Ireland can attract this type of investment and that companies can book profits in Ireland for goods or services that are sold in their jurisdictions. This has been exacerbated by the digital age, but in reality, is this any different to catalog sales? – Albeit on a much larger scale.

Countries and commentators who are uncomfortable with Ireland's model cite past tax planning structures such as the double Irish (which will be officially closed for business from the end of this year) as the reason that Ireland attracts this investment.



They also argue that these structures mean that Ireland does not, in fact, tax profits of multinationals and that instead the profits lie untaxed in the sunny Caribbean islands. While there is no denying that the double Irish was indeed a structure that did allow multinational groups to place valuable IP in no- tax jurisdictions, this IP was never Ireland's to begin with and as such, why would Ireland have been entitled to tax these profits? Furthermore, the advantage that multinationals were able to take arose from a mismatch in rules between Ireland and the US and was not a specific provision designed by Ireland with this outcome in mind. Irrespective of this, Ireland came under pressure to change our laws to ensure that this structure was no longer able to be used and they did that in 2014 with a multi-year grandfathered period to allow groups the opportunity to transition.

If you believed that Ireland wasn't bringing any value to multinationals beyond this structure, then surely these changes would result in significant capital outflows from Ireland? Well that's not been the case. In reality, Ireland has seen a significant amount of that IP being brought "on-shore" with these groups choosing to "double down" on their Irish substance by further building on the significant functions which underpin this IP. Indeed the OECD's transfer pricing guidelines (which are followed by the majority of developed countries) ensure that the residual (or super) profits related to IP can only flow to jurisdictions that can demonstrate that they carry out all of the significant functions related to that IP – the so called DEMPE (Development, Enhancement, Maintenance, Protection and Exploitation) functions. In simple terms where Ireland doesn't carry out these functions, we can't keep the profits.

Hence, Ireland has seen a further increase in substance-based activity and has seen significant amounts of IP being brought here. This has resulted in increased profits (even though some of these profits can be sheltered by amortization of these assets) which has been one of the key drivers in Ireland's significant increase in corporate tax receipts.

So, in some respects Ireland has written the play book for using fair tax competition to attract investment. Ireland is following the OECD's rules emanating from the BEPS project. BEPS and closure of the double Irish has led to multinational groups seeking new homes for their IP and Ireland is getting a share.

So, what's the problem?

The first BEPS project was supposed to cure all the woes of international tax and while it was heralded for ensuring that profits had to follow substance, countries are now not so much looking at how much tax multinationals are paying, but rather where they are paying it. At the end of the day, as with every other international agreement, it comes down to politics and BEPS 2.0 is the embodiment of this political will. This project, again being run by the OECD, is focusing on giving more to market jurisdictions and trying to put a minimum tax concept on the international tax table. What will all of this mean for Ireland? That's the billion-euro question!

Ireland has outperformed corporate tax revenue targets consistently over the last number of years and the increases haven't been small. Can these be relied upon to last into the future or are they a temporary bonus? The answer will likely lie somewhere in the middle. As mentioned above, one of the fundamental pillars of BEPS 2.0 is to ensure that a larger portion of tax revenue is given to market countries. If this goes ahead, we could end up in a scenario where some of the tax revenues that Ireland currently enjoys are portioned out to market countries who buy the goods/services from the multinational groups based in Ireland. The devil will be in the detail here, but this represents a significant risk for Irish tax receipts. The second pillar of the BEPS 2.0 project is attempting to install a minimum tax rate on multinationals. As yet it's still unclear how this would operate but suffice to say that this could impact Ireland's competitiveness which could in turn result in a decrease in investment.

With these proposals on the table you'd be forgiven for thinking that Ireland should walk away but the strong answer from official Ireland is that we are in favour of a multilateral solution but that it must be a solution that does not impact on the sovereignty of individual states. Looking at the alternatives of unilateral action across the globe you would have to agree with the Department's stance. It would also appear to be better to be included in the discussions rather than not. However, the most intriguing aspect of the current debate, from an Irish perspective, will be whether our position on local and international tax remains the same after, what could be significant, governmental change.

As we (at the time of writing) face into uncertainty over which of the three main parties will be able to form a government after an extraordinary election, it will be interesting to see how the stated tax policies of the new coalition partners will transition into a program for government.

Through various Fianna Fail and Fine Gael governments Ireland has had a steady and consistent approach to tax policy for nearly 50 years. A left leaning new regime could shake this up and the impact on our corporate receipts, good or bad, will be closely watched as new policies begin to take effect.

Peter Reilly,
Tax Partner, PwC

In Practice News

IAASA publishes revised investigation procedures

IAASA recently published revised procedures governing the conduct of statutory investigations under Section 934 of the Companies Act 2014. The revised procedures, applicable to investigations initiated after 21 January 2020, should be read in conjunction with the Companies Act 2014 and set out how a Section 934 investigation will operate in practice.

FRC plan for greater regulatory oversight

The Financial Reporting Council (FRC) recently announced a major shakeup of its oversight and supervisory functions to speed up the pace of enforcement investigations. The FRC is also broadening its stated purpose to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them.

As part of its strategy for 2020/21 the FRC is seeking to make further progress in its transition to the Auditing, Reporting and Governance Authority (ARGA) as recommended by the "Independent Review of the Financial Reporting Council" by Sir John Kingman.

Ahead of wider legislative reform, the FRC plans to speed up the investigation and conclusion of enforcement cases by increasing the number of lawyers and forensic accountants and strengthening its case examination function to fast-track decisions on whether to open an enforcement case.

To improve coverage, the number of Audit Quality and Corporate Reporting Reviews is set to increase by 25%, while audit firm monitoring will be further expanded from the Big 4 to challenger firms. Oversight of Recognised Supervisory Bodies for Audit will also be increased, and initial steps taken on auditor registration governance as also recommended in the independent review.

Source: www.frc.org.uk

Financial Reporting Council (FRC) in the United Kingdom has revised its Ethical and Auditing Standards

The Financial Reporting Council (FRC) in the United Kingdom has issued a major revision to the UK's Ethical Standard and revised its Auditing Standards.

The revision incorporates changes to international ethical requirements, which now prohibit auditors from providing recruitment and remuneration services or playing any part in management decision making. Public interest entity auditors will now only be able to provide non-audit services which are closely linked to the audit itself or required by law or regulation. This will dramatically reduce the risk of a damaging conflict of interest, where the commercial interests of an auditor are perceived to be the most important factor in an audit relationship, rather than a focus on high quality audit.

The changes build in existing changes made to standards in 2016, which have seen audit firm fee income – from non-audit services provided to entities they audit – fall by 8 per cent. In three years, no audit firm has asked the FRC to waive the non-audit services fee cap, and audit committees for the most part, no longer consider their auditor to be the default provider for non-audit services.

The Auditing Framework for Ireland is based on the FRC's Auditing Framework. IAASA's policy is to have minimal amendments to the UK framework. Amendments will be considered where there is a conflict with Irish or EU law or where there are clear, distinct differences between the Irish and UK markets, which impact on the applicability of standards.

IAASA is to review the changes made by the FRC and issue a public consultation on proposed changes to the Ethical Standard for Auditors (Ireland) and International Standards on Auditing (Ireland), including a suitable effective date for any Irish revisions.

Source: www.iaasa.ie

Important notice – Bye Law 7 Quality Assurance Revised

Members in practice are advised of changes made to CPA Ireland's Bye Law 7, Quality Assurance effective from the 1st January 2020. The revisions update legislative references to reflect Part 27 Companies Act 2014 and introduce changes to improve the effectiveness and efficiency of the quality assurance process.

