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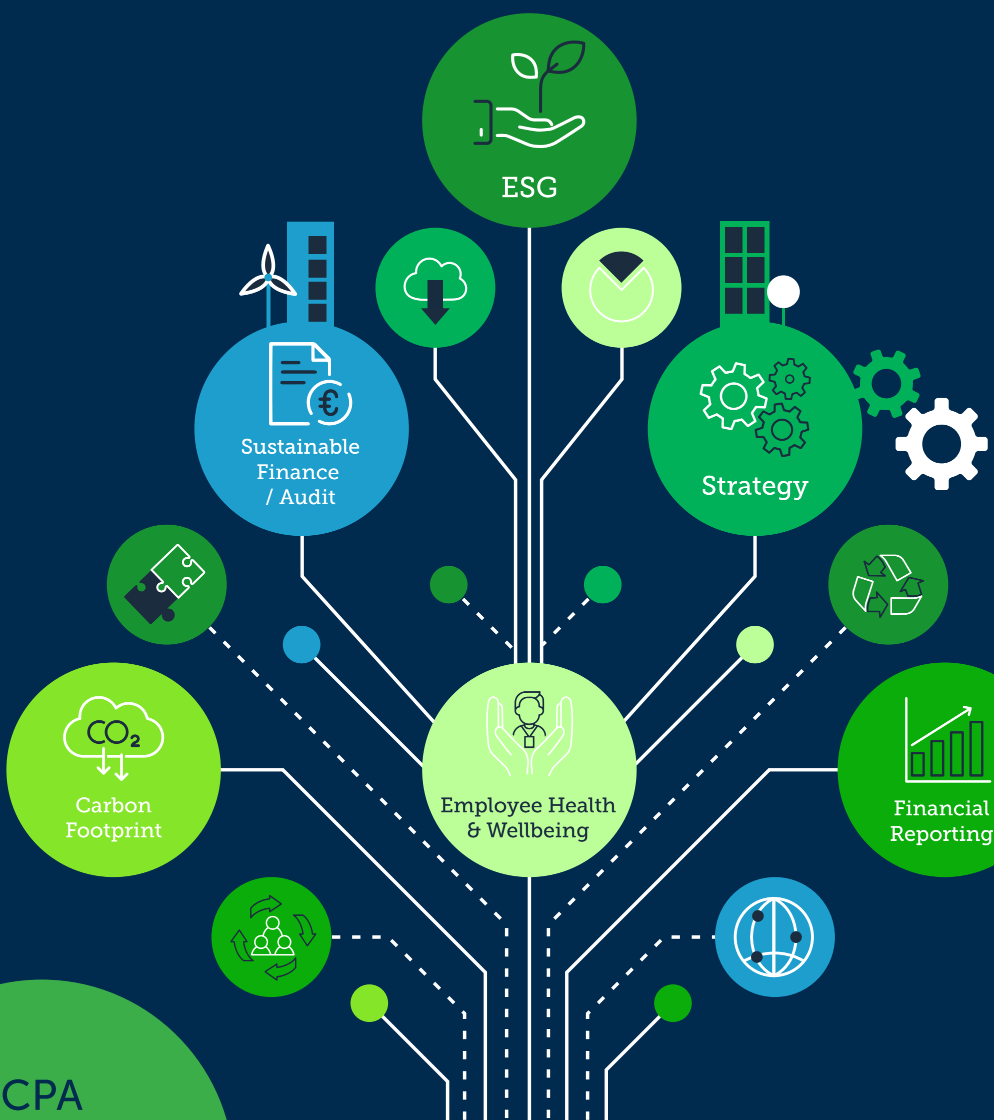
Accountancy Plus

The Official Journal of CPA Ireland



CPA Ireland Sustainability Hub

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Recruitment. But different.

Editorial

Accountancy Plus
December 2022

CPA Ireland

17 Harcourt Street,
Dublin 2, D02 W963

T: 01 425 1000
F: 01 425 1001

Unit 3,
The Old Gasworks,
Kilmorey Street,
Newry, BT34 2DH

T: +44 (0) 28 3025 2771
W: www.cpaireland.ie
E: cpa@cpaireland.ie

Editor
Patricia O'Neill

Chief Executive
Eamonn Siggins

Editorial Adviser
Róisín McEntee

Technical Adviser
Laurence D'Arcy

Advertising
Ciara Durham
T: 086 852 3463
E: accountancyplus@gmail.com

Published by
Nine Rivers Media Ltd.
E: gary@ninerivers.ie

President's Message

Welcome to the December 2022 edition of Accountancy Plus.

The Collins Dictionary has named 'Permacrisis' as their word of the year for 2022 and it perfectly describes yet another tumultuous year in the global and national arenas. War in Ukraine, the ever-increasing cost of living, concerns about energy supplies and the ongoing challenge of climate change have all contributed to global instability.

CPA Ireland is committed to continuing to support our members who, as accountants, are once again at the forefront of meeting these challenges. The work that you do to ensure the survival of the SME sector in Ireland in particular is exemplary and inspiring. As a Financial and Strategic Business Advisor to SMEs, I am very proud to belong to the CPA Ireland community.

CPA Ireland is working towards becoming a fully sustainable organisation and we are committed to supporting our members on their own journeys to sustainability. In October 2022, CPA Ireland Skillnet launched a Sustainability Hub as we continue to expand our resources to take account of more of the United Nations' 17 Sustainable Development Goals. This is an interactive and practical Sustainability Hub to help guide our members and students to develop sustainability strategies for business.

The hub covers many areas such as Audit, Financial Reporting, Strategy, ESG Reporting, Sustainable Lending, Carbon Footprint reduction, Employee Health & Wellbeing as well as offering live sessions with key industry experts in sustainability and case studies of those who have managed a sustainable journey. I would encourage you to explore the sustainability hub which can be found at https://www.cpaireland.ie/Resources/CPA-Sustainability-Hub.

I'd also like to remind you of CPA Ireland's Digitalisation Hub and Well-being Platform which were both developed and launched in 2021 and would encourage you to take the time to navigate around these different offerings.

Our global footprint continues to grow and in May 2022, we were extremely proud to sign a Mutual Recognition Agreement with The National Association of State Boards of Accountancy (NASBA)/American Institute of CPAs (AICPA) U.S. International Qualifications Appraisal Board (IQAB).

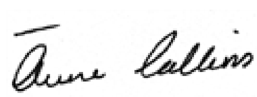
This agreement provides an exciting new opportunity to Irish CPAs, helping them to travel further and avail of new opportunities in the U.S. and is also a very strong endorsement of the CPA Ireland qualification. The U.S. and Ireland have a unique relationship based on historic cultural ties and now represented through a strong economic relationship. We are excited to be playing a part in enhancing this relationship by facilitating CPAs from both the U.S. and Ireland to form part of the next generation of that relationship.

The global nature of the profession is most evident every 4 years when a World Congress of Accountants takes place. I was privileged to represent CPA Ireland in Mumbai in November and to reconnect with some of our key partners in the USA, Australia, South Africa, Nigeria and to forge a new alliance with ICMA Bangladesh.

We also had the opportunity to meet with the leadership of ICA India and to engage with so many members of ICA India who are interested in availing of our MRA and seeking to live and work in Ireland. We also met with Ireland's Consul General in Mumbai, Ms Anita Kelly and with senior representatives of the IDA and Enterprise Ireland, all in an effort to facilitate trade between Ireland and India on behalf of the 100,000+ businesses that CPAs advise in Ireland.

This year we also say goodbye to Deirdre McDonnell, Director of Education and Gillian Peters, Director of Business Development who have left CPA Ireland to concentrate on other roles. Their work in CPA Ireland has been exemplary and myself, Council and all the staff at CPA Ireland would like to wish them all the best in their futures.

I am delighted that we once again have the opportunity to convene in person and I look forward to many more in 2023. I would like to take this opportunity to thank you for the exceptional work you have done in 2022 and wish you a peaceful and happy Christmas.



Áine Collins
President CPA Ireland

Contents

The Importance of Understanding Financial Literacy on Family Farms

by Dr John Nolan & Professor Teresa Hogan

The financial shocks that resulted from the 2008 global financial crisis, Covid-19 and, most recently, the high levels of inflation across the economy have focused attention on the ability of individuals and households to make informed financial choices regarding saving, borrowing, retirement planning, and more.

With financial literacy being widely perceived as the solution to creating individual financial responsibility and contributing towards the stability of the economic system, there has been a significant increase in research measuring personal financial literacy across the world with studies generally finding widespread low levels along with significant heterogeneity within populations.

Surprisingly, there has been much less attention on financial literacy in micro and small enterprises (MSEs). In an Irish study,[1] 81% of owner managers stated that financial literacy was important, however only 46% thought they had a good level of financial literacy. Owner-managers were reluctant to address this weakness for a variety of reasons including a lack of time, the cost of training, inappropriate methods of training or believing it was not their responsibility but rather their accountant's. These findings, and the lack of research in comparison to personal financial literacy, suggest there is still a lot learn about financial literacy in MSEs.

Financial Literacy & Family Farms

Our research focused on understanding financial literacy in micro and small family farming enterprises. Ireland's agricultural industry plays a significant role in our economy with 137,500 farms, of which 99.7% are classified as family farms, and it accounts for 7.1% of total employment. Family farms are currently at an important inflection point as a combination of factors shape the future of farming, including the new Common Agricultural Policy in 2023, sectoral emission targets as part of the Government's Climate Action Plan, and instability in global supply chains leading to significant input cost inflation.

All these factors create a challenging financial landscape for Irish family farms, particularly in the context that 27% of Irish farming households are economically vulnerable while another 31% are only economically sustainable due to the presence of off-farm income.[2]

With such significant changes on the horizon, the coming months and years will be crucial for these farms (and families) as important decisions regarding the sustainability of the current farming system will be made. Such decisions inevitably involve a significant financial component and farmers will need to be supported to make the right decisions.

Research has shown that accountants are one of the most used and trusted advisors to farmers and, consequently, they will have a key role in guiding farmers through this decision-making process. Understanding the relevant costs and benefits, not only in the short term but over a longer-term horizon for the farm will be important as will understanding how to effectively present this into a meaningful analysis that is understandable by both the farmer and the broader family unit. This is where accountants should thrive given their skillset and experience of undertaking such financial analysis.

Financial Literacy: A complex issue that needs to be viewed in context

In understanding financial literacy at a farm level, our research moved away from viewing it as a binary concept – implying that someone is either financially literate or illiterate – and sought to explore how financial literacy revealed itself on different farms through the financial practices that farmers engaged in.

The perception of farmers as hating the "bookwork" and the stereotype of the biscuit tin full of receipts being given to the accountant just before the tax deadline each year oversimplifies a complex issue of how farmers and their families engage with financial information at a farm level and what influences these practices, which was the core focus of our research.

We identified a number of important factors when examining financial literacy at a farm level which can provide important insights for accountants that are engaging with family farms.

1 Small Firms Association, 2019, 'Financial literacy amongst Irish micro, small and medium-sized businesses'
2 https://www.teagasc.ie/publications/2022/teagasc-national-farm-survey-2021.php

1. Time

The financial practices of the farmers are centred around their management of time across the farming season. The farmers constantly balance their time between various tasks on the farm at different times of the year. This results in the farmers making trade-offs between time spent on financial related tasks and time spent elsewhere on the farm, depending on which tasks the farmer perceives to be more important or of value to the farm.

The routine each farmer has with respect to financial practices on the farm is another important dimension as all the farmers in our study have particular times of the day and times of the year that they focus on financial related events on their farms. The annual financial cycle on the farm with its repetitive milestones (e.g. financial year end, tax deadlines, loan repayment dates) reinforces this focus on a financial routine and each year the farmers' financial practices become more embedded.

This importance of time in understanding financial literacy on farms creates an important insight in terms of targeting key "engagement moments" on a farm when the financial side of the business has the farmer's attention.

2. Role Assignment

When a farmer does not identify the financial aspects of the farm to be central to their identity as a farmer (or they perceive them to be of less value than other tasks on the farm), they can often delegate many of these responsibilities to either other family members (e.g. spouse, son/daughter) or to external parties (e.g. bookkeeper, accountant). We find that spouses and children in the farm family play an important supporting, and sometimes primary, role in the financial related events on the farm.

This can often mean a disconnect arises between those that are managing the day-to-day financial records and tasks on the farm (e.g. managing invoices, cheque lodgements, collecting receipts) and the person making the financial decisions, which the farmer often retains responsibility for. Such a disconnect can create issues in terms of targeting education initiatives and advisor engagement given the split of responsibilities within the family unit.

This highlights the importance of viewing the farm from the family perspective and understanding the different roles undertaken by family members.

3. Importance of the Past

In our case study, the importance of the past in terms of tradition, inheritance of financial practices from previous generations and the farmer's own previous financial experiences, combine with considerations for the future around the farm's financial viability and the next generation to influence current financial practices. There was evidence of financial practices being inherited from previous generations and a sense of tradition in terms of how and when certain financial events and practices take place and who is involved. For example, the continued use of a traditional pen and paper approach – which the farmers would have learned from the previous generation - to the financial records on the farms studied is in contrast to the adoption of technology in other aspects of the farm to save time and labour (e.g. calving cameras, online herd registration apps).

Another influence on financial practices was the role of the farmers past financial experiences. Previous experiences of dealing with banks, financial pressure on the farm and the experience of farming in more difficult economic times all shape the farmers' approach to their farm finances and associated practices.

These influences highlight the important role of history, of both the farm and the farmer, in understanding financial literacy on farms and the origin of the current financial practices.

4. Institutions & Power

Family farms operate in the context of significant institutional influence and our findings put a focus on the power relationships that exist between each farm and the various stakeholders in the farm financial ecosystem. Key deadlines set at an institutional level (e.g. DAFM scheme payments, tax deadlines, bank loan repayment dates) create temporal pressure on the farmers which drives much of their approach to financial literacy.

Certain financial texts (e.g. Teagasc eProfit Monitor, annual farm accounts) and associated practices would be seen as dominant financial literacies as they are driven by various stakeholders (e.g. banks, Revenue, Teagasc, DAFM) in the farm financial ecosystem and failure to master them can result in penalties for the farmer (e.g. breach of loan agreement, tax penalties) and disempowerment.

This institutional focus on dominant financial literacies contrasts with the farm level approach observed in our study whereby the farmers undertook more informal financial practices to understand the farm's performance and financial position.

While cashflow budgets, breakeven analysis, and financial statements are standard terms to accountants, for many farmers they are often technical jargon that only serve to distance the farmers from the analysis and decision-making process as opposed to engaging them. Many farmers, over time, develop their own accounting system that works for them (local financial literacies - e.g. the "back of the envelope" calculation).

While these informal approaches may be much less visible to outside parties, as they are not supported at an institutional level and can be unique to each farmer, they play a very valuable role at a farm level to inform farmers' decision making and should be an important consideration for advisors when engaging with farmers on financial matters.

5. Values, Views & Privacy

The value that each farmer perceives coming from the financial side of the farm and how they view the role of farming are two key influences on the financial practices on the farm. Farmers that view farming as a way of life and a vocation with little focus on the financial performance of the farm tend to outsource much of the financial work on the farm to other family members (e.g. child or spouse) or an accountant which can result in a disconnect between the farmer and the underlying financial performance of the farm.