For example, the revisions now allow for a shortening of the quality assurance cycle in circumstances where a firm scores two consecutive Grade B's on review or where a firm fails to demonstrate adequate improvements with a view to achieving a Grade A within a reasonable timeframe.

For further details please visit www.cpaireland.ie.

Recommendations for Reform of the UK Audit Market

by Alan Bailie

In December 2019 the UK Government published Sir Donald Brydon's report on the quality and effectiveness of audit. The review commissioned by the Department of Business, Energy and Industrial Strategy (BEIS) follows two other recent consultations/studies of the UK audit market.[1]

The report seeks to build on the two previous studies of the UK audit market through examining audit as a product. This looks at the scope of audit, how far it can or should evolve to meet the needs of users of accounts and to serve the public interest, other forms of assurance that might be needed and to define and manage any residual expectation gap.

This expectation gap, that is the difference between what users expect from an audit and the reality of what an audit is and what auditors' responsibilities entail, has been brought into greater focus by corporate failures such as Carillion, Patisserie Valerie and Thomas Cook. The initial focus of the review was on the audit of Public Interest Entities, while being cognisant of the effects on other relevant entities and proportionality.

A total of 64 recommendations are made in the report which can be broadly grouped under the following headings:

- Definition of audit purpose
- Audit profession
- Audit report
- Additional directors' reporting
- Fraud
- Role of shareholders and other stakeholders
- Other recommendations

Redefinition of Audit and its Purpose

The report concludes that while audit has lost its way, it is not broken but lacks a "clearly understood and fully encompassing purpose". As a result, it recommends that a plain English guide to audit be written including a clear explanation of what the elements of an audit report mean. Additionally, it is recommended that the following definition of audit purpose be adopted and enshrined in Company Law, to reflect the role of audit as a public interest function that demonstrates more than just compliance with laws and rules.

"The purpose of an audit is to help establish and maintain deserved confidence in a company, in its directors and in the information for which they have responsibility to report, including the financial statements."

A New Audit Profession

Sir Donald recommends that a new corporate auditing profession be established as "auditing is too important to be left an adjunct of another profession". This new profession would be governed by its own principles, qualifications and standards. The proposed new statutory body to replace the Financial Reporting Council (FRC) by the Kingman Report, the Auditing, Reporting and Governance Authority (ARGA), would have responsibility for the establishment and regulation of this new profession.

The Audit Report

The report highlights the growing challenge in using the term "true and fair", in light of the increasing use of estimates and judgements in financial reporting frameworks, recommending that the term be replaced with 'present fairly', in all material respects.

He supports the retention of the binary audit opinion but suggests expanding what auditors include in their auditor's report to cover "original information that is likely to have a material impact on users' decisions". The existing obligation on the Auditor to read and consider other information in the Annual Report and to report if they consider it be materially misstated, he argues should be extended to material outside the Annual Report such as investor presentations and RNS announcements.

The audit report should include a new section in which the auditor states whether the directors' have complied with their obligations under Section 172 Companies Act 2006. It should also disclose details of the audit work including the number of hours spent on the audit by each grade of staff.

Recommendations are also included aimed at enhancing the informative nature of the auditor's report including the creation of continuity between successive audit reports, calling out inconsistencies in information made public and referencing external negative signals and how they have informed the audit.

Directors Reporting

Included in the report are a number of proposals in relation to directors reporting including a three-year rolling audit and assurance policy, a resilience statement and an annual public interest statement.

The directors would be required to present shareholders with an audit and assurance policy indicating their approach to various matters including the appointment of auditors, the scope and materiality of all auditing and fees.

In addition, the board would be required to produce a resilience statement that incorporates and builds upon the existing going concern and viability statements. The statement would comprise three sections including a going concern opinion for the short term, a statement of resilience in the medium term and consideration of the risks to resilience in the long term. The going concern opinion would be subject to audit in the same way as the current going concern statements.

The level of assurance on the statement of resilience in the medium term would be determined by the audit and assurance policy presented to shareholders by the directors and the consideration of risks to resilience in the long term would not be required to be subject to further assurance.

A new public interest statement would be required to be presented annually explaining the company's view of its obligations to the public interest (statutory, self-determined or other) and how the company has met those obligations over the previous year.

Fraud

Brydon challenges the perception that auditors have no obligation to detect fraud, arguing that auditors should endeavour to detect fraud. He recommends ISA 240 (UK) be amended to oblige the auditor to "detect material fraud in all reasonable ways".

He also recommends that directors have a new reporting duty setting out annually their actions taken to prevent and detect material fraud. A corresponding new duty would be imposed on the auditor to state how they have assured the directors' statement in material fraud and any steps they have taken to assess the effectiveness of relevant controls and to detect fraud.

Other measures aimed at raising the prominence and transparency of fraud prevention and detection by auditors include;

- Auditors to undergo initial and ongoing training in fraud awareness and forensic accounting;
- ARGA to maintain a case study register detailing corporate frauds; and
- The establishment of an independent Auditor Fraud Panel to judge auditors' culpability.

Role of Shareholders and other Stakeholders

The report includes recommendations to enable and encourage a company's shareholders to influence the scope of the audit, and to hold the Audit Committee and Auditor to account, including:

- A process to be established whereby a company's shareholders are given a formal opportunity to propose matters they wish to be covered in the audit; and
- A standing item on the AGM to allow questioning of the Audit Committee and/or Auditor.

While recognising that currently the statutory audit report is legally required to be prepared for the company's shareholders, the report recognises its' relevance to other stakeholders. Recommendations to recognise the relevance of these other stakeholders include:

- A statement in the Principles of Corporate Auditing that auditors act in the public interest and have regard to the interests of the users of their report beyond solely those of shareholders;
- Directors actively seek the views of employees regarding audit scope and report back to them how their views have been taken account of;
- Statutory auditors be added to the list of 'prescribed persons' under the Public Interest Disclosure Act; and
- Bringing existing company disclosures on supplier payment reporting into the annual report and that this be subject to a level of audit as described in the company's Audit and Assurance Policy.

Other Recommendations

A number of other recommendations are made in the report on areas such as the use of technology in audit, auditor transparency, the capital maintenance regime and the extension of audit work to areas such as alternative performance measures (APM's) and key performance indicators (KPI's).

What's next?

The UK Government in the Kingman Report, the CMA's study of the Statutory Audit Market and now Sir Donald Brydon's Report have a number of recommendations for reform of the UK audit market. As recognised by Brydon it is now for the Secretary of State for BEIS to consider how these recommendations can best be implemented. Some of these recommendations would require legislative change while others will fall under the remit of ARGA.

Confidence in the auditing profession in the UK has undoubtedly been eroded as a result of a number of high-profile corporate failures - doing nothing is not an option. However, the proposals will require careful consideration, as if fully implemented would result in radical change both for the auditing profession and directors of businesses in the UK.

Alan Bailie,
Knowledge Manager,
CPA Ireland

[1] The Independent Review of the Financial Reporting Council by Sir John Kingman (December 2018) and the Competition & Markets Authority 'Statutory audit services market study' (April 2019)

EQ – Does it matter more than IQ?

by Ben Rawal

IQ tests have traditionally been the most reliable method of predicting future success and well-being. However, as Ben Rawal explains, developing your emotional intelligence can provide greater insights into your future happiness, career success and your ability to build effective relationships.

For many years, the IQ test has been the preferred tool for not only testing intelligence, but also indicating whether an individual will be successful in their career and other aspects of life. Despite this, recent research has highlighted the importance of emotional intelligence and related measuring tools (such as the emotional quotient (EQ)), as a more accurate indicator than IQ.