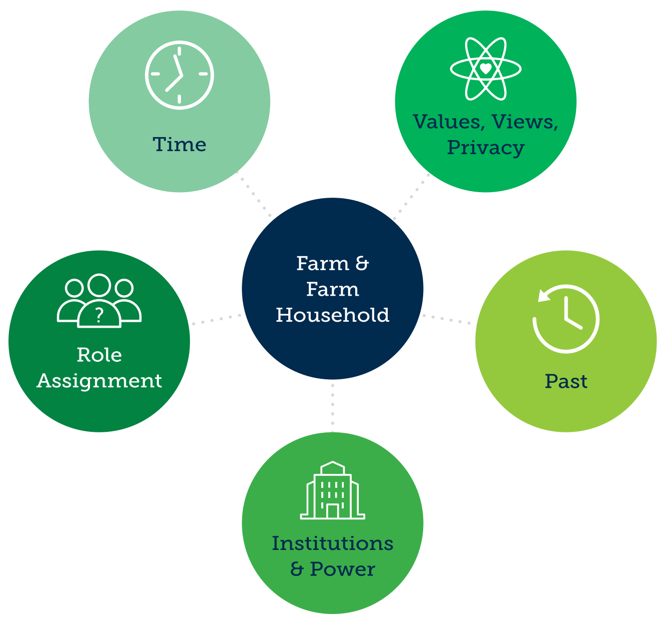
In contrast, those farmers who viewed the farm as a business that needs to generate a return financially, and who placed significant importance on the financial side of the business, proactively engaged with the timing and nature of financial practices on their farms. In our study, the perceived value of the financial performance of the farm and the farmer's view of the purpose of farming were heavily influenced by the family structure (e.g. existence of dependent family members, household reliance on the farm income), the existence of a clear successor, and the level of farm debt which increases the financial pressure on the farm. Furthermore, the inherent closeness of the farm's financial performance and the household's own finances can create an issue of privacy and an aversion to discuss such issues in the public domain, which is in contrast to the tendency of the same farmers to be happy to discuss other aspects of farm performance in those same social settings.

This theme again reinforces the importance of context in understanding how farmers approach the financial side of their business.

Conclusion

Our research has shown that financial literacy is a much more complex concept than simply labelling a farmer as being either financially literate or illiterate. As family farms enter into a new period of change and uncertainty, there is a growing demand for financial advice that famers, and their families, can understand and engage with. This will require advisors to be aware of the broad range of influences on the financial practices that occur on farms and how financial decisions are made.

Financial Literacy on Farms – Key Influences



Dr. John Nolan

Dr. John Nolan is an Assistant Professor in Accounting and Corporate Finance in University of Galway and completed his PhD on financial literacy in family farms in Dublin City University in collaboration with Teagasc.

Professor Teresa Hogan

Professor Teresa Hogan is Professor of Entrepreneurial Finance at DCU Business School. She is a member of the National Centre for Family Business, and her research interest is focused on SME financing, working capital, venture capital, and acquisitions.

CPA Profile
Estée Bekker

Title: **Qualified Financial Accountant**

Company: **The Kenworth Group, South Africa.**

Qualifications: **Post-graduate diploma:** Professional Accountant in Practice

Bachelor of Commerce: Majoring in Cost and Management Accounting

Professional Memberships: **CPA, SAIPA, SAIBA**

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

I started out my career in the medical field working in the operating theatres at the local hospital. It is there where I met my husband, a paramedic, and soon we were married, and I gave birth to my son.

The hours required by the medical field proved to be too much with a small baby who needed his mother. I decided to leave the profession altogether and move over to the finance industry. But being the determined person I am, I decided that if I am going to make this change, I am going to do it thoroughly and to the best of my ability. When my son was 12 weeks old, I started my accounting internship whilst studying for my degree online.

Why did you choose CPA Ireland as your qualification route?

In 2021, my husband received a job opportunity that we simply could not pass up. He took the job and moved to Ireland in March 2022. This happened to be just before I took my SAIPA board exams in June 2022 which was a very stressful time. I started to look at what my options were to follow him over on my own work permit.

For an accountant to go over to Ireland on a critical skill employment permit you must belong to a regulatory body in Ireland.

I discovered that SAIPA enjoys a Mutual Recognition Agreement with CPA Ireland. I was absolutely thrilled and after passing my SAIPA board exams I followed the steps to join CPA Ireland (which included a course on Irish tax and Irish law). I thought that CPA Ireland would simply be my ticket into Ireland, but I have since discovered that CPA Ireland is so much more. SAIPA is like family to me, and I could have never imagined I would find the same in CPA Ireland.

Every person I have had contact with at CPA Ireland has been amazing, so supportive, so friendly, and so professional. I am truly, completely, and fully SAIPA & CPA Ireland proud. What an absolute honour to belong to both these prestigious bodies.

Please provide a brief history of your career.

My accounting career started at a wonderful firm in my hometown, Taxco Accountants and Tax Consultants, where I completed my internship. I arrived a shy young girl, fresh out of the medical field, and the partners there not only trained me, but guided me and supported me into becoming the accountant I am today.

After successfully completing my internship, I found a wonderful role in the finance department of a large firm specializing in construction, residential and commercial letting as well as retail. I completed my degree, did a post graduate diploma, and went on to successfully complete my board exams and become a full member with SAIPA as a professional accountant in practice.

What one word describes what your CPA qualification has given you?

My future.

What has been your biggest career achievement?

My biggest career achievement has most certainly been my acceptance, all the way from South Africa, as a full member with CPA Ireland. And then of course to actually find work in Ireland. I was very fortunate to have found a role with a firm which is situated less than 4km away from the rental which my husband has already secured for us. Currently my critical skill permit is in process and I am sorting out the last few things before my son and I leave for Ireland.

What or who inspires you most in business?

I am inspired by people in business who have succeeded despite all the many roadblocks that were in their way. To get where you want to be or to succeed you must sometimes struggle through very trying times and often you must simply not accept the word "no".

If I had to stop every time someone told me "No" I wouldn't be where I am today. Determination and perseverance are absolutely the key to success and people who manage this are extremely inspirational to me.

What advice would you give to those recently qualified or currently studying for their CPA qualification?

Know your worth. Believe in yourself and believe in what you deserve.

How do you unwind?

I have a big passion and love for horse riding. It is the activity I consider "me time". I also unwind by spending time with my family, even the four-legged family members. I also love to indulge in a good series on Netflix.

What traits do you admire in others?

I often admire traits in other which I struggle with personally – people who only see the best in others... who are patient... and who are always positive.

CPA Profile
Alan Cosgrave

Title: **Managing Partner, Advisory Services**
Company: **MNP LLP**
Qualifications: **FCPA, CFSA, CICA**

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

My Father Mario is a fellow FCPA and growing up I spent many weekends and summers working in my dad's practice FM Cosgrave & Associates. I always enjoyed the work and accountancy seemed to come naturally to me. It was always my plan to pursue my designation once I completed my university degree in Corporate Finance. I enrolled at Griffith College and studied while I worked, the flexibility the CPA program offers made working and studying very manageable.

Why did you choose CPA Ireland as your qualification route?

As I mentioned, my dad has been a CPA for over 35 years, and I have seen first hand the value the CPA designation can yield both personally and professionally. Out of curiosity I researched the other accountancy bodies, but CPA was a better fit for me with how the exams and learning program are structured.

Please provide a brief history of your career.

I started with Farrelly Dawe White and Duignan Carthy O'Neill in Dublin and upon receiving my CPA qualification I moved to Deloitte. After a few years in the Dublin office, I had the opportunity to move to Bermuda where I worked and lived for 3½ years. I moved from Bermuda to Vancouver in Canada, and I have been here ever since.

I am currently the Managing partner for MNP's advisory practice across British Columbia. MNP is Canada's 5th largest CPA firm with over 9,000 team members and 120 offices across the country. Day to day I practice in Enterprise Risk Services, but I also oversee our teams that work in Corporate Finance, Due Diligence, Forensics, Valuations, Corporate Insolvency, Consumer Insolvency, Consulting and Process Improvement.

What one word describes what your CPA qualification has given you?

Adventure. I've seen so much of the world and experienced so many things thanks to my CPA qualification. The opportunity to live and work in Bermuda was amazing and something which likely would not have been available to me had I not obtained my CPA qualification. The CPA qualification is also widely recognised and when I moved to Canada I was admitted as a member of CPA Canada through the mutual recognition agreement that is in place between both institutes.

What has been your biggest career achievement?

When I started my career, I always wanted to be a partner so reaching that milestone has been one of my biggest achievements but looking back, achieving my CPA qualification was the first important step in achieving my goals so I think its fair to say obtaining my qualification has to be my biggest career achievement.

What or who inspires you most in business?

My family. My parents instilled a strong work ethic in myself and my siblings and watching how hard my family members work continues to inspire me to work hard. Business leaders I admire are Warren Buffett and Jimmy Pattison, seeing their passion for work even as they enter the twilight of their years is amazing. I am fortunate that I really enjoy my job and it doesn't feel like work, hopefully that will result in a very long and fulfilling career.

What advice would you give to those recently qualified or currently studying for their CPA qualification?

Go for it and give it your all. It's a great qualification, a great career and the opportunities are endless. Also, once you qualify, consider using your designation to travel the world.

How do you unwind?

I have three young children, Sophie (6), Grayson (2) and Niall (1). They keep my wife Maura and I very busy but spending time with them gives me an opportunity to unwind from work. I am also a big sports fan and enjoy watching Soccer, Rugby, Golf, Boxing and American Football.

What traits do you admire in others?

I enjoy meeting people who are eternal optimists. It's always refreshing when you meet people who can see the good in anything and it's a good reminder to take notice of the smaller things. Sometimes we need to remember that we work to live and not live to work.

Financial Reporting News

Reporting Periods

For reporting periods ending on or before 31 December 2021, the war is considered to be a non-adjusting event. As the Russian invasion occurred after the reporting date, the effects of the conflict should not be reflected in the financial statements, other than by disclosing the effect of the non-adjusting event were material.

For reporting periods ending on or before ending 24 February 2022 the consequence of the invasion becomes adjusting events and preparers must consider how sanctions and related effects could impact their financial statements, for example uncertainties regarding going concern, Impairment of assets, the effect expected for irrecoverable debts for receivables , classification of liabilities as current versus non-current and additional disclosures regarding assumptions.

Going Concern

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised for issue. For example, for the year ending 31 December 2021, even though the significant impact on the financial statements occurred after year-end, management will need to consider the appropriateness of preparing financial statements on a going concern basis and will need to take into consideration the existing and expected effects

of the current situation on the entity's activities, if the effects of the invasion are so significant that an entity's management has determined it intends to liquidate the entity or cease trading, or that there is no realistic alternative but to do so, then the financial statements would not be prepared on a going concern basis (FRS 32.7A), even though the event occurred after the period end.

Disclosures

When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern. (FRS 3.9)

Other articles of Interest

The FRC's Annual Review of Corporate Reporting performed 252 reviews of companies' accounts and, while the overall quality of corporate reporting within the FTSE 350 had been maintained, 27 companies were required to restate aspects of their accounts. www.frc.org.uk

IAASA has published its annual Observations paper highlighting matters that those charged with governance should consider when preparing their financial statements for 2022.

https://www.iaasa.ie/News/2022/IAASA-highlights-matters-for-companies-to-consider

War in Ukraine – considerations for financial reporting

The events following the war in Ukraine has led to many additional considerations and financial reporting issues for practitioners. The focus of this news piece is the accounting implications of the war in Ukraine for practitioners when applying FRS 102.

Reporting implications for financial statements for reporting periods after the Balance Sheet Date

Events after the end of the reporting period both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue should be disclosed disclosed as non-disclosure would affect the ability of the users to make proper evaluations and decisions.

There are two types of events those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the end of the reporting period)and) those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the end of the reporting period (FRS 102.32.2)

If events are deemed to be adjusting events an entity shall adjust the amounts recognised in its financial statements, including related disclosures, to reflect adjusting events after the end of the reporting period. (FRS 102.32.4). If events are deemed to be non-adjusting events an entity shall not adjust the amounts recognised in its financial statements after the end of the reporting period. (FRS 102.32.6) these events are disclosed were material

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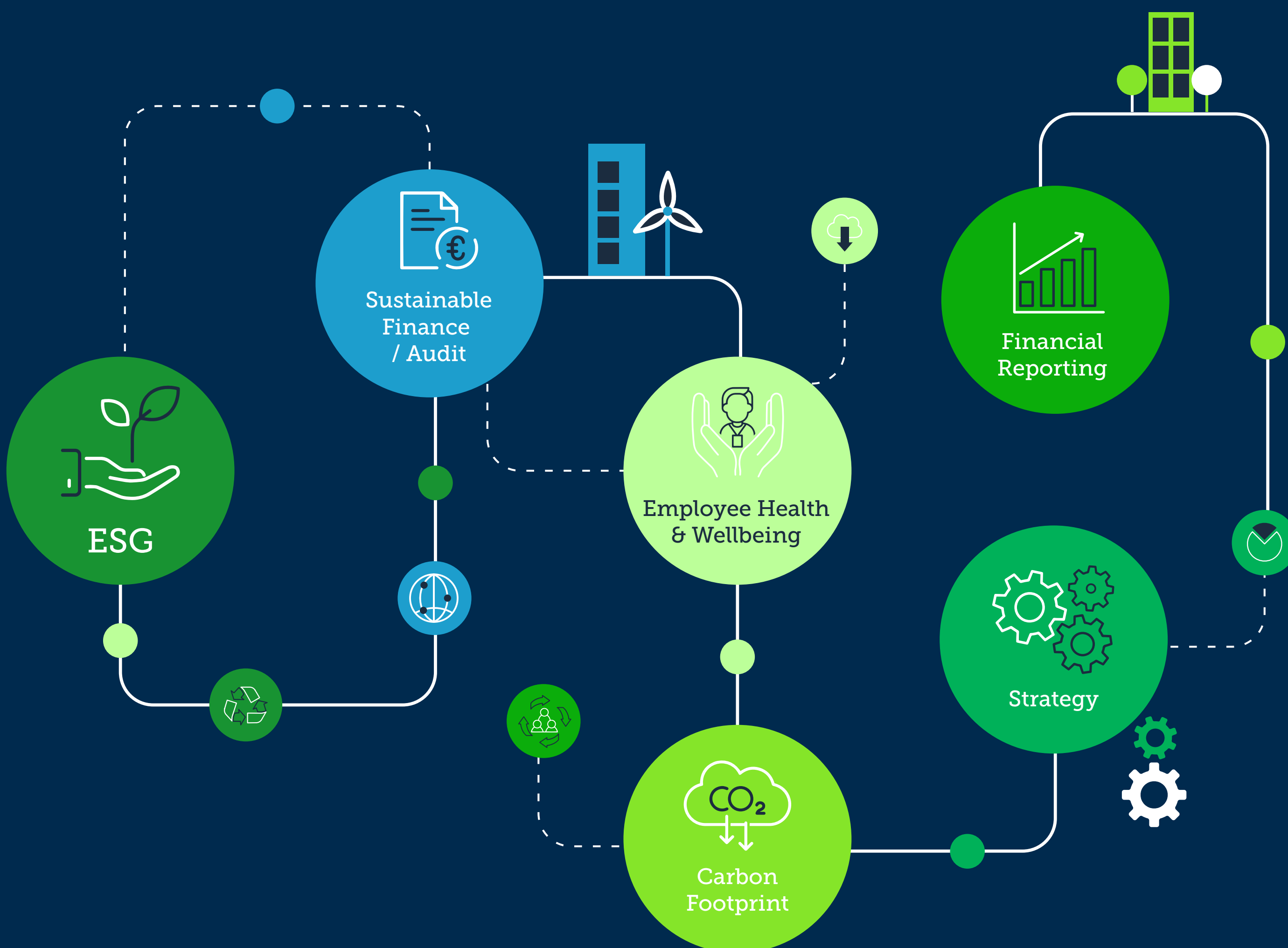

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European accounting enforcers
priority areas for 2022 financial statements

by Maurice Barrett

The European Securities and Markets Authority (ESMA) publishes a paper in October each year highlighting areas that EU accounting enforcers will focus on when examining companies' annual financial statements. While the ESMA paper is prepared with listed companies in mind, the messages therein are equally relevant to a much wider range of companies.

The European Securities and Markets Authority (ESMA) is the Europe-wide body responsible for safeguarding the stability of the EU's financial system. Co-ordination of accounting enforcement across the EU is part of ESMA's activity. One element of

ESMA's accounting enforcement role is the publication of a paper in October each year setting the common enforcement priorities (CEPs) for the annual financial reports of listed companies.

The Irish Auditing and Accounting Supervisory Authority (IAASA) contributes to ESMA's activities in the accounting enforcement arena through its participation in the ESMA-sponsored European Enforcement Co-ordination Sessions (EECS). With responsibility for the coordination of supervision of almost 4,500 issuers listed on the regulated markets in the EEA preparing IFRS financial statements, EECS constitutes the largest regional accounting enforcers' network with supervision responsibilities for IFRS.

The 2022 ESMA CEPS paper sets out six priority enforcement topics:

1. Climate-related matters
2. Direct financial impacts of Russia's invasion of Ukraine
3. Macroeconomic environment
4. Disclosures relating to Article 8 of the Taxonomy Regulation
5. NFRD: Reporting scope and data quality
6. Identification of alternative performance measures (APMs) and reconciliations.

Climate-related matters

Over the space of a short few years, climate-related matters have emerged as a key consideration in the preparation of financial statements. Similarly, green-washing, the disconnect between what companies say in their narrative reporting and what is reflected in the financial statements proper, has emerged as an area of focus for accounting enforcers. Stakeholders are increasingly seeking comprehensive information on companies' climate responses.

ESMA reminds preparers, approvers and auditors to consider climate-related matters when preparing and auditing financial statements where those matters are material, even if accounting standards do not explicitly refer to climate-related matters.

Companies should be attentive to climate-related matters and their effects when providing a balanced and comprehensive analysis of the development and performance of the company's business and of its position together with a description of the principal risks and uncertainties that it faces. ESMA believes that companies should consider whether the degree of emphasis placed on climate-related matters in the management report and the non-financial information is consistent with the extent of disclosure on how the risks and opportunities arising from climate matters have been reflected in the judgements and estimates applied in the financial statements.

ESMA notes that boilerplate disclosures stating that climate-related matters have been considered (e.g., in impairment tests) without further explanation as to how and to what extent they impact financial statements should be avoided. Where companies, especially those in exposed sectors, conclude that no material financial impact from climate-related matters on their operations and the measurement of their assets, liabilities and cash flows is expected, ESMA expects those companies to disclose: (i) the assessments performed, (ii) the judgements made, and (iii) the time horizon used to reach such a conclusion. Disclosures should be tailored to the specific circumstances of the specific company. ESMA encourages companies to include all information required to be disclosed under accounting standards on climate-related matters in one single note.

The ESMA CEPs paper provides specific comments on:

- impairment of non-financial assets,
- provisions, contingent liabilities and contingent assets, and
- power purchase agreements.

An important disclosure related to climate is that of transition plans which help users understand whether and how a company intends to modify its business model, operations and asset base towards a model that is compatible with the latest climate science recommendations.

The ESMA CEPs paper notes that increased transparency is necessary when companies prepare transition plans; some companies present ambitious climate goals without addressing how those goals were established, under which scenario they are developed, and the actions in place to achieve them. ESMA calls on issuers to provide company specific disclosures.

The ESMA CEPs paper directs companies' attention to the requirements of the Non-Financial Reporting Directive (NFRD) and notes that companies should be aware that the general expectation from both users and regulators is in the direction of increased transparency on climate-related matters

Direct financial impacts of Russia's invasion of Ukraine

When examining the 2022 annual financial reports, EU accounting enforcers will pay particular attention to the financial reporting treatments applied by companies in respect of the Ukrainian war.

ESMA highlights some considerations for companies to bear in mind in the financial reporting impact of the war.

Separate presentation

The ESMA CEPs paper cautions against the separate presentation of the impacts of the war in the income statement; separate presentation may not give a fair presentation of a company's financial performance and may be misleading to users' understanding of the financial statements.

Therefore, ESMA urges companies to disclose, in the notes to the financial statements, qualitative and quantitative information on the significant impacts, the judgements and assumptions applied in the recognition, measurement and presentation of revenues, expenses, assets, liabilities, and cash flows.

Loss of control

ESMA notes that assessing whether control, joint control or significant influence has been lost requires detailed consideration of all facts and circumstances and the use of judgement is needed when assessing whether or not control, joint control or significant influence has been lost due to the war.

Discontinued operations

Some companies have presented exit plans concerning operations located in Russia and Belarus. In this context, ESMA urges caution regarding the classification of non-current assets held for sale and/or discontinued operations under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

There should be clarity regarding any judgements made on the classification and measurement of assets and liabilities under this Standard. Companies should ensure that there is consistency between the disclosures provided in financial statements and in the management report.

Impairment of non-financial assets

ESMA expects that, because of the gas supply restrictions and potential rationing of energy to certain industries in connection with the Ukrainian/Russian war, companies should consider the impact of various energy price-scenarios and potential restrictions when performing their impairment test sensitivity analysis and disclose the key assumptions [paragraph 134(f) of IAS 36 Impairment of Assets].

Macroeconomic environment

The current macroeconomic environment, resulting from a combination of residual Covid-19-related effects, inflation, interest rate increases, deterioration of the business climate, geopolitical risks and uncertainties regarding future developments, pose significant challenges to companies and their operations.

Accordingly, the ESMA CEPs paper emphasis that companies must (i) assess the impacts that the macroeconomic environment and uncertainties have on their financial statements and incorporate those impacts in the financial statements (e.g., the ability to continue as a going concern and the impacts of energy costs on operations).

Some specific macroeconomic impacts are set out including:

Impairment of non-financial assets

Companies should ensure that potential indications of impairment are identified and responded to and should explain the impact of interest rate increases on impairment tests (e.g., changes in the weighted average cost of capital (WACC)). Companies should also consider adjustments to the range of reasonable possible changes in assumptions in their sensitivity analysis.

Employee benefits

Companies should ensure that the actuarial assumptions used reflect the current economic environment and are mutually compatible, including estimated future salary increases.

Revenue from contracts with customers

Companies should exercise caution before recognising an asset from the costs incurred to fulfil a contract in accordance with paragraph 95 (c) of IFRS 15 Revenue from Contracts with Customers in a context of strong inflation, as additional costs (e.g., rising raw material prices, energy costs, salary increases) may not be recovered. In addition, companies unable to reflect the increase of costs in the sale prices of services and goods may need to assess whether contracts have become onerous [IAS 37].

Financial instruments

Current macroeconomic developments highlight the importance of disclosures that enable users of financial statements to evaluate a company's exposure to interest rate risks, commodity price risks and related liquidity risks in accordance with paragraph 31 of IFRS 7 Financial Instruments: Disclosures.

Expected credit losses (ECLs)
The current macroeconomic environment may pose challenges for the ECL models used by financial institutions due to a lack of experience in modelling such circumstances.

Therefore, to enable users of financial statements to understand the effect of credit risk on the amount, timing, and uncertainty of future cash flows, the ESMA CEPs paper highlights the need for financial institutions to provide transparency on the impact the changing economic environment has on the ECL calculation. In addition, ESMA notes the need for transparency when material adjustments (i.e., management overlays) are used in the measurement of ECLs.

Disclosures relating to Article 8 of the Taxonomy Regulation (TR)

2023 is an important year for the reporting under Article 8 of the TR as financial year 2022 is the first time non-financial undertakings are required to disclose both the taxonomy eligibility and the taxonomy alignment of their economic activities vis-à-vis the climate change mitigation and climate change adaptation objectives.

This disclosure includes those set out in the complementary climate delegated act (Delegated Regulation (EU) 2022/1214). In this context, the ESMA CEPs paper reminds companies that it is mandatory to use the templates in Annex II of the Article 8 Disclosure Delegated Act.

NFRD: Reporting scope and data quality

The ESMA CEPs paper notes that, to provide a comprehensive picture of the non-financial matters listed in Article 19a(1) and 29a(1) of the NFRD, a company reports on at least the same scope as that used for its financial reporting.

Those Articles require companies to disclose information on risks linked to their own operations, including those of their business relationships, products or services that are likely to cause adverse impacts. ESMA invites companies to consider reporting on a larger perimeter than that used for its financial reporting when this would be necessary to provide material information on non-financial matters.

To this end, ESMA recommends that issuers describe their supply and sales chains (suppliers, subcontractors, distributors, franchisees and other relevant third parties in the value chain) and clarify the extent to which they have covered these entities in their non-financial reporting.

Companies may consider reporting on their data collection processes and the due diligence performed by their board or other relevant internal decision-making bodies in relation to the data. In this regard, ESMA highlights the important role which robust information systems play for data collection and management.

Identification of alternative performance measures (APMs) and reconciliations

The ESMA CEPs paper reminds companies:

- That some sub-totals included within the primary financial statements or in the notes (e.g., operating profit/loss, EBIT, EBITDA, and financial ratios) are within the scope of the ESMA Guidelines on Alternative Performance Measures (available at https://www.esma.europa.eu/press-news/esma-news/esma-publishes-final-guidelines-alternative-performance-measures) if those measures are included outside the financial statements.

- To provide reconciliations of the APM to the most directly reconcilable line item, sub-total or total presented in the financial statements of the corresponding period, separately identifying and explaining the material reconciling items.

- The definition and calculation of an APM should be consistent over time. Therefore, ESMA recommends that issuers use caution when making changes to APMs previously used and when presenting new APMs.

Conclusion

The ESMA CEPs paper provides useful guidance to preparers, approvers, and auditors of 2022 financial statements on areas that EU accounting enforcers will focus on when examining financial statements in 2023.

The ESMA CEPs paper should be read in conjunction with IAASA's 2022 Observations paper (available at http://iaasa.ie/News/2022/IAASA-highlights-matters-for-companies-to-consider) which is addressed to companies falling within IAASA's financial statement examination remit and may usefully be considered by a broader range of companies.

The ESMA CEPs paper is available at Microsoft Word - ESMA32-63-1320 Public Statement on the European Common Enforcement Priorities 2022 (europa.eu)

IAASA's 2022 Observations document is available at http://iaasa.ie/Publications/Financial-Reporting-Supervision

The views expressed here are his own and do not necessarily reflect IAASA's official positions.

Maurice Barrett

Senior Financial Reporting Manager, IAASA.

Law & Regulation News

Protected Disclosures Legislation

From 1st January 2023 the Protected Disclosures (Amendment) Act 2023 will commence.

The Act updates the Protected Disclosures Act 2014 and transposes the EU Whistleblowing Directive into Irish law.

From 1 January 2023, the Act will:

- Broaden the scope of the Protected Disclosures Act 2014 in relation to reporting of breaches of European Union law.
- Include protections for board members, shareholders, volunteers, unpaid trainees and job applicants who make a protected disclosure.
- Require organisations with more than 50 employees to have policies and processes for protected disclosures.
- Reverse the burden of proof for penalisation cases. This means the employer will need to prove that any alleged penalisation was not a direct result of the employee making a protected disclosure.

The new Office of the Protected Disclosures Commissioner will also commence operations on 1 January 2023.

www.citizensinformation.ie

Right to Request Remote Work to be introduced through Work Life Balance Bill

The Government has approved the integration of the Right to Request Remote Work for all workers into the Work Life Balance and Miscellaneous Provisions Bill which is expected to be delivered by the end of the year.

The Tánaiste and Minister for Enterprise Trade and Employment, Leo Varadkar T.D., and the Minister for Children, Equality, Disability, Integration and Youth, Roderic O'Gorman, T.D., together agreed that amending the Work Life Balance Bill is the most efficient and practical way to introduce the right to request remote work to all workers.

Integrating the Right to Request Remote Work for all workers into the Work Life Balance Bill means that employers and employees will now be making and considering requests for flexible or remote working under one piece of legislation and one Code of Practice to be developed by the Workplace Relations Commission (WRC). This will streamline the process and will help avoid inconsistencies and confusion.

Under the new legislation employees will have a legal right to request remote working from their employer. In addition, employers will now be required to have regard to the Code of Practice when considering requests. The Code of Practice will be established on a statutory footing and, it is expected that this Code will include guidance to employers and employees on their obligations regarding compliance.

www.merrionstreet.ie

New Law to Protect Employees Tips

The Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar TD, has announced that the Payment of Wages (Amendment) (Tips and Gratuities) Act 2022 comes into effect on 1 December 2022.

The new law gives employees a legal entitlement to receive tips and gratuities paid in electronic form and requires that these tips and gratuities should be paid to workers in a manner that is fair in the circumstances. Any charge called a 'service charge' or anything that would lead a customer to believe it is a charge for service, will have to be distributed to staff as if it were a tip or gratuity received by electronic means.

A fair distribution of tips will be context-specific, taking into account such matters as the seniority or experience of an employee, the value of sales generated by them, the number of hours worked, and so on.

The Act requires the Minister for Enterprise, Trade and Employment to review the legislation after it has been in effect for one year. This will allow the Minister to assess the effectiveness of the measures and assess whether any further measures are necessary.

This new law adds to other workers' rights that the Government is introducing, which include Statutory Sick Pay, a new Public Holiday in February, the forthcoming Right to Request Remote Work and the move to a National Living Wage.

www.enterprise.gov.ie/en

Hybrid Working – Here to Stay

by Laura Graham

The pandemic has changed the way we work. With government mandated directions to stay at home, most office-based workers were required to work from home full time during the emergency period.

Now that the emergency period is over, employers are struggling to get employees to return to the office full time. The majority of employees prefer to split their working time between a remote location (usually home) and the workplace.

This type of working arrangement is most commonly known as hybrid working, but is also referred to as agile working, blended working or split-working. In response to market demand, many employers have implemented hybrid working for employees with roles suitable for hybrid working. There is a general recognition that failure to offer hybrid working may result in increased employee turnover and limitations on the ability to attract and retain talent in the future.

This is reflected in the 2022 National Remote Working in Ireland Employee Survey ("the National Remote Working Survey") which found that, of employees surveyed who changed employer since the pandemic, 47% said remote working was a key factor in their decision.

In most workplaces, hybrid working has been introduced organically, as a middle ground between fully remote working and office-based working. If hybrid working has been introduced, employers might want to consider putting some structure around it to clarify the arrangement and to prevent issues arising.

A hybrid working policy can set out the parameters and rules for hybrid working.

What should be included in a Hybrid Working Policy?

1. What hybrid working means

Given that hybrid working is a relatively new phrase, the policy should specify that hybrid working is a flexible working arrangement which allows an employee to split working time between the workplace and home, or some other agreed remote working location.

2. Discretionary versus contractual

Employers might also want to include that the hybrid working arrangement is discretionary reserving the right to terminate the hybrid working arrangement if, for example, the needs of the business change, the employee's role changes and is no longer suitable for hybrid working or if there are performance concerns.

If a hybrid working arrangement has subsisted since the end of the emergency period employees may argue that it has become an implied contractual term and is no longer discretionary. However, there may be discretionary elements to the arrangement such as specific days that employees must attend the workplace.

3. Identify the proportion of time that employees must spend in the workplace

Employers will generally identify a minimum number of days that an employee must work in the workplace. The National Remote Working Survey found that, of the confirmed hybrid working patterns:

- 36% of employers required employees to work 2 days on site;

- 24% of employers required employees to work 3 days on site;
- 17% of employers required employees to work 1 day on site;
- 3% of employers required employees to work 4 days on site with the remaining arrangements falling within the "other" category.

Employers can incorporate a degree of flexibility for team managers to decide the dates and times that their teams must work from the workplace.

The policy may also include that hybrid working arrangements are subject to a requirement for the employee to attend the workplace on reasonable notice to facilitate meetings, attend training or for other business requirements.