This article explores some of the benefits of developing emotional intelligence and provides some useful tips on how this can be achieved.

The Basics of Emotional Intelligence

In its purest form, emotional intelligence is concerned with our understanding and response to emotions – our own and those of others.

Despite our insistence as accountants that we think and act logically, the importance of emotion in our decision making is often misunderstood. For example, all of our decisions are in effect, made twice. Initially, the emotional area of our brain (the Limbic System) quickly reviews the information available and decides whether to act. This review is often clumsy, based on assumptions and does not consider rational thought as important. It may however keep you alive when it detects danger and remains a critical part of how our brains have evolved during the past c2 million years.

Assuming that we are not facing immediate danger or are overcome with emotion – perceived or real, the logical area of our brain (the Neocortex) now has an opportunity to 'think'. This generally involves the consideration of facts, logical thought and reasoning.

A critical part of strong emotional intelligence is whether we recognise that our emotions can impact how we behave and whether we have the ability to manage and regulate how we act. Individuals that are adept at managing and regulating their emotions, are usually seen as better leaders, more consistent work colleagues and less prone to uncontrollable emotional outbursts.

Understanding Oneself

The ability to manage and regulate our emotions is facilitated through whether we have a good understanding of ourselves. This includes sound knowledge of the emotions we feel, when we're feeling them and whether we can associate our emotions with our resultant actions. Commonly referred to as 'self-awareness', recognising and validating your feelings is an essential first step to developing strong emotional intelligence.

So how can we classify our emotions? Based on research undertaken by Daniel Goleman (Emotional Intelligence) and Paul Ekman (Emotions Revealed), our emotions can be condensed into eight specific 'areas':

- Joy
- Sadness
- Fear
- Anger
- Disgust
- Surprise
- Love
- Shame

Each of these emotions causes a different physiological response and is expressed differently.

Although individuals differ in how they experience each emotion, commonalities include an increased heart rate and breathing when feeling anger or fear, and the rapid raising of eyebrows when experiencing surprise.

Understanding how you feel when experiencing each of these emotions (or combinations) can prove useful in determining how subsequent behaviours can occur.

Imagine that you were expecting one of your team members to complete a report by a set deadline, but they were unable to achieve this. How would this make you feel, and how would this influence your behaviour? If your level of self-awareness is already well developed, you will recognise how this will affect your emotional state, regardless of whether this provokes fear, anger, surprise or shame (or a combination of all four!)

Emotional Regulation

Understanding our emotions and how we are feeling creates the opportunity for more careful management and regulation of behaviours and actions.

> **"Emotional intelligence is concerned with our understanding and response to emotions"**

For example, by consistently responding to the feeling of anger by raising the volume of our voice or even becoming physically aggressive, we are likely to eventually face negative consequences. Similarly, if we frequently allow excessive levels of joy to become uncontrollable excitement, it is possible that this behaviour may be frowned upon – at least over a period of time.

Generally, individuals with a good level of emotional regulation are more successful in their career. Not only do such individuals effectively manage the 'highs' of success in business by remaining focused but deal with personal failures and setbacks through resilience and positivity. All of these behaviours are aligned to emotional (EQ), rather than standard (IQ) intelligence.

An important point to note here however, is the difference between emotional regulation and emotional suppression. Whereas emotional regulation ensures that the feeling is felt, validated and accepted, emotional suppression focuses on avoiding, ignoring or even 'blocking' the feeling. This approach is common amongst individuals that seem consistently calm and never appear to show any signs of 'emotion'. In these instances, the individual has become skilled at ignoring the feeling, and can sometimes come across as 'cold' or lacking emotion.

Emotional suppression is most commonly observed in individuals that ignore the pressures of stress. Often, the feelings experienced during stress, including frustration (and often shame) gradually build over time. This can sometimes result in an intense emotional outburst or breakdown when the pressure finally becomes too much.

Building Relationships

By understanding our own emotions, it generally becomes easier to understand those of others. At the core of this relationship between ourselves and others, is the concept of empathy – the ability to 'step into the shoes' of someone else and understand how they feel.

Individuals that display strong levels of empathy are usually more effective at forming and maintaining relationships with others.

As accountants, developing positive relationships with our customers and teams is clearly beneficial to maintaining and generating business. Although high levels of IQ will help in providing a logical argument, EQ will get you closer to your customers and help you to truly understand their problems and concerns.

In addition to developing the ability to empathise, our approach to creating an emotional and neurological connection with others is also significantly advanced when we understand ourselves. This connection (known more commonly as 'rapport') comes through understanding others' perspectives, emotions and interests. The more we are prepared to invest our time in building rapport, the more likely we are to develop meaningful and worthwhile relationships.

But what about IQ?

With the recent 'explosion' of literature and research in emotional intelligence, it is sometimes easy to forget the value that IQ continues to have in a wider business sense.

One of the key measurement areas of IQ is an individual's ability to learn, and their capability for understanding and application of the learning. Without this, even the most self-aware of individuals will fail to develop their emotional intelligence skills further.

In addition, as our decision making involves aspects of both emotional and logical responses, IQ offers a guide to the effectiveness of an individual's logical reasoning and the ability to analyse information.

In terms of its usefulness for career progression, IQ remains an essential tool.

Conclusion

The increasing complexity and profile of emotional intelligence in recent years has been helpful in challenging why and how individuals can improve the likelihood of career success. Closely aligned to strong, well-rounded leaders, developing emotional intelligence has become a 'must have' skill during the past 10-15 years, and professional accountants are no different in this regard.

Despite this, it is important to recognise that IQ is not a 'redundant' measurement tool. It continues to offer insight into multiple areas that are not covered by EQ, and will no doubt continue to be used as part of recruitment and selection exercises for many years.

Perhaps it is now time to adopt a more balanced approach to traditional intelligence and emotional aptitude.

"Understanding how you feel when experiencing your emotions can prove useful in determining how your behaviours occur"

Ben Rawal,

Ben Rawal BSc MBA FCCA is the Lead Consultant and owner of Soft Skills, experts at providing behavioural, emotional and leadership training and coaching to accountancy professionals.

Top Tips:

Learn more about yourself

Emotional Intelligence is founded on understanding oneself. Invest time in learning more about how you feel and recognising the physiological differences in each emotion.

Challenge your own beliefs

What do you believe about yourself and others that might be holding you back? Take time to reflect on your thoughts, particularly as you develop your self-awareness.

Ask for feedback

Feedback from others can sometimes be painful, but remember it is simply a perception. The choice is yours as to whether you change your behaviours.

Keep a record of your 'feelings'

Once you are comfortable with how you feel, keep a record of any significant emotional changes, and try to identify what may have triggered the change.

Coaching

Consider using a professional coach to help provide independent challenge to your emotional development.

Working with Robots

by Lachlan Colquhoun

How will humans cope with their new Robot colleagues? Lachlan Colquhoun explores the benefits of Robotic Process Automation, how they can be assimilated into the workforce and looks at how UiPath, an Australian software firm, is benefiting from the rapid growth of the RPA boom.

In the very near future, many organisations will have teams of accountants working around the clock, 24 hours a day.

The difference is that not all members of the accounting team will be human.

The ones doing the night shift will almost exclusively be robots, a new workforce of bots to work alongside human colleagues. The good news for the humans is that their robot colleagues will be doing many of the more repetitive and boring jobs. While the human accountants are at home with their families or are asleep, the robots will be doing the grunt work. When the humans come to work in the morning, they can take what the robots have done overnight, and add the vital piece that the robots cannot do: strategy, insight and advice.