4. Identify situations where hybrid working is likely to be refused

Roles should be identified that are not suitable for hybrid working. Examples should be provided, such as roles which involve interacting with the public or roles where particular equipment is needed that is only available in the workplace.

It should also specify circumstances in which hybrid working is unlikely to be agreed, such as employees who need training (e.g. probationary employees) or need to supervise other employees, unsatisfactory performance or a disciplinary record such as a warning.

5. Remote working location

The remote working location will need to be agreed between the employer and the employee. Employees should be required to seek consent to change their agreed remote working location and, in some circumstances, an employer may want to specify that the employee's remote working location is within a certain distance from the workplace, should they need to attend at short notice.

Requests for remote working abroad should also be addressed. There are a number of factors that employers need to take into consideration for such requests such as the governing employment law, jurisdiction, taxation, insurance, health and safety, data protection and management. Remote working generally won't be covered by the hybrid working policy, but it should be made clear how such requests are addressed.

6. Health and safety

Employees and employers have the same health and safety responsibilities irrespective of whether employees are working from home. Employees should be required to take reasonable care of their own health and safety and employers should retain the right to conduct a safety risk assessment on the remote working location to comply with their obligations. That risk assessment can be carried out remotely or by arranging a visit to the remote location depending on the type of work that the employee does.

Employees should also be required to raise any health and safety concerns with the employer as and when they arise, including in respect of working patterns and level of work.

7. Insurance

The party responsible for insuring equipment against fire, theft, loss or damage should be specified. Employees will most likely assume this is covered by the employer's policy, but if this is not the case, it needs to be clarified.

Employers should notify their insurers if employees are permitted to work from home. They need to understand how their employer's liability policy will operate in the event of an employee having an accident while working from home.

A German Court ruled that an employee who slipped and broke his back while working from home was covered by the employers' liability policy as he was technically commuting.

In that case, the employee in question was coming down a spiral staircase from his bedroom to his home office when he slipped and broke his back. Initially, the employer's insurance refused to cover the claim. The claim ultimately went before the German Federal Court, which held that the trip from the bedroom to the home office was the first morning journey and was therefore an insured work route and covered by the employer's insurance policy.

Information should be provided as to who to contact or notify if an accident occurs while the employee is working from home so that the relevant insurer can be notified.

Employees should also check the terms of their home insurance/ content insurance, mortgage, lease or rental agreement to check whether working from home requires consent or approval prior to commencing such an arrangement.

8. Equipment and workspace

The equipment provided by the employer to facilitate hybrid working should be specified. It should identify whether the equipment is limited to computer equipment or includes a suite of office furniture for example.

The policy should also identify who is responsible for costs (such as broadband, telephone, heating) associated with the employee working from home.

Employees should be required to ensure that they have a suitable workspace and adequate lighting to carry out their work. They should also be required to inform the employer if they have a disability that may require specific equipment to accommodate them in doing their roles.

9. Data security/ confidentiality

Specific training should be provided for hybrid workers on data security and confidentiality, while working remotely.

The hybrid working policy might include requirements around password protection, software security, communication protocols (calls, emails, messages sent using designated programmes), security in relation to the environment the employee is working in (confidential phone calls, screen visibility), internet connectivity (wireless network security), document security/ document disposal, keeping confidential information secure while travelling to and from work and the process of reporting a data breach to a designated person/position.

An employer, as a data controller should consider whether you need to conduct a data protection impact assessment (DPIA) which is a risk assessment in relation to the employee's remote working location regarding data processing.

Employees should also be reminded that existing policies continue to apply while working from home such as IT & Communications Policy, a GDPR & Employee Privacy Policy or a Social Media Policy amongst others. It should also be included that the employee will stay up to date and attend any training required that the employer deems relevant to data security and confidentiality.

10. Misconduct

The employer should include a misconduct clause in the instance of a breach. This clause should state that a breach of any of the rules within the policy may result in disciplinary action being taken against the employee in accordance with the employer's disciplinary procedure which may result in sanctions being imposed up to and including dismissal.

10. Termination of the hybrid working arrangement

Finally, the employer will want to reserve the right to terminate the hybrid working arrangement in certain circumstances. The employee may also wish to terminate the arrangement and return to working in the office full time. The notice to be given on either side to terminate the arrangement should be specified.

Do we need to change our contracts of employment?

Under the Terms of Employment (Information) Act and the Employment (Miscellaneous Provisions) Act, an employer is required to issue its employees with a statement of terms and conditions of employment, including the employees' place of work.

The level of amendment required to the place of work clause in a contract, will depend on what the contract says. If the contract provides that "the main place of work" is the workplace and a hybrid working policy is being introduced which allows for 2 days working from home, the contract would not necessarily need updating as the main place of work is still the workplace.

However, if the contract provides that the place of work is the workplace and a business is introducing a hybrid working policy, the employer might want to issue a letter to the employee confirming that their application for hybrid working has been successful, is subject to the hybrid working policy and the place of work clause in their contract of employment is amended to provide that they can work from home subject to the provisions of hybrid working policy.

What about the Right to Request Remote Working?

As of 2022, the draft scheme of the Right to Request Remote Working Bill was introduced. The Bill has not been finalised and is not yet law.

The Bill does not give employees the express or implied right to work remotely but does give employees the right to request remote working.

To submit a request, employees must have 26 weeks' continuous service with the employer. The Bill sets out a prescribed process that must be followed and includes a non-exhaustive list of the business grounds upon which employers may decline such requests.

Under the Bill, an employer is required to maintain a written remote work policy. Failure to have such a policy and to bring it to the attention of employees will be an offence. The policy will be required to specify:

- How requests for remote working will be managed;
- The timeframe in which they will be managed; and
- Any specific conditions that will apply to remote working generally within the business.

Employee Engagement

Communication and meaningful engagement with employees from an early stage will assist in drafting and implementing a hybrid working policy. It is crucial that employees participate in shaping the terms of the policy so that there is a consensus on what will work for the organisation and its employees.

When the Bill is finalised and becomes law, the hybrid working policy can be reviewed and updated. Having the foundation of an agreed and well -oiled arrangement will make the implementation of the requirements of the Bill, when law, all the easier.

"Communication and meaningful engagement with employees from an early stage will assist in drafting and implementing a hybrid working policy."

Laura Graham

Laura is a Partner in Reddy Charlton's Employment and Regulatory Team and advises employers and senior level executives on all aspects of employment law.

Finance & Management News

Central Bank and Indeed research indicates wage growth increase in early 2022

The Central Bank of Ireland has published an Economic Letter "Wage Growth in Europe: Evidence From Job Ads". It draws on data from millions of job postings on Indeed to present a new monthly wage growth tracker, examining trends in posted wages across France, Germany, Ireland, Italy, the Netherlands, Spain, and the UK.

The Letter finds that posted wage growth accelerated sharply in the first half of 2022 before easing slightly in the third quarter. In the six-euro area countries analysed, wage growth reached 5.2% year-on-year in October, more than three times the pre-pandemic rate, while growth in the UK was 6.2%, double the pre-pandemic rate, and appears to have peaked at this level. For individual euro area countries, October wage growth was highest in Germany (7.1%), followed by France (5.0%), Ireland (4.7%), Italy (4.2%), Netherlands (4.0%) and Spain (3.5%).

Early signs are that wage growth in job ads has plateaued at these historically high levels and actually fallen in some countries. Combined with gradually declining job postings in certain countries, this suggests that some employers are starting to rethink their demand for labour as they balance the currently tight labour market against an increasingly uncertain and deteriorating economic outlook.

The Letter also looks at whether wage growth in 2022 is a broad-based phenomenon or if it is limited to a smaller share of sectors where supply and demand imbalances may be a factor. At the low point of the pandemic in 2021, around 30-40% of occupations in euro and the UK were seeing posted wage growth of at least 3%. As of October 2022, these shares had increased to over 60-80%. The pre-pandemic share was 40%.

Occupations seeing the fastest wage growth across all countries include community and social services; cleaning and sanitation; food preparation and services; driving; customer service; loading and stocking; retail; childcare; sales; and installation and maintenance.

www.centralbank.ie

Tánaiste announces new €200 million Ukraine Enterprise Crisis Scheme

Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar, and Michael McGrath, Minister for Public Expenditure and Reform have announced details of the new €200 million Ukraine Enterprise Crisis Scheme.

There will be two streams of funding under the Scheme to assist viable but vulnerable firms of all sizes in the manufacturing and internationally traded services sectors. The first stream will assist firms suffering liquidity problems as a result of Russia's war on Ukraine, and the second stream will also help those impacted by severe rises in energy costs.

The Tánaiste also confirmed that the Cabinet has approved the publication of legislation to unlock up to €1.2 billion in low-cost loans to SMEs and small mid-caps (up to 500 employees) under the Ukraine Credit Guarantee Scheme. It will open before the end of the year and provide low-cost unsecured working capital for SMEs and primary producers to help them to spread the increased input costs and limit disruption to supply chains.

www.enterprise.gov.ie

Remote Working Guidance

The Department of Enterprise, Trade and Employment has included on its website guidance on working remotely to assist workers and businesses.

The website acts as a central access point bringing together State guidance, legislation, and advice in a single location. It is a live resource which is regularly updated as new guidance is published.

www.enterprise.gov.ie/en/

"Inflation and labour market dynamics after the pandemic" - Sharon Donnery at 10th Annual Donal Nevin Lecture

In a speech at the Annual Donal Levin Lecture, Sharon Donnery, Deputy Governor, Central Bank of Ireland, and Member of the Supervisory Board of the ECB, outlined her perspective on what is driving the high levels of inflation currently being experienced, how labour market developments might influence the inflation outlook, and finally what all of this means for monetary policy.

To view the speech please visit www.centralbank.ie

Leadership Insight:

Eoin McGettigan

Please provide a brief history of your career.

I'm originally from County Kerry, but now live in Cork with my family. Over the last three decades I've had experience as a Senior Executive in Retail, Wholesale and Property businesses in Ireland.

I'm a chartered accountant by profession, have an MBA and am a Fellow of the Chartered Institute of Management Accounts.

Prior to joining the Port of Cork Company in 2020, I held senior board positions in Musgrave PLC as Chief Executive of Supervalu and Centra. I also fulfilled the role of Group Finance and Operations Director of Dunnes Stores and CEO of Lifestyle Sports.

Alongside my professional career, I have taught on masters, degree and diploma courses at University College Cork, the Open University and the Institute of Project Management specialising in business acquisitions, major strategic change and quality management systems.

How has your experience of working over 30 years in Senior Executive roles in Retail, Wholesale and Property businesses, prepared you for your current leadership role in the Port of Cork?

I realised when I was approached for the role at the Port of Cork, that most of my time in retail was spent working around supply chains and getting goods from A to B. There is a degree of synergy between the work I do now and previously. It has been a new challenge for me too however, but working with great people, this is something that I have really relished.

It is also my first time working in the semi state sector and there are a number of big infrastructure projects ongoing at the moment that are really exciting both for us and for the Cork community. The calibre of people that I work with never ceases to amaze me, and I have also noticed the incredible role that Government Departments play in liaising with state bodies across a range of sectors - not just maritime and transport.

Looking at the bigger picture, forward planning is also very important to give clear direction for the future growth of organisations. This is something that I have garnered experience in over the last few years and in many ways, it has prepared me for my role at the Port of Cork. Our Port Masterplan 2050, that we are developing with our local stakeholders and community at the moment, is a symbol of this as it will act as a blueprint for the growth and development of the Port of Cork over the next few years.

What do you feel are the most important qualities that today's leaders need to be successful?

The qualities needed in our leaders are the same today as they ever were in my view.

The first I would say is to lead by example by getting involved. I'd also say that it is important to be trustworthy and to be able to be decisive with incomplete information. These three qualities are ones that I would tend to focus on. Understanding the bigger picture in terms of what is trying to be achieved and why, should always be a priority for leaders.

Having had over 30 years working in senior positions, what aspects of your role do you find exciting and challenging?

I've always really enjoyed working with people. Particularly during my time working across the retail sector, I generally worked with family-owned businesses where there is a great sense of pride and community.

On the other hand, there can be challenging times when the business might not be doing so well, and you are responsible for making sure that the organisation continues to run smoothly. I have been lucky in that teamwork has always been a big part of any organisation I have worked in - and it really makes a huge difference when it comes to things like problem solving. Generally, there is always a solution and it's about reaching that in the most fair and effective way possible.

The opening of the new Cork Container Terminal (CCT) is a great milestone for the Port of Cork. What does this mean for business growth in the Munster region?

The investment of almost €100million in the new Cork Container Terminal (CCT) enables the Port of Cork Company (PoCC) to deliver more efficient container handling facilities and is part of our strategic efforts to enhance and future-proof our offering and positioning as an international gateway for trade.

Ships are getting bigger and river ports around the world are too shallow to accommodate them. This global trend is what drives the PoCC to leave the city and move closer to the sea. The docks we leave behind will become the future heart of the compact city we all desire.

The CCT opening is only the start of developments for the Port of Cork as we are progressing through one of the most significant periods of investment in our company's history.

Following on from the CCT launch we hosted public consultation days in Cork city and county, showcasing our vision for the future and emerging concepts of our Port Master Plan 2050. It's vital for us that we bring all stakeholders on this shared journey. This includes consolidating our activities to the lower harbour area - away from Cork City, due to ever-increasing ship vessel sizes as mentioned earlier, creating a 'river to sea port'. This eventual move will transform the port and the city, freeing up vital development land in the city centre, facilitating the future development of the City Quays and Tivoli Docks for both residential and commercial use.

A major condition of these pivotal changes is the development of the M28 which will connect Ringaskiddy directly to the main motorway network. Until this is developed, we cannot proceed with these ambitious plans and CCT will remain at 50% capacity until then as well.

As part of the Port Master Plan 2050, a number of concept proposals are presently being developed in response to the projected market growth in the current commodities served by the Port whilst also considering developing opportunities in future cargoes such as offshore wind and green energy fuels.

As part of our commercial energy strategy, the Port of Cork Company is actively engaging with organisations within the renewable energy sector, to discuss the potential for future development opportunities. We are keen to engage with organisations within the energy sector that share the same ethos around sustainability, to facilitate a sustainable future for the region and for Ireland as we work together towards net zero emissions by 2050.

Who Inspires you most in business?

I take inspiration from self-starters, either in history or business. I have no one person who I could say inspires me in business, rather there is a group of people. An example would be Ben Dunne senior, who left employment with Roches Stores in Cork in the 1940's and risked everything he had to start a business as an example. I think Sean Lemass was inspirational as Minister for Industry and Commerce from 1932 onwards and helped develop the platform for the success of Ireland today. Florence Nightingale is also someone I find inspiring. She championed the use of data driven analysis, which challenged the status quo and changed the world.

What advice would you give to managers and aspiring leaders today?

I would encourage managers and aspiring leaders to focus on problem solving as part of their remit, especially collaborative problem solving. It's always good to be mindful of proactively finding ways to overcome challenges and being open to think about ways of trying new things. Don't be afraid to suggest new ideas within your organisation - sometimes we can be reluctant to challenge the status quo. New and innovative ways of approaching opportunities and challenges in a business setting can contribute to both personal and company growth.

When Thomas Edison was trying to raise money to continue his research into developing the light bulb, a potential investor chided him, "Why should I continue to invest when you've already had 14 prototype failures?" the investor quizzed. "That's where you're wrong", responded Edison, "more accurately, I've uncovered 14 ways not to make an electric light bulb". The rest is history!

Eoin McGettigan

Title: **Chief Executive Officer**

Company:
Port of Cork Company Ltd.

Sustainability programmes to help make the transition to being a more sustainable business today

by AIB

AIB research has found that nearly a quarter of businesses say they are not operating sustainably. The AIB SME Sustainability Research was carried out by Amárach Research, who surveyed 300 businesses (250 SMEs and 50 larger firms) in July 2022. 53% of businesses feel that they are only operating somewhat sustainably. All of us have a part to play as advisors to Irish SMEs in guiding them on their sustainability journeys.