According to Ken Day, who is an expert on Robotic Process Automation ("RPA") for the software firm UiPath in Australia, in the future it will be commonplace for humans and robots to work together, and for work teams to be described as comprising "three people and two robots."

"The big difference is that the robot will be there 24/7, and will always do what it is told," Day says.

"That bot might be working on your desktop and start processing while you are working. You'll just press a button and send your robot off to do something while you do another job."

Robots in financial services are in many ways the best of both worlds, he says. They are cheap, and they reduce risk because they make less mistakes and work faster.

What is less clear is how humans will cope with their new colleagues. While the technology benefits of robots in accounting is clear, the change management piece of assimilating them into the workforce is – according to Day – perhaps the most challenging piece in the transition.

Nevertheless, accounting firms around the world are embracing the robot future, and it is already having implications for humans.

In Belfast, PwC announced plans to create 600 new jobs in Belfast, taking its workforce in the city to 2900. The roles are in Operate, the operational delivery arm of the firm, and include training in how accountants will use RPA.

In December, KPMG announced it would invest US$5 billion in a global digital strategy which has artificial intelligence and RPA at its core. Having undergone a global cloud computing implementation in 2017, KPMG is now using that to create a set of cloud-based capabilities with more than 50 advanced solutions including AI and RPA.

Elsewhere in Europe, banks are implementing RPA in Know Your Customer checks and saving thousands of hours a week, while insurers are using the technology to adjudicate claims, and are about to do so in better than half the time.

UiPath is one of a new wave of technology providers enjoying rapid growth off the RPA boom, and has embarked on a global push to educate the accountancy profession on the coming wave.

As Ken Day explains, much of that work is in reassuring accountants that the future will be better for them with robots as colleagues.

He cites the example of a finance manager in a client's business who would spend two days a week auditing a spreadsheet looking for errors. The finance manager estimated that the work she did finding and investigating errors saved the business around $200,000 each year and was horrified when Day completed the RPA implementation.

This was because the office manager was only able to audit 10 per cent of the spreadsheet over two days, where the robot was able to do 100 per cent, and then present anomalies to the finance manager to investigate.

"I can still remember her saying 'here's the robot' and then pressing the button," says Day. "She looked at me and said, 'I've just lost my job.'"

What the office manager hadn't understood was that because the robot was able to audit 100 per cent of the spreadsheet in the same time as she could do 10 per cent, her work in doing the follow ups was now worth $1 million a year to the business, five times what it had saved previously.

"She looked at the numbers and said, 'I like this robot' and then her next question was whether we thought she should go and ask for a pay rise," says Ken Day.

One firm already deriving significant benefits from RPA in the finance function is Australian conglomerate Metcash, which operates a distribution, wholesaling and retailing business in the grocery market, beverages, hardware and in automotive parts.

Originally, the company began its RPA project in the aftermath of a major cost cutting exercise which severely slashed the headcount.

"It wasn't a good start to the project," says Jennifer Mitchell, a project manager at Metcash. "RPA equaled FTE loss which equaled fear in the business. RPA was introduced by our shared services provider and a couple of keen people in our business, but the problem was that they were in the cost cutting business unit."

From this inauspicious start, Metcash were able to turn their RPA project around and, within six months, turn it into a significant success, and one which has buy-in throughout the organisation.

A key first step was to restructure the ownership of the project. It was taken away from IT and was directed by the finance function, with Mitchell as business project manager.

"We took over from a group finance perspective and it is now funded by the CFO, with a steering committee identifying a pipeline of opportunities which tackle the low hanging fruit, things like reconciliations and the really easy stuff which is where we can show we are performing well," she said.

"There are things like reconciliations, which is really easy, and we have a strategy to zoom into IT, finance and HR and automate processes and then pillars at business unit level." Every time we put in a bot, we tell the CFO because he is the sponsor, and he then tells the CEO and the Board so there's an up and down stakeholder engagement."

The mandate, she said, is to simply automate the low value and repetitive tasks.

"Our mantra is to give the human back the human, and the way we do that is look at any process which is digitized and look at how it can be automated," said Mitchell. "We say if your fingers are doing the work, we can probably get your brain to do it faster. The result is that it's an over-zealous macro which does the work for you. Overzealous but very honest."

Some of the savings, said Mitchell, have been a "bit embarrassing" in the way they have shown up the clumsiness of Metcash's previous manual processes, many of which were built on manual data entry and legacy IT systems.

"One guy is now spending two days a week on data entry he had to do over a month," she said.

The Bots, all of whom have been given names like "Chuck" and "Tradie", are also cheap to operate and easy to implement, taking around four weeks from zero to functional.

"We have a pipeline of about 20 opportunities, and we hope to do 30 projects by financial year 2020," said Mitchell.

After the rocky start, the bots have been welcomed by employees who understand that RPA is now not about cost savings but is about saving time.

Following the pain of cost cutting Metcash was left with "really good people we really want to retain" but it was important that they were not left with "lots of mundane work because they weren't taken out in the cost cutting."

"We won't retain them by keeping their jobs boring," said Mitchell. "We had created a bit of a treadmill culture where there was a level of mediocrity creeping into the business, and this was cited in exit summaries with people who were leaving the business."

"So, in addition to making time for people we try and make it fun. We have races – human against bot – and show the business the benefits, and for a lot of people this is jaw dropping."

"What is less clear is how humans will cope with their new colleagues"

Lachlan Colquhoun

Lachlan Colquhoun has written for some of the world's best-known mastheads in a journalistic career spanning four decades. From the Financial Times, the London Evening Standard as its correspondent in Hong Kong, the Scotsman and Ireland's Business Post, he also covers financial and accounting issues for CPA around the world.

Tech - friend or foe?

by Aynsley Damery

In this article Aynsley considers why we shouldn't fear change, particularly in technology, and looks at how the right combination of people, processes, and technology can positively transform businesses, the value they create and the services they provide.

Background

There is no doubt that the pace of change in technology has increased exponentially over the last numbers of years and that pace is set to accelerate even further. As individuals, the computing power we now have access to on our phones, dwarfs that of all of NASA in 1969! Our world is now so connected - both people and devices, and the ability to reach customers is no longer easily restricted by borders. The move to the cloud and the ability to analyse big data has opened up incredible opportunities for large companies. Harnessing the power of technology effectively has become critical to gaining competitive advantage.

But what about SMEs, accounting firms and their clients? Are they able to take advantage of these technologies too? Can they harness the power of artificial intelligence, machine learning and blockchain? Or, is this just a step too far, cost prohibitive and overly complex for small businesses? Could technology signal the end of jobs and the inability of small businesses to compete?

Let's take a look...

What are the biggest challenges we face today in relation to technology and innovation?

For many small business owners and their teams, it's fear. Fear of change, fear of failure and fear of the unknown. Of course, that doesn't just apply to technology. That fear often leads to inaction or a failure to implement and it could mean that many small businesses will simply get left behind.

"Resisting change is like holding your breath. Even if you are successful, it won't end well!" Lao Tzu

Fear of technology has also been stoked by many articles signaling the end of jobs as we know them. "Computers will take over the world!" The reality is that technology will certainly replace monotonous, dreary and repetitive tasks. But that's good because it frees up our time, time to spend on higher value work that truly adds value to our clients/customers. And it doesn't mean we all need to become data engineers/ scientists!

For many people and businesses, there can be a sense of feeling overwhelmed. There are so many Apps (software/ platforms) to choose from, what's the right one for us and our clients? How do we find out and how do we get independent advice? How do we make the technology work for us? How do we know how to make the trade-off between fitting technology into our existing systems and processes or adapting our systems and processes to fit the technology. Ultimately, it needs to be right for us (and perhaps our systems and processes are not!). We need to reach out to others (our peers and those from other industries) and find out how they achieved success. What were their successes, and failures? What can we learn from them? Join focus groups, masterminds and industry groups to connect, share and collaborate.