There are many challenges facing Irish SMEs at present and there is an awareness of sustainability as being core to business and economic success. The next steps are commitment to action in your own areas of accountability and responsibility, and this will lead to tangible outcomes that each business can reach. This will collectively bring businesses to the achievement of building sustainable businesses and communities.

When asked about their progress on implementing measures to address climate change, 34% of businesses reported they are only beginning to do so and have a long way to go, while 6% don't know where to start. Businesses listed "upfront investment costs" as the leading barrier for their organisations to act more sustainably, with 55% of businesses mentioning it as a barrier. Less than half (46%) of organisations with more than 250 employees plan to spend over €100,000 on sustainability over the next two years, and 51% of all organisations plan to spend less than €40,000. Other barriers included uncertainty of return on investment (38%) and a lack of clear sector guidelines or advice (35%).

Sustainability has become an increasingly important factor when making business decisions. Over the past two years, 44% of businesses have demanded more sustainable actions from their suppliers or switched to more sustainable suppliers. 44% of businesses have also purchased more sustainable equipment. Most businesses (62%) are aware that the Sustainable Energy Authority of Ireland (SEAI) is a potential source of advice to help them be more sustainable, but only 33% of businesses have availed of advice from them. 30% of businesses reported that they had not availed of advice from any public body.

Similar to the role that you play in your business or for your clients, we see our role as supporting our customers on their journey to develop and grow their business more sustainably, through funding, facilitation and advice.

Sustainability needs commitment to actions and here are three programmes and information resources that will help you and your customers:

1. SBCI Energy Efficiency Loan Scheme – We've partnered with the Strategic Banking Corporation of Ireland (SBCI) to bring you the SBCI Energy Efficiency Loan Scheme (EELS).

The scheme supports qualifying Irish businesses, including primary producers, by providing access to affordable medium to long-term finance, so that they can invest in the energy efficiency upgrade of their enterprise. This low-cost loan scheme is designed to help eligible SMEs and farmers cut their energy bills and reduce their carbon emissions by investing in energy-saving measures.

SMEs and farmers will benefit from lower interest rates, and finance amounts ranging from €10,000 to €150,000 over terms of up to 10 years. Eligible investments include a range of energy efficient equipment, as set out on the SEAI's Triple E Register for Products, including solar panels, heating and cooling systems, LED lighting, EVs charging points, commercial appliances, lighting control systems amongst others. As the global energy crisis is putting Irish businesses under further additional stress, right after Brexit and the COVID-19 pandemic, the SBCI wants to make it easier for Irish SMEs to enhance their energy efficiency and reduce their costs.

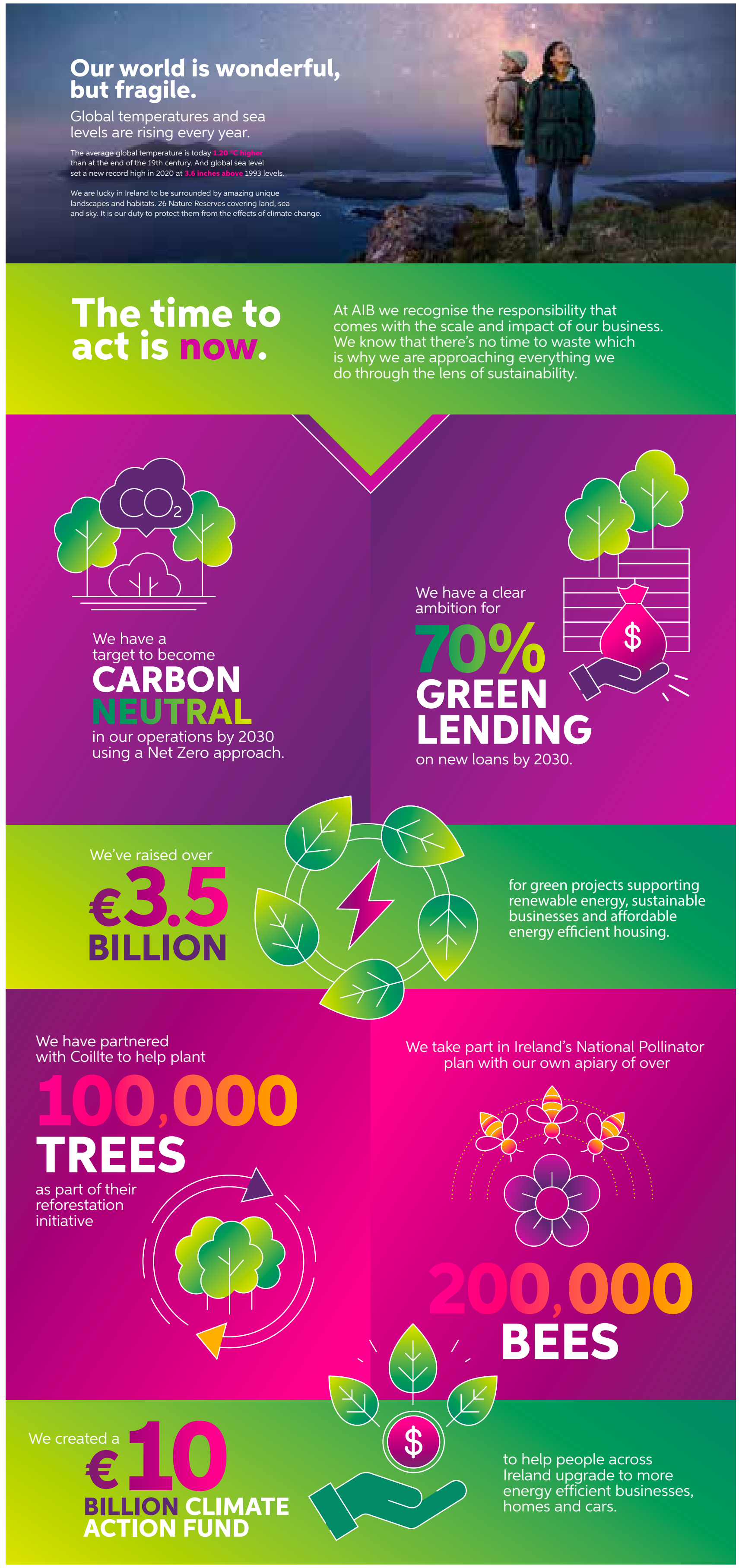
June Butler, CEO of SBCI said, "Supporting sustainability and encouraging businesses to invest in energy efficiency measures as they respond to the ongoing increase of energy costs is a priority for us. I welcome AIB participating in the SBCI Energy Efficiency Loan Scheme. This is our first dedicated climate action related product and has been specifically designed to help Irish businesses to improve their sustainability, cut their energy bills and reduce their carbon emissions".

Managing Director of AIB Retail Banking Jim O'Keeffe said, "Climate change is a critical challenge that Ireland must address. AIB and our customers, including SMEs, are focussed on reducing our carbon footprint by being more energy efficient, but these changes require investment. AIB is supporting our business customers in the green transition and is making this vital funding of €70 million available through the new SBCI Energy Efficiency Loan Scheme. Investments in energy efficient assets have provided some challenges for smaller businesses in the past. These loans will help support businesses transition faster to operating sustainably. For more information check out https://aib.ie/business/sbci

2.Plan It with Purpose Discovery Tool and Green Hub

In early October Plan it With Purpose, a new programme to get small businesses ESG ready to support growth and profitability launched. This programme is delivered by small business support platform Enterprise Nation in partnership with AIB and GS1, and a range of ESG experts, the programme will encourage, upskill and support small businesses to go green over the next twelve months.

As part of the programme, small and medium size businesses will receive free support via a purpose-built online platform, including a diagnostic tool which delivers a tailored action plan with information detailing where to find the support, resources and advice to become more sustainable, e-learning content, and access to experts from the sustainability sector. The entire programme will run virtually, including events, in an effort to



Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

reduce the impacts of climate change and increase social purpose for good within the Irish business community.

Lorraine Greene, Head of Market Engagement Retail SME in AIB said "We are delighted to once again partner with Enterprise Nation in bringing useful and insightful resources to Irish SMEs. Sustainability is one of many challenges facing SMEs, and the Plan-it with Purpose programme will assist SMEs to focus on achieving their sustainability objectives. Green lending now accounts for 23% of AIB's new lending, showing the transition to a greener future is underway, and demand for green loans is strong. AIB is committed to do more when it comes to sustainability and is delighted to support SMEs to take action now, recognising that sustainable businesses are at the heart of our communities across the country".

The Plan it With Purpose initiative will help SMEs work out where they need to improve their performance and delivery via a digital diagnostic tool which will create an action plan and checklist to help brands define and achieve sustainability goals and offer relevant support and e-learning opportunities. For more information, please check out https://www.enterprisenation.com/plan-it-with-purpose-ireland/

3.Dublin Chamber Sustainability Academy

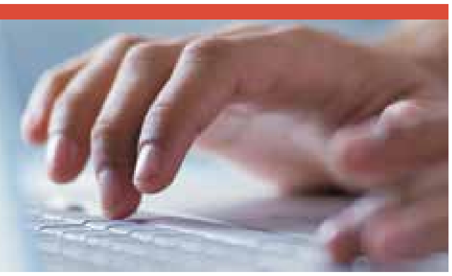
The Academy offers participating businesses a comprehensive range of supports, including training workshops, access to a dedicated series of sustainability events; green public procurement training; access to the Carbon Disclosure Project (CDP Ireland); support materials; and peer-to-peer idea sharing opportunities.

Dublin Chamber has identified a need for these supports through surveys and focus groups with companies, facilitated by Amárach Research. Training and workshops will also be provided on carbon-footprinting, corporate sustainability and on the circular economy. Other core offerings will include helping participating companies, big and small, on the road toward carbon disclosure and practical advice on greening the supply chain is another aspect of the academy's offering. A number of other services will be added to the Sustainability Academy offering over the coming months as the Chamber continues to work with businesses to identify the main supports they require.

For more information check out https://www.dublinchamber.ie/Courses-Events/Dublin-Chamber-Academy/Sustainability-Academy

We want to ensure a greener tomorrow by backing those who are building it today. By getting involved in these programmes you and the businesses you work in and advise can commit to actions that will sustain our communities.

AIB



How to implement a successful outsourcing strategy into your accountancy practice

by Jimmy Sheehan

Even when we really want to, it's hard to please all of the people, all of the time. Accounting companies are used to this age-old problem of dealing with competing demands. Limited resources mean it just isn't always possible to expand or grow our practices' profitability while delivering quality service.

We've all experienced the challenge of achieving the right ratios of knowledge, expertise and staffing at the right time. Busy season is always a balancing act of prioritising and staffing and often it's the same cycle of exertion and exhaustion every year.

Achieving balance isn't just a goal for busy season. It can be difficult to grasp opportunities when we have little capacity or lack the skill to leverage and it's hard to upscale fast to meet lucrative demands, more so when the employment market is buoyant.

There is an answer to this capacity problem though. Industry and technology advances mean that Outsourcing is now an excellent way to create an organisational culture of agile responsiveness without compromising on company values or sacrificing quality.

Remind me how that works

Outsourcing means delegating tasks (anything from routine work to specialised projects where the practice has a current skills deficit) to third-party specialists to enable the practice to reduce costs, free up time, and focus on core or new aspects of business.

Low cost, high revenue work can be completed by qualified outsourced staff, freeing up local teams to focus on functions crucial for future growth.

It all sounds great, but how does it work for Accountants?

Accountants have plenty of bread-and-butter work that can be outsourced. Think of bookkeeping, reconciliation, financial statement preparation, payroll, VAT and tax return preparation. The majority of these tasks require high time investment where the bulk of the work can be completed by those with lower subject matter knowledge.

Outsourcing companies are often based in global locations that offer well-educated English-speaking staff operating in lower-cost settings. Outsourcers employ a pool of qualified staff, sometimes known as 'the bench' and contract out individuals to fill staffing gaps in other locations remotely. They pass these cost-savings onto their clients.

Labour markets vary globally. When there are shortages in one place, there may be excess supply in others. Accountants sometimes require particular skillsets that are in limited supply at home.. Outsourcers often have access to top talent in low-cost regions.

However, the benefits of outsourcing span more than just processing at reduced rates.

Top 5 advantages of Outsourcing for Accountants

1. Adding outsourced expertise to teams gets client work done on time, to regulatory standards and provides the ability to right-size teams during busy seasons.
2. Reduced overall overhead and space requirements result in cost savings and remote professionals often cost less than in-house staff. When you outsource accounting tasks, you lower overheads without compromising quality. Done right, outsourcing can drive business growth and reduce costs
3. Global helps local. The ability to respond to skills shortages with remote assistance from the global workforce. A global workforce also allows for the advantages that multiple time-zone working brings.
4. Repetitive accounting tasks like financial statement preparation, auditing, management reporting, payroll, accounts payable and accounts receivable require a significant amount of time and resources to accomplish. By transferring these tasks to your outsourced team members, your home team can focus on higher value work and client relationships.
5. Subsequent investing in your home team and allowing them to pursue more interesting and challenging roles is a great staff retention tool.

It's Outsourcing, but not as you know it.

Two major advances benefiting the outsourcing industry over the last 10 years make the proposition safer and more desirable than ever.

1. 1. Tech advances, enhanced cloud computing and data security mean data is secure and accessible

The implementation of rigorous computing standards such as ISO27000 and the development of secure cloud environments mean client data is safer than ever. These standards are backed by rigorous protection of client data via GDPR regulations. AI and automation are increasingly integrated into business processes allowing for faster and more accurate data processing.

Improved global connectivity allows us to capitalise on a highly educated global workforce working in complementary time zones with impressive knowledge banks.

2. Consistency of quality and continuity of service

While many outsourcing companies use the 'Bench' outsourcing model, a new departure ensures quality is built in. The "bench" refers to the outsourcing provider's in-house team. The team is selected by the provider but the client's choice of who works on their project is limited to the bench available. Benches have high turnover, and their staff are re-deployed as soon as one project is finished. If your preferred team member isn't available, then you must settle for a new person. Every time.

An innovation in Irish outsourcing is the Extended Teams approach, where an outsourced person is recruited for, and is dedicated to just one client.

The outsourced colleague is trained to deliver work to the standard and manner the client requires. This guarantees consistency of quality and continued client control. It eliminates local team disruption and allows clients to develop a long-term strategy built around an Extended Team.

7 ways to do outsourcing right

1. Choose the right Outsourcing company.

The firm you select will be your partner so make sure you research and understand their offering. Do they provide team additions or just bench outsourcing? Do they understand your market and have the cross-cultural expertise to enhance your team?

Get references, check online reviews and industry data to ensure they have a quality reputation. Investigate their certifications and licenses to ensure they're in line with regulatory requirements.

2. Plan objectives, roles and responsibilities

Make sure you know exactly what you want. A reputable outsourcing partner will assign you an account manager to help you establish exactly what type of help you need and for how long. Before you start this process, you should be clear about the roles each member of the team will assume. Make sure all your requirements are clearly laid out in your scope agreement, together with usual contract terms. Assign an outsourcing champion role to your upper management to ensure top-down success.

3. Communicate your strategy at home

Discuss your plans early and often with your home team members to ensure maximum buy-in. Make sure they clearly understand how your outsourcing agreement will positively impact them and why it's being done. Let your home team know how this arrangement will benefit them and the practice and dispel any worries immediately.

4. Have your say

Interviewing potential outsourced team members should be part of your selection process. An interview process is the best policy for any hiring decision, temporary or permanent. This person will be your team member and you should make sure they fit your team and your culture. The interviews shouldn't be onerous, because your account manager should shortlist and arrange them for you, but your input to the selection process is vital. You want the right people that will work well with you on your team and are committed to long-term excellence.