This is not about technology for technology's sake. This is simple business. Before we decide on what technology is needed, we need to firstly understand:

1. Our customers and what they need, want and value;
2. Our business model - how we create and add that value;
3. The systems and processes we need to deliver this;
4. The problems are we trying to solve; and
5. How can we do this better?

Then, and only then, can we truly appreciate what technology can do to help. And we need to test and trial - not just dive in! Create a laboratory within the business. We need to plan, implement and review. This really is no different to how we would approach, or advise our clients on, any other aspect of business.

What has happened previously with technology in accounting?

As accountants, we've been told for years that compliance is dead and the future is advisory. However, for many of us to date, that simply isn't true. Compliance is far from dead - we seem to be engaged in more compliance than ever before.

So, to date, much of our technological focus has been on streamlining our existing compliance services. It's been relatively easy, in that for certain sizes of firms, there hasn't been much choice. And the software has generally fitted in to historic business models and processes, without any significant change or innovation i.e. excel rather than manual ledgers or working papers, accounts compilation and filing software rather than word and ink.

It has been relatively easy to train and change management hasn't been required.

What has changed, though, is what our client's value. They are no longer prepared to pay significant sums for just accounts and tax returns. They want help and support to grow, increase profits, reduce tax bills and plan for exit - driving the introduction of new business models and service offerings across the profession.

These changes will require significant change management and investment in resources, time, and money.

According to various studies carried out in the UK and US, the top 5 things that SMEs are looking for from their accounts are:

1. Being a trusted advisor;
2. Responding quickly to their queries;
3. Understanding their business and industry;
4. Being affordable;
5. Communicating clearly with them as non-accountants

Any business would be lucky to hire an accountant who possesses all these traits, but there may not be enough time in the day for most accountants to be everything, to all people, all at once! How can we have our fingers on the pulse of all our clients at the same time? How can we respond quickly to every client and have the time to keep our communications clear and simple? And how we provide attentive, proactive advice without driving costs up?

It's not surprising that accounts and tax returns don't make it to the list. Our clients didn't go into business to do accounting, so they can't imagine why we did! We need to help them see us as intentionally, proactively and primarily working to help them grow, rather than as someone who performs work they're happy to get rid of.

But most importantly, to deliver all of these wants to all our clients at the same time, can't be done without the help of technology. Throwing more staff resources at the issue won't help. It will decimate the cost equation. We know this, as most accountants are already afraid to introduce added value services. They incorrectly assume that, as clients don't want to pay for compliance services, they won't want to pay for any other services. It's pretty much the same for our clients with their customers too.

The other advantages of technology (particularly cloud, AI and machine learning)

Cost

The introduction of cloud technology and software as a service (SaaS) platforms have driven down the cost of adopting and using many technologies. We no longer need to invest, update, maintain and backup on-site servers and can store data in military-grade secure data centres. We also no longer need to pay significant amounts upfront and can often pay based on usage, number of users, licences, amount of data storage etc. This has meant that small businesses now have access to the type of software and technologies previously the sole preserve of large enterprises (or enterprise software).

Speed and efficiency

We are less likely to suffer from server downtime and can access data anywhere, anytime on any device. Cloud applications connect to one another, not only increasing speed and efficiency, but reducing data input and hence the possibilities of error. With the advent of open banking, we are seeing bank data automatically feed and populate bookkeeping software, and data recognition applications are doing the same with bank and credit card statements and invoices. Anecdotal evidence is suggesting an 80%-time efficiency in bookkeeping. It's becoming easier and faster to create management reports, three-way budgets and cashflow reports. On-boarding and customer relationship management software (CRM) are driving better customer service. Machine learning is automating routine tasks.

Better data

There is no doubt that small businesses can now access better data in a timelier fashion. Better data leads to better business decisions. However, business is complex and getting more so. Small business owners struggle to understand and to find the time to analyse big data. This is where we are seeing the next generation of software providing insights and not just raw data.

Don't think this is the end for accountants as advisers though! A study by the Dominican University in California has shown that business owners that are held accountable, achieve 78% more. This is where we can truly help our clients, by holding them accountable. Helping them understand their numbers and how to make them better, how small differences can make a big difference to the bottom line, the difference between accounting profit and cashflow, how to access funding and how best to generate a return on those funds, cashflow management, the importance of planning etc. This is what our small business clients are really looking for from us and how we can deliver massive value. We have the inherent ability, training and skills to deliver all these services. And, if we do so through the use of technology, we can do so affordably too.

How to introduce tech properly

We've discussed many of the issues in introducing changes within your business. Introducing technology is no different. We shouldn't be blinded by shiny new objects and treat the adoption of tech like any other business decision. We should be asking amongst others; is there a need, is it solving a problem, how does it fit with our strategy, how will we plan, test and review? What is our measure of success?

In essence, we need to treat the adoption of technology as we would do with any new hire. Properly planned and researched, fitting an accurate job description, interviewed well and recruited slowly, properly inducted and introduced to the team, trained and adapted to existing systems and process or exceptionally, if it's the right fit or we know we need to make business model changes, adapting our systems and processes.

We also need to consider whether we are happy to be an early adopter and lead the field. Be known as an innovator and by default, possibly make mistakes and have to pivot rapidly. If so, we may need to create an innovation team (or "laboratory") within the firm to play, test, fail and learn fast. Or are we happy to be with the early/late majority. Following the crowd, learning from others - their successes and failures. It's less risky and possibly makes the decision on which tech to use, but with the pace of change and acceleration within business, will we get left behind?

Conclusion

The advancement of technology is not something that we should be afraid of - even when we look at the rapid acceleration in areas such as artificial intelligence, machine learning and blockchain! Indeed, small businesses can now effectively compete with many larger firms, when the right technology is implemented correctly. However, technology is not a panacea, it is just an enabler. Technology does the heavy lifting, the monotonous, dreary and repetitive tasks. Most of us are still in the relationship/people business i.e. we still need the emotional intelligence, lacking in technology, to manage our customer relationships. In fact, it's the right combination of people, processes, and technology that will enable us to positively transform our business and deliver outstanding customer value and service at market beating prices!

Aynsley Damery

Aynsley Damery is a qualified accountant and former CEO of a multi award-winning niche advisory accounting firm for entrepreneurs in the UK. Aynsley is now the CEO and founder of Clarity - a business advisory platform that harnesses AI, machine learning and blockchain and using the right combination of people, process and tech to transform the business advisory services of accounting firms worldwide.

Institute News

Liam Donnelly Award for Outstanding Accomplishment

The Liam Donnelly Award is presented to the 1st placed student worldwide in the CPA Ireland Professional 2 Stage examinations. CPA Ireland was delighted to present this award to Majella Regan. Majella who comes from Tipperary studied both with Griffith College and StudyOnline.ie.

Majella Regan and Gearóid O Driscoll, President, CPA Ireland.

Irish Accountancy Awards 2020

CPA Ireland is delighted to once again support the Irish Accountancy Awards.

The awards seek entries from firms and individuals who have provided the highest quality of service and who can demonstrate they have added significant value and competitive advantage to their client organisations.

The Irish Accountancy Awards 2020 will take place on Thursday April 16th at the Clayton Hotel, Burlington Road, Dublin.

Conferring ceremony 2019

Sponsored by JDM Insurance

The 2019 conferring ceremony took place at University College Dublin on Saturday December 7th.

At the conferring, Gearóid O'Driscoll, President of CPA Ireland, challenged young accountants to show leadership in the fight against climate change. He said that members of the profession are uniquely placed to exert positive influence on businesses to behave sustainably.

Addressing the CPA Ireland 'Class of 2019,' O'Driscoll said, "For those joining the accountancy profession today they are entering an evolving industry with many exciting prospects.

For several years' now our graduating classes have enjoyed full employment and that continues in 2019 and into 2020. Among the exciting new areas of opportunity is green accounting and this will undoubtedly become more important in the years ahead and should become an essential element of the work of every accountant."

Gearóid concluded the ceremony by congratulating this year's new members and welcoming them to the wonderful network of CPA Ireland.

In conjunction with our sponsors, CPA Ireland each year presents an award to those students who have achieved the highest examination mark in each subject for the CPA examinations.

Pictured left to right at the CPA Ireland Conferring Ceremony, Pauline Hayden, Lyndsey Kavanagh, Majella Regan (Liam Donnelly Medal Winner), Gearóid O Driscoll, President, CPA Ireland and Eileen Hurley.

Pictured at the CPA Ireland conferring ceremony in December, Gearoid O Driscoll, CPA Ireland President and CPA Ireland Prize winning students and representatives from Griffith College.

The Trinitones performing at the CPA Conferring Ceremony 2019

Finance Leadership Summit 2020

The Finance Leadership Summit 2020 took place on Wednesday 12th February in the Radisson Blu, Stillorgan.

This summit saw a meeting of like-minded finance professionals looking to develop their functions to help drive not only financial success, but also advanced insight and partnering opportunities.

Speaking at the Finance Leadership Summit is Deirdre McDonnell, Director of Education and Training, CPA Ireland.

L to R: Tom Byrne, Partner, Pathfinder, Chair of the Finance Leadership Summit and Patricia O'Neill, Director Member Services, CPA Ireland.

Congratulations to our new members!

CPA Ireland would like to congratulate all the students who were conferred and officially became new CPA Ireland members on Saturday 7th December 2019 in the O'Reilly Hall, UCD.

Deirdre Bardsley McGee
Darren Booth
Patricia Brandon
Michael Brosnahan
Anne Margaret Burford
Teresa Byrne
Alan Corcoran
Laura Cross
Amy Michelle Dempsey
Seamus Desmond
Barry Dorrian
Aisling Dowling
Annette Doyle
Clodagh Marie Dunne
Colm James Fahy
Debbie Fogarty
Olga Clare Foley
Elaine Gilsenan
Fergal Grace
Connor Hall
Shane Harrington
Pauline Hayden
Brian Hehir
Demi Higgins
Seamus Hogan
Gerard Aaron Holmes
Susan Holohan
Leanne Hughes
Eileen Hurley
Iryna Jankova
Lyndsey Kavanagh
Kim Kennedy
Candace Kinsella
Kevin Langan
Elizabeth Leonard
Ryan Little
Deboragh Maher
Paul Malone
Robert McDonald
Justin McGrane
Tuula McMahon
Trevor Meehan
Clifford Tita Mongwe
Felicity Morris
Joseph Morrissey
Laurence Murphy
Jennifer O'Brien
Elaine O'Callaghan
Anne Marie O'Connor
Mary O'Connor Barry
Caroline O'Gara
John Organ
Lisa O'Sullivan
Geraldine O'Sullivan
Tonia O'Sullivan
Michelle Power
Seán Pyburn
Brian Quigley
Majella Regan
Brian Reilly
Sharon Reynolds
Patrick Scannell
Ciaran Selvakumaran
Aisling Sheehan
Hannah Irene Steenson
Eilish Tracey
Kevin Troy
Sylwia Anna Uryga
Graham Whelan

CPA Ireland Membership changes:

Resignations

015643 Emma Hartnett 27/11/2019

024162 Niall O'Shea 20/12/2019

001486 Michael F. Counihan 20/12/2019

024051 James M. Scanlan 16/01/2020

003762 Patrick Owen Ryan 21/01/2020

001700 William Kelly 31/01/2020

012296 Diana Mende 13/02/2020

Removals

001618 Michael Gough 11/11/2019

001761 Francis Lynch 11/11/2019

002046 Redmond Schley 11/11/2019

003655 Breidge McLaughlin 11/11/2019

003929 Marguerite C. Heneghan 11/11/2019

005987 Dilip Girglani 11/11/2019

003378 Eileen Buckley 12/11/2019

006308 Patricia Aherne 12/11/2019

012398 Kathleen Foley 12/11/2019

018195 Ganesh Kumar Arunachalam 12/11/2019

018547 Bernard Susigi Chandimal Perera 12/11/2019

018623 Otto Von Akatey 12/11/2019

020563 Muhammad Mainoma 12/11/2019

020703 Sakirudeen Tunji Labode 12/11/2019

021335 Sheeraz Ul Haq Khan 14/11/2019

021337 James Neminebor 14/11/2019

021338 Bukar Bashir Musami 14/11/2019

021425 Banton Akpuruku 14/11/2019

021427 Awe Babajide Ibrahim Agboluga 14/11/2019

021429 John Adebisi 14/11/2019

021438 Uduma Samuel Aka Udu 14/11/2019

021444 Muhammad Abdul Wajid 15/11/2019

021676 Koustubh Jalanapure 15/11/2019

022215 Faizan Ul Haq Khan 15/11/2019

022219 Khuram Raza 15/11/2019

022226 R V Nathan 15/11/2019

New! Diploma in VAT coming soon

Register your interest now

CPA Ireland is delighted to announce the running of a new Diploma in VAT.

Given the significance of VAT as a revenue source, it is important to understand the relationship between VAT revenue and underlying activity, which is captured by the VAT elasticity.

This new programme will equip participants with skills to enhance their value to both clients and employers.

The Diploma in VAT will run over 4 full days, commencing in June 2020.
Register your interest now by contacting **Roisin McEntee rmcentee@cpaireland.ie** to receive more details.

CPD News

Dates for your diary

Future of Accountancy

New Year, New Decade, New Technologies

CPA is delighted to bring to members our newest and most exciting full day event for 2020. The Future of Accountancy will immerse you in the excitement of new technologies and the human capacity for curiosity and creativity. Accountants have an incredible opportunity to grasp these exponential technologies and exploit to grow their businesses and advance their careers.

These exciting topics and speakers include:

- The remarkable future and the technologies that will shape it, Futurist Matthew Griffin, Founder, 311 Institute.
- SME, Big Business and the push for Innovation, Aynsley Damery, Founder, Clarity.
- Creativity, Imagination and Curiosity, Conor Carmody, Partner, Strategic Solutions.
- Discovering Blockchains Potential, Antonio Sentatore, Global Blockchain CTO & Lead of the EMEA Blockchain Lab.
- Cybersecurity: The 1 Trillion Dollar Industry, Rois Ni Thuama PhD, Head of Cybersecurity Governance, Red Sift.

Other exciting topics on the day will include:

- AI for Accountants, Mark Edmondson, CEO/President, Inflo Software
- Ethical Leadership Through Digital Disruption

This innovative event will take place on the 14th May 2020 in O'Reilly Hall, UCD, Dublin

Time: **10am - 4pm**

CPD Credit: **6 hours**

Cost: **€75**

The Irish Accountancy Conferences 2020

In 2020, CPA Ireland is combining the Practice and Industry Matters conference to deliver a 1.5 day conference with top quality speakers and flexible subject options.