5. Set your new team member up for success

Make sure your new team members become productive as soon as possible.

A quality outsourcing firm will draw up an onboarding plan specific to you and help implement that. Meet with the new team member to discuss their responsibilities and goals and establish work guidelines.

Get them onboard like any other staff member. Have training ready, ideally facilitated by their team colleagues, on topics such as operating practices, methodologies, and any standard operating procedures.

Get their tech ready so they can hit the ground running. IT delays at your end will impact productivity so get essential technology and training organised before your new team members start.

6. Be clear about targets

It's a good idea to set expectations for your new team member and key performance indicators (KPIs) are a clear way to help them understand what's expected. Set up a simple process before work begins so you can monitor progress. Discuss hours incurred or working paper reviews as the engagement progresses.

7. Insist on transparent communication

Be transparent with your outsourcing partner. Be open about any issues from the start and use your local account manager as a vital tool in your success. This includes being honest about performance and any problems encountered with your outsourced team member. Having a free and reciprocal flow of communication is crucial to quality work done and successful collaboration.

How to guarantee success

Modern outsourcing is all about working together and establishing the most successful collaborations. Successful outsourcing partnerships feature a deep knowledge of the regulatory frameworks and business environment they operate in. These are partnerships of quality, built on and maintained by a thorough understanding of company culture. Partnerships of unbroken commitment maximise quality, minimise disruption and eliminate breaks in continuity.

When Irish accounting practices work with an outsourcing partner whose business is rooted in the Irish financial industry and who understands that real benefit comes from the promise of dedicated quality, they're assured of the best approach.

TeamsPLUS is an Irish outsourcing company specialising in providing services to Irish Accounting practices. Teams PLUS offers its clients a unique outsourcing opportunity by sourcing, interviewing, and hiring team members to work exclusively with your practice, eliminating the bench and guaranteeing quality continuity.

This innovative approach guarantees that outsourced staff are dedicated to one client only, are deeply embedded in their client's organisation and are backed by training to deliver work to the standard and manner you require.

This guarantees consistency of quality and continued client control, eliminates local team disruption and allows clients to develop a long-term growth strategy.

Jimmy Sheehan

Jimmy Sheehan FCPA (Jimmy.Sheehan@Teams.Plus) is Managing Director of Teams PLUS. Contact him to learn more about outsourcing in Ireland and the opportunities to revolutionise your practise and build your future.

Transforming Sustainability into a Competitive Advantage

by Anna Stella

Now more than ever, many businesses acknowledge the need to be socially responsible. They're responding to calls to do good for the long-term and short-term betterment of the environment. And corporate social responsibility (CSR) is everywhere.

A growing number of companies have a sustainability program in place. While there is no standard measure as to what falls under corporate social responsibility, any action taken by a company to give back to society is considered CSR. Incorporating social responsibility in an organization isn't mandatory; however, it can help companies differentiate their marketing, further their growth strategies, and ultimately make more profits.

Nielsen conducted a study in 60 countries to determine the potential effect of CSR. Out of the 30,000 consumers studied, 66% said they would pay more to brands that prove to be socially responsible. In another US-based study, Cone Communications found that 87% of Americans are willing to spend more on something if they see a company engaging in issues they care about. In essence, sustainability initiatives are a win-win for businesses. According to HBR, companies' primary motivators to create CSR programs are sustainability, moral obligations, reputation, and operating license.

CSR is a great way to do good for the world while growing profits. Here are the top reasons why a company should incorporate sustainability in its long-term marketing strategy.

1. Gain a competitive advantage

Studies have shown time and time again that a sense of purpose drives employee motivation. CSR can provide that. A strong program helps to create meaning, a sense of community, and passion among employees.

There are other ways CSR initiatives can offer a competitive edge to companies, too. When a company has inspired employees and a good working environment, it can attract the best talent in the industry, a substantial competitive advantage during times when labour is in short supply. It can also help drive more referrals. Recent studies show that 85% of executives are more inclined to refer out to companies with a stronger purpose than one which doesn't.

2. Get more customers

When a company prioritizes engaging in sustainable practices and commits to making sustainable products, it can attract sustainability-conscious customers. Different demographic groups, Millennials in particular, are happy and willing to spend more on products that have sustainable ingredients or sourcing and outsourcing procedures.

A recent study found that 73% of consumers are willing to change their habits and invest in things that are good for the environment. Not only that, but sales of sustainable products have grown by over 20% since 2014. Sustainability can increase market share, help break into new customer segments, and ultimately increase the bottom line.

3. Win new investors

Investors are in business to make good returns. Still, research shows that they care about more than just profits. A 2016 report by Aflac shows that investors prefer companies that engage in social responsibility. From the study, 61% of investors view CSR as "positive corporate ethical behaviour which also helps reduce risk of investment." They believe that CSR companies are transparent and less likely to commit financial fraud.

4. Increase customer engagement

Businesses can use CSR to engage with customers. Many CSR projects involve interacting directly with members of a community. And most members of these communities are customers, or potential customers, of the business.

Businesses can use this opportunity to engage community members and get feedback. By finding out what consumers want their company to improve and acting on it, they can build trust and help drive word-of-mouth marketing. When customers feel valued and that the company is interested in listening to them and giving back to society, they are likely to tell their friends and colleagues and encourage them to be part of the business community.

Customer engagement is crucial to company success.

5. Increase brand loyalty

Competition is intense in today's world. Businesses need to go the extra mile to stand out. One way to get noticed is to incorporate CSR into their business practices. A CSR project can help raise awareness of different societal issues, make progress on those issues, and help a company become positively associated in customers' minds. Customers will be able to see the company in a new light and associate them with positivity and a force for good in the world.

For a brand to succeed and retain its customers, it needs to invest in building trust with them. CSR can be an excellent way for a company to do that. A well-structured CSR marketing strategy can help brands earn trust and loyal customers from their good reputation. Built trust can help a brand grow and increase its reach since people identify the company with positivity.

6. Talent acquisition and retention

New talents are also most attracted to companies dedicated to improving the world. A company engaging in CSR helps signal a more robust culture and a clearer vision for the future while adding a sense of purpose. Clients and prospects alike perceive companies engaging in CSR as more caring, compassionate, and striving to treat their employees well.

More and more people are interested in improving the world. CSR can help companies create a sense of purpose for the work they do, and by creating this, a positive work environment forms, and employee productivity can be improved. CSR helps motivate employees by giving them the feeling that their work is contributing to something larger than themselves; a sense of purpose for the work they do.

7. Protect your brand

Reputations take years to build and only moments to destroy. A CEO's worst nightmare is waking up to find their company in the headlines because of a scandal. Nobody wants to be labelled as that CEO who put his employees to work in an unsafe environment or allowed an oil spill to happen on their watch.

To avoid damaging the company's reputation and losing customers, a company can invest in CSR. A well-known CSR program can help insulate a company from the damaging impacts of a scandal or even prevent one altogether.

8. Connect with the younger demographics

Millennials and Gen Z have no plans to back down from fighting for a greener planet. Excluding sustainability from your digital marketing strategy is a mistake. By including sustainability into your marketing strategy, you can cater to this growing pool of potential customers.

Not only do the younger generations make up a significant and growing consumer base, but also a large piece of the workforce. Top talent from this generation can be choosy. They care deeply about environmental activism, social responsibility, and philanthropic efforts. To have a shot at hiring the best, you'll need to put your commitment to social issues, the planet, and sustainable values at the forefront of everything you do.

9. Sustainability Benefits the Planet

It's easy to lose sight of the forest for the trees. Of course, there are plenty of business reasons to incorporate sustainability into your practices and marketing strategy. But even if it benefits you, it isn't trite. It's important. Consumers are willing to pay more for companies that take sustainability seriously for a reason; there is no tomorrow without a healthy planet.

Bringing environmentally friendly strategies into your business, like the use of digital platforms over paper, virtual events over in-person, or sustainable packaging, make creating a marketing strategy around sustainability easier. Actions speak louder than words, don't just talk the talk when it comes to sustainability; walk the walk. There's more at stake here than profits. When consumers can tell that sustainability is truly part of your company's values, they'll reward you.

Anna Stella

Anna Stella is a two-time national award-winning marketing expert, academic researcher, and CEO of the global marketing outsourcing agency BBSA. Anna has 20+ years of experience within the B2B, B2C, and non-profit industries. Clients include Volkswagen AG, the Government, NewsCorp, the European Union, RICS, and Rational AG.

Taxation News

Tax and Duty Manual for “Charities and sports bodies on-line applications for tax exemption” updated.

Revenue have amended the Tax and Duty Manual for charities and sports bodies applying on-line for tax exemption to include a new Section 8

Section 8 sets out the:

- Circumstances in which Revenue withdraws tax exemption from charities and sports bodies, and
- The processes that are in place to do this.

Source: www.revenue.ie

Revenue announce extension to debt warehousing

On 18th of October 2022 Revenue announced a deferral of requirements to enter into agreements to repay warehoused debt to 1st of May 2024.

To avail of the extension, the business must already be eligible for warehousing. The extension applies to the Period 1 end date for all taxes that the customer has warehoused, so if a customer has all the eligible taxes warehoused (VAT, PAYE (Employer), IT, TWSS, and EWSS) then all these taxes will get the extension for periods up to the end of April 2022. Under the terms of the extension, businesses concerned could continue to warehouse tax liabilities up to 30 April 2022, including the April PAYE Submission (due 14 May 2022) and the March/April VAT Return (due 19 May 2022). The warehoused liabilities can remain ‘parked’ on an interest free basis for a 12-month period until 30 April 2023 (this is “Period 2 – the zero-interest phase”). At that point, the debt can be paid in full, interest free, or alternatively be paid on a phased basis over a suitable timeframe at a reduced interest rate of 3% per year (“Period 3”).

The extension does not apply to businesses which were not in receipt of one of the relevant COVID-19 support schemes up to April 2022. This means that the warehousing periods are unchanged for those businesses: Period 1 ended on 31 December 2021; Period 2 began on 1 January 2022 and will end on 31 December 2022; and Period 3 will commence on 1 January 2023

Source: Information booklet on debt warehousing and reduced rate of interest for outstanding 'non-COVID-19' debts (revenue.ie)

Period 1	30/04/2022	End Date for Eligible Taxes
Period 2	30/04/2023	End Date for Zero Interest Phase on Warehoused Liabilities
Period 3	30/04/2024	End Date to Agree a Phased Payment Arrangement with Revenue for Warehouse debt

Local Property Tax 2023

Revenue have published new guidelines on the Local property tax (LPT) section of its website outlining new properties that have become liable for the tax.

Properties that were liable for LPT in 2022 were charged LPT based on the valuation of the property as ay 1 November 2021. This valuation date will be used for residential properties for the period 2022 to 2025. Properties which are now newly liable for LPT in 2023 will need to be valued as if they had existed on 1 November 2021.

Properties are newly liable for LPT if they satisfy either of the following conditions:

1. If it is a newly constructed residential property completed after 1 November 2021 and before 1 November 2022.
2. If the property has come to be lived in or become suitable for use as a dwelling after 1 November 2021 and before 1 November 2022.

The LPT charge for these newly liable properties is based on the valuation of the property as at 1 November 2021. The property’s LPT charge for 2023 to 2025 is determined by the valuation of the property on this date.

You may need to register your property with Revenue if it has not already been registered for LPT or Stamp Duty.

You will need to self-assess the value as if the property existed on the date outlined above. The valuation will need to be submitted as part of the LPT return by 2 December 2022. The LPT charge will need to be paid or an arrangement put in place.

Certain properties may be exempt from LPT if they meet qualifying conditions. Provisions are in place for the deferral of payment under certain specified conditions.

Further details and examples can be found at Properties that have become liable (revenue.ie)

Source: www.revenue.ie

Finance Bill 2022

by Mairéad Hennessy

Finance Bill 2022 was published on 20th October 2022 to implement the changes announced on Budget Day in September, together with other administrative and technical changes to the tax code. As expected, the Bill is very much shaped in the context of current economic and geopolitical environment. This article summarises the main tax measures provided for in the Bill. These measures will take effect from 1 January 2023, unless otherwise stated.

Personal Tax

Income tax rates

There were no changes made to tax rates for 2023. The standard income tax rate will remain at 20% and the higher rate at 40%.

The Standard Rate Cut Off Points (SRCOPs) for 2022 have been increased as follows:

SCORP	2022	2023
Single / Widowed Person or Surviving Civil Partner – no children	First €36,800 @ 20% Balance @ 40%	First €40,000 @ 20% Balance at 40%
Single / Widowed Person or Surviving Civil Partner with qualifying children	First €40,800 @ 20% Balance @ 40%	First €44,000 @ 20% Balance at 40%
Married Couple / Civil Partnership One Income	First €45,800 @ 20% Balance @ 40%	First €49,000 @ 20% Balance at 40%
Married Couple / Civil Partnership – Two incomes	First €45,800 @ 20%. Plus an amount equal to the lower income (subject to a maximum of €27,800). Balance @ 40%	First €49,000 @ 20% Plus an amount equal to the lower income (subject to a maximum of €31,000 Balance at 40%

Income tax credits

Certain income tax credits will increase as follows:

Personal Tax credits and bands	2022	2023
Single	€1,700	€1,775
Married	€3,400	€3,550
PAYE	€1,700	€1,775
Earned income tax credit for self-employed	€1,700	€1,775
Home carer tax credit	€1,600	€1,700

The sea-going naval personnel tax credit of €1,500 has been extended for 2023.

Universal Social Charge (USC)

A rise in the minimum wage from €10.50 to €11.30 per hour was announced in the Budget to take effect from 1 January 2023.

The USC rates and bands from 1 January 2023 will be:

- €0 – €12,012 @ 0.5% - no change
- €12,013 – €22,920 @ 2%
- €22,921 – €70,044 @ 4.5%
- €70,045+ @ 8%
- Self-employed income over €100,000: 3% surcharge

Incomes of less than €13,000 remain exempt from USC.

Small Benefit Exemption

The Small Benefit exemption has been increased from €500 to €1,000, with employers permitted to give employees two vouchers per year rather than just one which was the case up to the Budget announcement. This provision applies to 2022 and future years.

Rental Tax Credit

The Bill gives effect to the Budget Day announcement whereby a new €500 new rent tax credit will be introduced from 2023 onwards for those renting in the private sector and who are not in receipt of other State housing supports. Other notable points in respect of the new credit include:

- Only one credit may be claimed per person per year (the value of the credit will be doubled in the case of jointly-assessed married couples and civil partners);
- Certain formalities and conditions will need to be complied with in order to claim the credit:

- The tenant will be obliged to provide details of the property and landlord
- The tenant will be obliged to provide a receipt for rent paid if required by Revenue
- The tenancy must be registered with the RTB, where appropriate.
- The claimant may be required to provide the LPT reference number for the property;

- The credit will also apply in the case of certain non-RTB registered tenures, including certain licence type arrangements where the landlord consents to the licence arrangement;
- The credit will be available to parents who pay rent on behalf of their student children who are in third-level education. Where a student is under 23 on 1 January of the year of their first point of entry into an approved course, the parent(s) will be able to claim the tax credit for the duration of that course. This will only apply in the case of RTB registered tenancies;
  - The credit may be claimed "in year" in the years 2023 to 2025. In 2023, the credit will be available on a retrospective basis in respect of rent paid in 2022.

Vacant Homes Tax

A new vacant home tax will be introduced in 2023 and will apply to residential properties which are occupied for less than 30 days in a 12-month period. The tax will be capped at 3 times the existing LPT rates applicable to that property.

The Bill provides for a number of specific exemptions from the tax, including where the property is actively marketed for sale, death of the chargeable person in respect of the vacant property where that was the sole or main residence of that person, and where the sale or occupation of the property is prohibited by court order.

Special Assignee Relief Programme (SARP) and Foreign Earnings Deduction (FED)

The Bill gives effect to the Budget Day announcement that SARP relief will be extended until 31st December 2025. However, the qualifying minimum income limit will increase for new entrants from €75,000 to €100,000.

The FED was also due to cease at the end of 2022 and has been extended until the end of 2025.

Help-to-Buy Scheme

In line with the Budget Day announcement, the Bill confirms that the Help to Buy scheme is being extended at current rates until the end of 2024. It was due to expire in December 2022.

Return by Employers on Reportable Benefits

The Bill provides for the automatic reporting to Revenue by employers in respect of the following benefits that are made to employees without the deduction of payroll taxes:

- The remote working daily allowance of €3.20,
- The payment of travel and subsistence expenses, and
- The small benefit exemption.

The measure will be subject to a Ministerial Commencement Order.

BIK on Employer Contributions to PRSAs

The current position in relation to employer contributions to PRSAs is that this contribution is treated as a Benefit-in-Kind (BIK) for the purposes of employee income tax. This effectively restricted employer PRSA contributions to a level that is usually significantly less than could be contributed BIK free to an Executive Pension Plan or its Master Trust equivalent, for the same employee.

The Bill proposes to alter the current position by abolishing the BIK charge for employer related PRSA contributions. If passed into law, the employer contributions will no longer be treated for tax relief purposes as an employee contribution.

This change, if implemented, would take effect from 1 January 2023. Any employer contribution to a

PRSA paid before the end of 2022 will remain a BIK charge for the employee.

Foreign Pension Lump Sums

The Bill provides that an Irish tax resident may receive a tax-free lump sum of up to €200,000 from a foreign pension, in line with that available for Irish pension holders from 1 January 2023. Amounts in excess of this tax-free limit are subject to tax in two stages. The portion between €200,000 and €500,000 is taxed at the standard rate of 20 per cent while any portion above that is taxed at the individual's marginal rate of tax and USC.

Stamp Duty

Stamp duty Refund on certain residential property transactions

Currently Stamp Duty legislation provides for a refund of stamp duty paid on a site purchase, to reduce the stamp duty from 7.5% to an effective rate of 2%, where the site is developed for residential purposes. Under existing rules, construction must commence on or before 31 December 2022 and a 30- month time limit is allowed for completion. The Bill extends the commencement date to 31 December 2025. The 30-day time limit for completion remains in place. Construction must also commence within 30 months of the land transfer.

VAT

Electricity and Gas

The Bill extends the 9% rate on the supply of electricity and gas until 28 February 2023.

Flat rate farmers

The flat rate addition payable to unregistered farmers is reduced from 5.5% to 5%.

Milk and milk products

Food products that are categorised as "milk and preparations and extracts derived from milk" are removed from zero rate VAT and will fall within the standard rate of VAT from the passing of the Finance Act.

Medical Professionals

The Bill clarifies that registered medical professionals and registered members of designated health and social care professions are the groups of persons who may supply exempt medical care services.

Deduction for VAT on securities issued to raise capital

The Bill provides that VAT incurred on dealing new stocks, new shares, new debentures or new securities for raising capital will be deductible under general provisions.

Registration

The Bill provides that traders who register for VAT for domestic transactions only and subsequently engage in intra-Community transactions, are required to notify Revenue within 30 days of engaging in such activity.

Corporation Tax

R&D Tax Credit

The Bill contains changes to the payment provisions (not the quantum of credit that is claimable) to tie in with international developments. In certain cases, the changes may accelerate the benefit of the claims made as the Bill provides for the repayment of the credit in full in three instalments within 48 months from when a valid claim is made.

The Bill also provides for the allowance of pre- trading expenditure incurred on qualifying R&D activities in a R&D claim over a three-year period from the year the company commences to trade.

Non-commenced provisions relating to micro and small sized companies have been repealed, due to State Aid reasons.

Knowledge Development Box (KDB)

The KDB regime has been extended for a further four years, to include accounting periods commencing before 1 January 2027.

The Bill also provides (subject to a Ministerial Commencement Order) for a new effective rate of 10%for profits within scope of the KDB (currently 6.25%). The reason for this is to counteract the impact of changes in the OECD/G20 Inclusive Framework Two-Pillar Solution, specifically the Subject to Tax Rule ("STTR").

Capital Acquisitions Tax

Birth Registration

The definition of "child" for CAT purposes is amended to include an affected person, being an individual affected by an incorrect birth registration, and insert the terms "social father", "social mother" and "social parent". These terms should be read in conjunction with the Succession Act 1965 to determine the relationship that an affected person bears to such individuals and their relatives.

The Bill amends the computation of CAT on gifts and inheritances to provide the facility for an affected person to make an election as to the applicable relationship for CAT purposes where that person takes a taxable benefit from his or her birth parents or from his/her social parents. Once made, that election will apply to all future gifts and inheritances received from the same disponer.

Temporary Business Energy Support Scheme (TBESS)

As announced on Budget Day, TBESS is being introduced to mitigate higher energy costs. A business may qualify for relief where it is trading and has experienced a significant increase in its energy costs. The scheme operates by comparing energy unit prices in a reference period in 2021 to that same period in 2022 and 2023. Where there is an increase of over 50% in energy costs for the reference period, the business will be eligible for relief of 40% of the increase experienced. Following much lobbying after the Budget Day announcement, the Bill extends the scheme to include Case II professional businesses such as doctors, accountants and solicitors. The scheme will operate in respect of energy costs relating to the period 1 September 2022 to 31 December 2022, being extended to 28 February 2023 pending revision of the TCF.

Businesses must register to participate in the scheme, and it will be subject to a monthly cap of €10,000 per trade or profession. This may be increased to €30,000 in certain circumstances where qualifying businesses operate across more than one location and have multiple meter point reference numbers.

There is an overall maximum payment limit for support given under the EU State Aid Temporary Crisis Framework ("TCF") of €500,000 per undertaking carrying on one or more qualifying business (lower limits apply to businesses engaged in farming (€62,000) and fishing (€75,000) activities).

The scheme will be administered by the Revenue Commissioners and a claim must be made within 4 months of the end of the relevant claim period. Payments cannot be made under the scheme until State aid approval has been received.

Final Comment

The Bill will be debated in the Houses of the Oireachtas, and most likely certain amendments will be made during that process.

While the Bill contains some very welcome measures such as TBESS, in my view, there were some missed opportunities, however.

More targeted measures to support climate change would have been very welcome. Also, there were very limited amendments to Capital Gains Tax and Capital Acquisitions Tax. It is hoped that measures addressing these matters will be announced in future Budgets.

Mairéad Hennessy

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

In Practice News

CPA Quality Assurance-ISQM Thematic Review 2023

The new Quality Management standards apply from 15 December 2022. These standards will replace the current quality standard upon which the processes and procedures of Irish audit firms are based – International Standard on Quality Control (Ireland) 1 or ISQC1. The standards were issued by the Irish Auditing and Accounting Standards Authority (IAASA) and are based on the global standards issued by the International Auditing and Assurance Standards Board (IAASB). To assist firms with the implementation of same, CPA have launched a Quality Management Resource on the CPA website.

To assess the compliance of CPA audit firms, the Quality Assurance (QA) team will undertake a thematic review of audit firms in Quarter 1, 2023. This review will require a sampling of firms to provide the QA team with their newly implemented Quality Management policies, procedures and risk assessments. This review will be undertaken separate to the standard QA process. Firms in scope for this review, will be notified in January 2023.

Climate-related disclosures in financial reports – IAASA information requests

IAASA, Ireland's accounting enforcer, has published a paper setting out information requests that it has raised with companies on their climate-related disclosures in their annual financial reports.

The primary purpose of this paper is to provide preparers, auditors and users of financial statements with information to encourage discussion as to whether issuers adequately consider the appropriateness and completeness of climate-related disclosures provided in financial reports.

Given that climate-related matters are of interest to a broad range of stakeholders, IAASA has examined and will continue to examine companies' financial statements to ensure that there is consistent treatment of climate-related information between the financial statements and information published elsewhere by the issuer (e.g., in the management report, in market announcements and in separate sustainability reports).

This paper lists climate-related information requests that IAASA has made to companies in its 2022 cycle of financial statement examinations. Consideration by companies as to how they might respond to such questioning may assist them in providing high quality information to users of their financial reports.

The paper is available on IAASA's website. www.iaasa.ie

Final Year of 3-year CPD Cycle

CPA members are reminded that 2022 is the final year of a three-year CPD cycle. The new three-year CPD cycle will commence on 1 January 2023.

The annual renewal of practising certificates is reliant on compliance with CPD requirements. Members in Practice and Members working in Professional Offices are required to complete 120 hours over a three-year CPD cycle of which 75 hours are structured and 45 hours are unstructured CPD.

A minimum of 30 hours should be completed in any one year, of which 15 hours have to be structured training.

40 hours of the 75 structured CPD hours must be completed from any combination of the following six areas over a three year CPD cycle:

- Financial Accounting
- Auditing
- Law & Regulation
- Taxation
- Professional Ethics
- Practice Management

From 1 January 2023 statutory auditors must complete 20 hours of this 40 hour core competency requirement in the following areas;

- Auditing
- Financial Reporting
- Law and Regulation

Updates to the International Standards on Auditing (Ireland)

ISA (Ireland) 315 (Revised October 2020), Identifying and Assessing the Risks of Material Misstatement, is effective for audits of financial statements beginning on or after 15 December 2021.

20 ISAs (Ireland) have been updated to reflect the conforming amendments required due to the adoption of ISA (Ireland) 315 (Revised October 2020). A complete list of the updated standards is available on IAASA's website.

The revised ISA (Ireland) 315 requires more robust risk identification and assessment. The significant changes include:

- Separate assessment of inherent risk and control risk
- Spectrum of inherent risk-used for assessment of inherent risk and the risk of material misstatement at the assertion level
- Enhanced requirements on the exercise of professional scepticism
- More requirements related to gaining an understanding of the entity's IT environment, including risk identification and assessment

www.iaasa.ie

Get Proactive with the ISQM 1 and Ten Top Tips for Audit Firms

by John McCarthy

All around the world, auditors are preparing for the imminent arrival of the ISQM 1 (the International Standard on Quality Management) 1.

It's now under three weeks to the deadline – 15 December 2022 and on or before this date every Irish audit firm will need an ISQM-compliant System of Quality Management ('SOQM') as prescribed by the ISQM 1. Larger firms have been working for many months to prepare for ISQM 1, but we are aware that many smaller firms, having just survived the tax deadlines, are just beginning the journey towards compliance.

It's never too late to meet the deadline and our message is: don't despair. There is still time to get ready, although it'll mean setting aside dedicated Audit Partner and senior audit staff time to achieve this. Regulators will be looking for clear evidence of progress by the end of 2022 and certainly by this time in 2023 when firm's compliance with the standard will come under intense scrutiny.

In this article we will look at:

what are the Top Ten Tips to help you get ready for implementation day and we also look at the Key Differences between this standard and its predecessor the ISQC 1, (International Standard on Quality Management) 1.

Here are our Top Ten Tips to helping you get your SOQM across the finish line:

Read the ISQM. There's really no way around this!

We'd recommend you also get hold of the IAASM Implementation Guide, which is genuinely helpful – although be warned; this is for the international version of the ISQM and doesn't include the additional quality responses added to the Irish standard by the Irish Audit & Accounting Supervisory Authority (IAASA).

Assess your current approach to audit quality.

Firms aren't (usually!) starting from scratch on audit quality and will have various policies and procedures already in place. While we want to stress that you shouldn't simply 'bolt on' ISQM to your existing approach, it's helpful to get a clear insight into what's happening now (e.g., by taking a look with a critical eye at your existing ISQC 1 but being careful not to copy and paste the answers, but what's in the ISQC1 may be helpful).

This may mean gathering various documents (like staff appraisals, CPD plans and IES 8), clarifying existing arrangements with the rest of the team and organising your thoughts.

Find out what your team thinks about your current approach.

Chances are, you and your team already have sound insights into what's working well and what isn't, and some honest feedback may be painful but is essential to making progress.

John McCarthy Consulting Ltd. (working in conjunction with our colleagues in Apex Professional Consulting Ltd.) has produced the ISQM TOOLKIT for the

Republic of Ireland. It comes with a team questionnaire that can help you to gather anonymous feedback including suggestions for tackling problem areas.

Start with leadership and governance issues.

For most if not all small firms, a critical success factor for ISQM compliance is the degree of support from partners, especially managing partners within firms.

Whether your firm is a sole practitioner or a larger firm, ISQM 1 challenges senior leadership to demonstrate genuine commitment to audit quality, recognising that this may not always align with a firm's commercial strategy or its leaders' priorities. You need to identify and deal with those conflicts, if present. You'll also need to consider how much of the SOQM can be delegated to others and how the firm's leadership will demonstrate that they bear ultimate responsibility for its success.

Don't dismiss the appointment stage.

Many firms assign consideration of (re) appointment to junior audit staff who lack the judgement to assess ethical threats and to apply the right safeguards. Accepting a client relationship or engagement inappropriately removes any chance to achieve a quality audit.

Be honest about priorities.

Many firms say that they're committed to audit quality, but a cursory scrutiny about how much of the firm's time and money is spent in supporting and developing high quality audit may suggest otherwise. ISQM 1 demands that firms allocate enough resource to recruit and develop audit teams, supply them with appropriate tools (including hardware and software) and allow them the time to conduct audits thoroughly. You'll also need to assess the quality risks of over-relying on external training providers, file reviewers or providers of methodology or IT tools.

Refocus on prevention rather than cure.

In the past, many audit firms have relied on regular cold file reviews to ensure their quality is up to scratch. Whilst such reviews will still play a key role, firms need to consider how to avoid audit defects altogether. For many audit partners, this may mean reducing the amount of time spent in review, and increasing the time spent in directing and supervising audits whilst in progress. Better prepared and managed teams should produce better audit files that need less review and remediation.

Plan your monitoring as you go.

As you set out your SOQM, make sure that every element is traceable and assign responsibility for monitoring to specific individuals, with clear instructions about how they should check progress and how they must record this. This should make the 'monitoring and remediation' part of the process much less burdensome. Don't leave it all until the end!

Get familiar with Root Cause Analysis ('RCA').

This is a tool that has increased in profile of late, and while RCA can be sophisticated, it needn't always be so. The aim is to identify systemic defects that, if corrected, will prevent problems from recurring. Don't be afraid of asking 'why did X happen' multiple times when a quality problem is spotted, until the roots are uncovered.

Consider external support.

Whilst it's possible to implement ISQM 1 without any other support, especially if you use a good transition tool, you may find that getting the assistance of a specialist can be hugely valuable, even if just as a sounding board.

Key differences between ISQM (Ireland) 1 and ISQC (Ireland) 1

ISQM (Ireland) 1 (hereafter referred to as ISQM 1) is very different from its predecessor which was called ISQC (IRELAND) 1.

One of the main differences is that ISQC was 'passive' (it could sit on the shelf for years without really affecting how the audit work was performed) while the ISQM 1 is much more 'proactive' requiring more thought and tailoring in its preparation leading to corrective action like root cause analysis (RCA). More on this in a later blog.

The other key differences are that the ISQM 1:

Requires the firm to take a risk-based approach to designing, implementing and operating the individual components of the system of quality management (called the SoQM). In this risk-based approach firms must:

- establish quality objectives;
- identify and assess the risks (the quality risks) that the quality objectives referred to above might not be achieved;
- design and implement responses to address the quality risks; and
- test and adjust the SoQM on a regular basis (probably annually) to ensure it is always fit for purpose.

The new ISQM 1 has eight components of a quality management system compared to six in the previous ISQC. The two new elements are the firm's risk assessment process, and information and communication.

The standard includes enhanced requirements related to the firm's commitment to quality through its culture.