Our Accountancy Conference 2020 includes a number of keynote speakers as well as a variety of breakout sessions covering topics relevant to accountants working in industry or in practice. Participants will have the opportunity to choose the subjects most important to you and your business, allowing you to get updates that are relevant to you and make the most of your learning.

Topics Include:

- Economic Update
- Digitalisation
- Tax Update
- Cyber Security & GDPR
- Practice Insights
- Employment Law & the Gig Economy
- AML War Stories
- Succession Planning
- Best Practice for Charities
- Professional Standards Update

Dates & Locations

Dublin: 3rd & 4th April 2020
Carlton Hotel,
Blanchardstown

Cork: 24th & 25th April 2020
Radisson Little Island,
Cork

Key Event Details:

Time: **Friday: 9am - 5pm;**
Saturday: 9am - 1pm

CPD Credit: **12 hours**

Cost: **€295**
(non-member cost: €345)

Annual Conference 2020

CPA Ireland's Annual Conference is always a highlight on the CPD calendar. 2020's conference will now take place in November.

This full day event provides attendees with an opportunity to meet with inspirational business leaders who have achieved great success in building their companies from the ground up. Our speakers will offer insights on how to remain innovative in the changing business landscape.

Date & Location

Date: **19th November 2020**

Venue: **Johnstown House Hotel,**
Enfield, Co Meath

Cost: **€225**

CPD Credit: **8 hours**

Review of Professional Issues in London

Coming to a location near you! Every year CPA Ireland host a two-hour Review of Professional Issues in various locations around the country.

These CPD events are free to our members and provide an update on the latest technical issues and what is happening within CPA and in the profession in general.

Key Event Details:

Venue: **St Pancras**
Renaissance Hotel,
London

Time: **6pm - 8pm**

CPD Credit: **2 hours**

Further Learning Courses 2020!

Earn up to 40hrs CPD online at your own pace.

Use our online further learning suite to complete your CPD hours at a time and place that suits you. We offer a range of Certificate, Diploma & Online courses to develop your skills and professional knowledge.

These courses can be accessed through our Learning Management System, Canvas.

Our Award-Winning Platform: Canvas

Canvas organises all of your tools and resources into one location that can be accessed at any time or place from your computer or smart device, allowing you to maximise your learning experience!

The **Canvas Student App** provides access to the learning platform on your smartphone or tablet, enabling you to access course materials on the go and offering the flexibility to fit the qualification into your busy schedule.

What further learning courses are available on Canvas?

Diploma in Forensic Accounting
Book now for September 2020

Certified Tax Adviser 2020/2021
Book now for September 2020

Diploma in Data Analytics
Book now for October 2020

Diploma in US GAAP
Book Now

Diploma in Governance for the Charitable Sector
Book Now

Online course in FRS102
Book Now

Diplomas in Forensic Accounting and Data Analytics

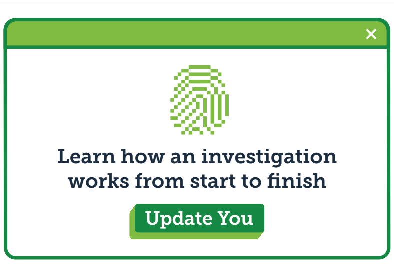
Due to the success of these diplomas in 2019, CPA Ireland is delighted to announce both these diplomas will be running again commencing in September 2020.

Diploma in Forensic Accounting

Developed in conjunction with Grant Thornton, this Diploma provides a comprehensive understanding of the core Forensic Accounting skills for qualified accountants working in both industry and practice, particularly in the SME sector.
Book your place now!

Key Details:

Method:	5 full days & assessment
Location:	CPA Ireland HQ, 17 Harcourt St, Dublin 2
Date:	September 2020 – March 2021
CPD Credit:	40 hours (8 hours per day)
Cost:	€1550 (non-members: €1750

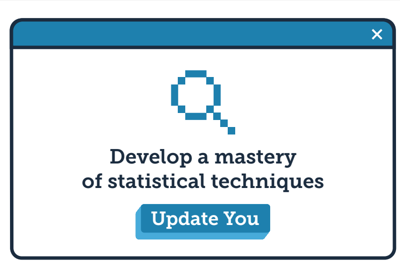


Diploma in Data Analytics

This course will provide a high-level understanding of the main concepts associated with data analytics and how accountants can use analytics to formulate and support them in solving business problems and communicating that analysis to a management team. **Book your place now!**

Key Details:

Method:	5 full days & final assessment
Location:	Dublin & online via live streaming
Date:	October 2020 – March 2021
CPD Credit:	40 hours (8 hours per day)
Cost:	€1550 (non-members: €1750)



Accountants Update Pathway: ROI

The Accountant's Update Pathway is back, and it's more essential than ever.

CPA Ireland in conjunction with accountingcpd.net, will once again be running a June intake of the Accountants Update Pathway which has proven extremely successful in the past. Never has the pace of change in the profession been so great, and the Accountant's Update Pathway is back and ready to help you navigate the year ahead.

Alongside our tried and trusted formula of online courses, podcasts, peer discussion, articles and quizzes, this year we are introducing new video content featuring extended interviews with key thinkers together with short new explainer videos on key topics. You will find an even more varied and engaging learning experience that fits around your working life, helping you to balance your personal and professional imperatives with the task of staying up to date and maintaining the currency of your professional knowledge.

The Accountant's Update Pathway 2020 (ROI) combines the structure of a 20-week programme with the flexibility of accessing the materials wherever and whenever you want. Our facilitator will be on hand to help and guide you through the material and to gently remind you if you are falling behind.

The Accountant's Update Pathway 2020 (ROI) will make your CPD part of the beat of your life. It is a complete solution to remaining relevant and competent and to completing your CPD for 2020.

Register your interest today to be amongst the first to know when enrolment opens!

Remember that CPA Ireland members get 10% off accountingcpd courses throughout the year. We also host a number of videos which can be found at http://ow.ly/qEWG50xzrvu and a number of blogs available at https://www.accountingcpd.net/blog.

Location	Dates	Title	Price	NM Price	CPD Credit
Athlone	Wednesday 27 May 2020	Credit Union Day	€195.00	€245.00	8 hours
Athlone	Tuesday 23 June 2020	Audit Update & Tax Update	€235.00	€285.00	8 hours
Castlebar	Wednesday 24 June 2020	Audit Update & Tax Update	€235.00	€285.00	8 hours
Cork	Wednesday 11 March 2020	Review of Professional Issues	€0.00	€50.00	2 hours
Cork	Thursday 12 March 2020	CPA Tax Conference 2020 - Cork	€225.00	€275.00	8 hours
Cork	Wednesday 18 March 2020	Innovation and Opportunity Workshop	€195.00	€245.00	8 hours
Cork	Friday 24 April 2020	Irish Accountancy Conference 2020	€295.00	€345.00	12 hours
Cork	Friday 24 April 2020	Irish Accountancy Conference 2020 - Friday Only	€220.00	€270.00	8 hours
Cork	Saturday 25 April 2020	Irish Accountancy Conference 2020 - Saturday Only	€140.00	€170.00	4 hours
Cork	Monday 8 June 2020	Full Day HR workshop	€195.00	€235.00	8 hours
Cork	Wednesday 10 June 2020	Audit Update & Tax Update	€235.00	€285.00	8 hours
Cork	Wednesday 17 June 2020	Women in Business	€50.00	€50.00	3 hours
Dublin	Thursday 26 March 2020	Innovation and Opportunity Workshop	€195.00	€245.00	8 hours
Dublin	Monday 30 March 2020	Advancing Women Workshop	€195.00	€245.00	8 hours
Dublin	Friday 3 April 2020	Irish Accountancy Conference 2020	€295.00	€345.00	12 hours
Dublin	Friday 3 April 2020	Irish Accountancy Conference 2020 - Friday Only	€220.00	€270.00	8 hours
Dublin	Saturday 4 April 2020	Irish Accountancy Conference 2020 - Saturday Only	€140.00	€170.00	4 hours
Dublin	Thursday 14 May 2020	Future of Accountancy Event	€75.00	€75.00	6 hours
Dublin	Wednesday 10 June 2020	Women in Business	€50.00	€50.00	3 hours
Dublin	Monday 15 June 2020	Full Day HR workshop	€195.00	€235.00	8 hours
Dublin	Wednesday 17 June 2020	Audit Update & Tax Update	€235.00	€285.00	8 hours
Kerry	Tuesday 9 June 2020	Audit Update & Tax Update	€235.00	€285.00	8 hours
Kildare	Tuesday 24 March 2020	Review of Professional Issues	€0.00	€50.00	2 hours
Kilkenny	Wednesday 25 March 2020	Review of Professional Issues	€0.00	€50.00	2 hours
Kilkenny	Tuesday 16 June 2020	Audit Update & Tax Update	€235.00	€285.00	8 hours
Limerick	Thursday 12 March 2020	Review of Professional Issues	€0.00	€50.00	2 hours
Limerick	Friday 27 March 2020	Innovation and Opportunity Workshop	€195.00	€245.00	8 hours
London	Thursday 26 March 2020	Review of Professional Issues	€0.00	€50.00	2 hours

100% Complete

Updates Installed

Download more courses at
www.cpaireland.ie/cpd

Update You

CPA IRELAND

Student News

April 2020 Examinations

The April 2020 examinations will take place from 27 April – 1 May (both dates inclusive). A complete list of examination venues is available below:

April 2020 - Examination Venues

DUBLIN:
Erin's Isle GAA Club,
Farnham Drive,
Finglas,
Dublin 11.

CORK:
Bishopstown GAA Club,
Bishopstown,
Cork.

LIMERICK:
Radisson Blu (Shannon Suites),
Ennis Road,
Burton Hill, Limerick.

ATHLONE:
Athlone IT,
(Room U306),
Athlone,
Co Westmeath

Remember, there are a number of resources available on the 'study support' page of the CPA Ireland website so please ensure that you avail of these as they are designed to provide guidance on the examination and training process.

The results of the April 2020 examinations will be published on Friday 12 June 2020.

For queries regarding examinations please contact Lisa Kelly at lkelly@cpaireland.ie

CPA Ireland wishes all its students well in their examinations.

Important Information for Students Attending the April 2020 Examinations

Some key information can be found below on what to bring with you on the day of your exam.

- **Identification**
  All students are required to show their CPA Student I.D. card or another suitable form of photographic identification such as Driver's License, Passport or National Identity Card. The I.D. card or equivalent must be presented to the Examination Invigilator when signing in before each examination.
- **Writing Material**
  Each student must bring his/her own pens, pencils, correction fluid, erasers, rulers, etc. Please note that all paper, tables, examination answer booklets, graph paper, log books and script envelopes are provided by the Institute at the examination centre.
- **Calculators**
  Calculators are permitted for use in an examination hall - provided they are noiseless, battery operated and do not issue printouts. Mobile phones or smart watches may not be used as calculators.
- **Open Book Examinations at Professional 2**
  A student sitting open-book examinations may bring reference material, in hard copy format only, into the examination hall. Any reference material brought by a Professional 2 Stage student into an examination hall for use during an examination must be capable of being stored within a container with the following internal dimensions: width 210mm, length 295mm (the dimensions of an A4 sheet of paper), and the overall height should not exceed 350mm.

Students sitting exams with multiple choice questions must include their separate answer sheet for multiple choice questions in the envelope provided. If these are removed from the exam centre they cannot be marked.

Please ensure you arrive at least **30 minutes** before the start of the exam. This should give you adequate time to relax and prepare yourself. Best of luck to all candidates!

Training Records

CPA Ireland would like to remind you, as a student, of the importance of maintaining your training record as you progress through the CPA qualification. The primary responsibility for the maintenance of your training records rest with you.

Keeping an accurate record of your training and reviewing it on a quarterly basis with your supervisor enables you to receive structured feedback on your performance and facilitates planning for your training in the next quarter and beyond.Training records must be approved by a mentor who is a qualified accountant and it is important that you register your mentor on the system so CPA can approve your mentor before you start to log your training.

Students who have not yet submitted training for 2019 are advised to contact the Institute as soon as possible.

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Students who have not yet submitted training for 2019 are advised to contact the Institute as soon as possible.

Publication Notice

Investigation Committee – Consent Order

Ref. : Invest/01/19

At a meeting of 18 November 2019, the Investigation Committee found prima facie evidence of misconduct in accordance with bye law 6.5.1. in that Michael J. Kenny, 13 The Gables, Kill, Co. Kildare acted or defaulted in a manner which tends to discredit himself, the Institute and the profession of accountancy by appearing on the Revenue List of Defaulters for the period 1 July 2018 to 30 September 2018 in respect of failure to lodge three income tax returns for himself and was fined €3,750 by the Revenue Commissioners.

The Committee offered and Mr. Kenny accepted, a Consent Order, the terms of which are: -

- Reprimand
- Fine €2,500
- Contribution towards the Institute's costs €1,500

Publication Notice

Ref. : Invest/06/18

Re. : Disciplinary Tribunal

On 13 November 2019, a Disciplinary Tribunal found the following charges of misconduct in accordance with bye law 6.5.1.(d) proven against a member in practice in that the service provided to a client was inadequate and not of a quality that could reasonably be expected of him in respect of the following complaints: -

1. Capital allowances were erroneously claimed for 2012 and 2013 and
2. Case 1 capital allowances were available but were overlooked and not claimed in 2013

The Tribunal ordered that the Member: -

- Be reprimanded in respect of each charge
- Be fined €1,500 in respect of each charge
- Contribute €3,000 towards the Institute's costs in this matter.

and that these findings and orders be published without reference to the Member by name.

Publication Notice

Ref. : Invest/14/18

Re. : Disciplinary Tribunal

On 18 November 2019 a Disciplinary Tribunal found the following two charges of misconduct proven against a Member Mr. Seán O'Riordan (John G. O'Riordan), O'Riordan & Associates, 10 Douglas West, Douglas, Cork: -

1. That he failed to conduct the liquidation of a Company, which he had been appointed liquidator in 2014, in a timely fashion (bye law 6.5.1.(d)) and
2. That he failed to engage with interested parties in relation to the conduct of this liquidation (bye law 6.5.1.(d)).

The Tribunal imposed the following orders: -

1. Severe reprimand in respect of both charges
2. Fine of €1,000 in respect of both charges
3. Contribution of €10,000 towards the Institute's costs in this case – (payable by 30th June 2020).

The Tribunal imposed the following conditions: -

1. That Mr. O'Riordan undertake a minimum of 10 additional hours of CPD, over and above his normal CPD requirements in 2020, and that this additional CPD relate to the conduct of liquidation work.
2. That in relation to all incomplete liquidation cases held by Mr. O'Riordan as a Liquidator on 1 February 2020; the files of these cases be handed over to the Institute between 1 February and 29 February 2020 for the purpose of inspecting them to ensure the liquidations are being conducted appropriately.
3. That the liquidation of the company which is the subject of this complaint be completed and all documents filed in the Companies Registration Office before 31 December 2019.

and that details of these findings, orders and conditions be published in Accountancy Plus and on the Institute's website, with reference to Mr. O'Riordan by name.