Greater emphasis is placed on accountability for the system of quality management much more than was the case with the old ISQC.

There is a much more focused approach to the relevant ethical requirements rather than just independence which was emphasised in ISQC.

Resources are given more attention, so each audit firm must consider resources such as Human, Technological, Intellectual and Service providers.

Communication and information is one of the new components of the quality management system which places more emphasis on communications with external parties.

There is a new approach to the monitoring process requiring a specific technique called root cause analysis.

Requirements about engagement quality control reviews (EQCR) or hot file reviews are set out in a new standard, called ISQM 2. The old ISQC dealt with these in the past.

There is new requirement to understand quality in relation to resources, services and monitoring provided by a firm's network, where relevant.

Many file reviewers are offering ISQM implementation help at the moment – why not ask your existing reviewer if they can help in this way?

If you need assistance with implementation, or have any questions please call John at 086 839 8360 or e-mail john@jmcc.ie.

John McCarthy
FCA specialises in Audit and AML gap reports, compliance and training.
www.jmcc.ie

Visible Expertise for Professional Services – Why and Where to Start

by Mary Cloonan

The world is ever-changing, undeniably becoming increasingly digital by the day. And in this rapidly shifting landscape, one of the most important things you can do as a professional services firm is to build visible expertise.

Expertise, once something that was only gained through years of experience in a field, is now more readily available than ever before. The internet has meant that information on any given topic is only a few clicks away, and with that comes the challenge for businesses to maintain their competitive edge.

In order to stay ahead of the curve and be top-of-mind for potential clients, professional services need to focus on building visible expertise. But what exactly is visible expertise? And how can professional services go about acquiring it?

What is Visible Expertise?

Visible expertise is the combination of thought leadership and relationship marketing. It's about being known as an expert in your field and having the relationships to back it up.

Thought leadership is the act of sharing your knowledge and ideas with the world, in order to educate and inspire others. It's about demonstrating that you are an authority on a particular topic, and that you have something valuable to say.

Fundamentally the strategy to focus on specific segments of the market is a sensible approach given each firm cannot support a consistent marketing investment into all segments as it is not economically viable.

Relationship marketing is all about building strong, long-lasting relationships with your clients and potential clients. It's about creating a connection that goes beyond simply providing a product or service – it's about creating a connection that lasts.

Combined, these two things – thought leadership and relationship marketing – make up visible expertise. And when it comes to professional services, visible expertise is critical.

Why is Visible Expertise Important for Professional Services?

There are a few reasons why visible expertise is so important for professional services.

Firstly, it's a way to differentiate yourself from your competition. In a world where businesses are constantly vying for attention, being known as an expert in your field sets yourself apart.

Secondly, it's a way to build trust with your clients and potential clients. When you share your ideas and knowledge with the world, you are demonstrating that you are confident in what you do. This confidence then transfers to those who see you as an expert, instilling trust in your abilities.

Thirdly, it allows you to prioritize market development efforts and budget. Selecting a few key areas to focus on allows for focused marketing efforts in order to maximise returns from minimum investment.

And finally, it's a way to stay ahead of the curve. By sharing your ideas and thoughts on a given topic, you are positioning yourself as an authority – someone who is up to date on the latest trends and changes. This allows you to stay one step ahead of competitors and be the go-to firm when clients are seeking an expert.

5 Actions to Get a Head Start in Being the Top of Mind Option for Your Audience

Building visible expertise is critical in a competitive market, but where do you start?

In our experience, the easiest way to do it is to pick a narrow segment and concentrate on that. However, this does not mean that you must stick to only that one segment – you can (and should) work with other segments as well. The key is to focus on building visible expertise in a specific area and using that to position yourself as the top-of-mind option for potential clients.

Growth-focused individuals and firms use building visible expertise as a tactic that gets them in front of their audience and allows them to demonstrate thought leadership which, as we know, is a critical component of visible expertise. It's a very successful way to gain traction and grow your professional services.

So, where do you start? Here are five actions you can take in your professional services marketing journey.

1. Claim a Sector or Industry Segment

Above, we mentioned narrowing your focus to a specific segment. This is the first step in claiming visible expertise – you need to identify the area that you want to be known for, and then start sharing your ideas and thoughts on that topic.

Building knowledge in a certain area takes time and effort, but to truly master it; you need to put in the work. Read industry publications, attend relevant conferences, network, and learn. Most importantly – write about it. Sharing your ideas is one of the best ways to build visible expertise, as it allows you to position yourself as an authority on a given topic.

2. Understand Target Audience Segmentation

Now that you've claimed your sector or industry segment, it's time to start understanding your audience. This part is critical, as you need to know who you are talking to to effectively share your ideas with them. Think about the specific pain points that your target audience is facing, and then position your visible expertise as the solution to those problems.

Remember, you are not just talking to businesses – you are talking to individuals within those businesses. So, it's essential to understand their specific needs and how your solutions can help them overcome the challenges they are facing.

3. Sharpen Your Expertise

With great power comes great responsibility, and as an expert in your field, you have a responsibility to continuously sharpen your skills. The landscape is constantly changing, so it's crucial to stay ahead of the curve and be prepared for whatever new challenges may come up.

This means that you must continually educate yourself on the latest changes and trends in your industry. For example, if your professional services marketing strategy includes writing articles or blog posts, ensure that you only share the most up-to-date information with your audience.

On the other hand, if you're using a different platform to share your visible expertise (such as speaking at conferences or being interviewed on podcasts), ensure that you are prepared with the latest statistics and information. The last thing you want is to be caught off guard when someone asks you a question about your area of expertise.

4. Develop a Profile Building plan.

Planning is critical to any successful professional services marketing strategy, and that includes building your visible expertise. You need to have a plan for how you are going to share your ideas with the world, and what platforms you are going to use to do it.

Will you be writing articles? Blog posts? Creating videos? It's essential to have a mix of content types, as this will help you reach a wider audience.

Hone in on which platforms will work best for you and your business. If you're unsure where to start, look at where your target audience spends their time online and consider using those platforms to share your content.

5. Execute the Strategy

Execution of the strategy is critical to success. You can have the best plan in the world, but if you don't execute it effectively, it won't matter.

Rising visible expertise takes time and effort, especially in the beginning. But if you are consistent with your content and remain focused on your target audience, you will start to see results.

It's also crucial to track your progress along the way. Keep an eye on your website traffic and social media engagement to see how people respond to your content. This will give you a good indication of what's working and what isn't, and you can adjust your strategy accordingly.

Building visible expertise is a marathon, not a sprint – so don't expect overnight success. But if you start with these five actions, you will be well on your way to becoming the top-of-mind option for your target audience.

Reach out to our experts at Marketing Clever, to learn how we can help you build visible expertise for your business.

Mary Cloonan

Mary Cloonan is a specialist marketing and business development consultant who works exclusively with professional services firms and B2B businesses, www.marketingclever.ie

Understanding a problem is most of the battle!

by Alan Nelson

Whether advising their clients, or working inside a business, accountants have always been problem solvers. But it has tended to be a skill that they have picked up along the way, rather than something they have formally learned to do. Now, with many accountancy jobs under threat of automation, there has never been a better time to develop your problem-solving skills and ensure that you remain relevant in the future.

The first and most important step in the problem-solving process is recognising that there is a problem and successfully defining it. Unless you are able to describe clearly what the issue is, you are unlikely to identify an effective solution.

So, if you feel a particular situation is causing you difficulties, it's important to find out as much about the situation as possible so that you can pinpoint and define the problem.

There are four steps you can follow to do this:

1. Summarise the issue in one sentence.
2. Think about why this is a problem.
3. Understand the nature of the problem.
4. Write a problem statement.

Let's looks at each of these steps in turn.

Summarise the issue in one sentence

It is a useful exercise to try to describe the problem briefly in one sentence. Doing so will provide you with some focus and give you a starting point for your problem statement.

Let's say we have received lots of complaints from our clients. This issue could be summarised in one sentence as, "Clients aren't happy with the service they have been receiving".

Think about why this is a problem

Next, we need to think about why this situation is a problem. What are the consequences of the problem, and who is affected? Well, clients aren't happy with the service they are receiving. They may not renew our services and we will lose income. If we lose too many clients and too much income, there will be job cuts. Problems are only problems in the effect that they have.

Understand the nature of the problem

If you don't fully understand the nature of the problem, it's often easy to make the mistake of defining, and therefore solving, the wrong problem. The problem you start off with is not necessarily the one you should be trying to solve. The first step is to try to break the problem down.

So, "customers complaints are up", could be broken down by asking, what are customers complaining about? Which customers are complaining? How are we responding to their complaints?

Here are some more questions you could ask to understand the nature of the problem you are dealing with:

- Is it a temporary or more long-lasting problem? When did the problem first occur? How long has it been a problem for?
- Is it an isolated or widespread problem? More specifically, who is affected? A few stakeholders, or lots?
- Is it a straightforward problem, or is it complex and far-reaching in its effects?
- Is the problem quantifiable, or are the consequences intangible?

In this example, by attempting to understand the nature of the problem, we uncover that a number of different clients have complained (suggesting this is a widespread issue) about our poor communication, which is why they are unhappy with the service they have been receiving. Because of this, clients may not renew our services, in which case we could lose a significant amount of fee income – so this has the potential to be a long-lasting problem. The complaints are all fairly recent, however they started around the time two staff members left, whom we have yet to replace which suggests there is a straightforward solution. The problem is quantifiable: if clients don't renew our services, we will lose X amount, which will have Y effect on our organisation.

Write a problem statement

The notes you make for these first three steps will enable you to write your problem statement.

The problem statement is a short description, comprising one or two sentences, which defines and summarises the problem or issue that you want to address. The problem statement should define the problem in a way that everyone understands. It should not, however, suggest a solution.

So, here is a possible problem statement for our example:

"Recently, a number of our clients haven't been happy with the service they have been receiving, because of our poor communication. As a result, they may not renew our services, which will have a negative impact on our organisation's finances and potentially put jobs at risk."

It is important to spend some time on this final step, as getting your problem statement right will set you up well for the process of working through the correct issue and coming up with an appropriate solution.

The four steps above have enabled us to clearly define our problem, much more so than saying "we have received lots of complaints from our clients", which is where we started.

This process may seem a bit pedantic, and you might be tempted to skip to the end more quickly, but the efforts you put in up front defining the problem correctly, will save you time later. As Albert Einstein said:

"If I had one hour to save the world, I'd spend 55 minutes defining the problem and five minutes finding the solution."

As accountants, we are always looking for issues that can be improved or solved to drive the business forward. But you must remember that not every problem you uncover is important or needs solving.

Once you have defined a problem, you must assess its impact. In fact, assessing the impact of a problem may cause you to redefine it. You may find that you need to rewrite your problem statement if, say, you downplayed the issue originally.

You must be careful when assessing a problem that you are honest and realistic about its importance. It can be easy to avoid addressing problems by not taking them seriously, or to panic and assume that they are bigger than they are.

This is sometimes known as the trap of the three Ds.

Dismissing:
Problems are dismissed without understanding the impact. For example, "Oh forget it, it was just one client moaning."

Downplaying:
Problems are assumed to be trivial and unimportant. For example, "Never mind, we always get problems at this time in the tax year."

Distorting:
Problems are seen as far more serious, and their effect exaggerated. For example, "We need to change the entire payroll system, immediately."

All these responses indicate that there is no real understanding of whether this is an important problem.

So how do you avoid the three Ds and determine whether your problem is worth taking any further?

Does your problem need solving?

The first step in identifying whether a problem is important, is to consider the following questions:

- What and who does the issue affect?
- How is the issue affecting me/my colleagues/my clients/the business?
- Who else is affected by this issue?
- How urgent is the issue?

If you can answer these questions fully, you will be well on the way to assessing how serious the problem is and whether it needs to be solved.

It can help to consider what will happen if you don't solve the problem. Ask yourself what the impact would be of carrying on regardless? Alternatively, some problems may not be serious enough to warrant solving them, for example if the solution would cause more disruption than the problem itself.

It's also important to try and put the problem in perspective by exploring different dimensions. For example, how much have client complaints increased? Are sales affected? When did the problem start?

You may well be thinking that this is whole article on problem solving that doesn't actually tell you how to solve a problem, but accountants are good at that part. Add in this preliminary analysis and you will find the job of choosing which problems to solve and how, much easier.

Alan Nelson

Alan Nelson is the Founder and Managing Director of accountingcpd.net and the author of their course, Problem Solving for Accountants. He is a past Chair of the ICAEW's Practice Assurance Committee, and has been a member of ACCA's SME Committee, and of CPA Ireland's IPSAS Advisory Board. He is currently a member of the Bank of England Decision Maker Panel.

Can cloud accounting help your sustainability and bottom line?

by Alan Connor

Whatever your sector, cloud accounting can be both the means to support your sustainability aspirations, and indeed the end result in itself.

The UN World Commission on Environment and Development in 1987 defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

The nature of True-Cloud solutions is that they are designed to revolutionise how you see and consume your IT. To provide an "any device-any browser" fully scalable approach. Future generations will see our historic reliance on sever rooms and physical servers in the same vein we now consider electricity on demand compared to having our own generators, or water on demand compared to our own water pumps. The next stage in evolution is to consume our technology on demand.

True-Cloud challenges us to consider a future without local servers, local infrastructure, UPS, switches, expensive cabling, with vastly reduced capital IT hardware spend, reduced IT obsolescence, and finally no more dusty rooms full of old PC's and equipment.

And that's before we get to the actual running costs, the air conditioning in the server room, the electric bill for 24/7 power. The highly specified workstations with greater power and processor needs, which can be reduced, or indeed replaced with alternative devices, more portable, more versatile, and designed for the cloud-native approach.

By availing of True-Cloud Accounting software you benefit by being part of a larger environment such as Microsoft Azure in the case of iplicit. It is well documented that the resources needed to provide your cloud software will require less IT and energy resources to run the equivalent of what you have locally. These green and energy-aware cloud centres can allocate resources as and when needed, unlike your local servers which are constantly powered by electricity.

Cloud operating servers and data storage servers can be run up as and when needed. The nature of using cloud multi-tenanted technology means that more applications, data sets, and users can be all facilitated on a far smaller percentage of hardware with a far greater optimisation on that hardware's capacity – between 80% to 90% actively monitored performance utilisation.

Contrast this to your current servers inhouse where these energy hungry, expensive resources are very much under-utilised even during the working day, but still constantly consuming energy and with constant wear and tear on parts. Not just during the working day, but also for the remaining out-of-hours, 16 hours per day and 48 hours of a weekend. In some studies, actual utilisation of your inhouse IT can be as low as 15% to 20% on average, and even less when staff need to dial in from home to their constantly powered PCs in the office, actually doubling your IT and energy exposure.

The intelligence used to manage these highly flexible cloud servers ensures that fewer servers are used compared to the status quo. The servers are built to a higher level of specification to perform more optimally than their retail equivalent, they are powered far more efficiently, and their parts are maintained more successfully, all leading to a quantifiable reduction on your carbon impact and overall running costs.

But sustainability isn't just about carbon and electricity. You need to ensure that your business is sustainable, that it has a future that it can scale to. Moving to the cloud allows you to far more easily scale up or down, to be more flexible and responsive to the demands of your staff, your customers, and stakeholders.

This simultaneously reduces the cost of such scaling, avoiding the need for expensive capital equipment roll-outs, engineers, system downtime and productivity impacts and all whilst reducing your IT carbon footprint.

Data centres are often in the press in Ireland for various reasons. What I would pose however, is an example of our iplicit solution which is a True-Cloud accounting software that is hosted on Microsoft Azure. As we expand our customers, we can very easily expand our resources needed, we can manage the tenants (think mini engines) that are needed to load balance this usage across the most optimal servers and resources, powering some up or down as the needs rise, or as the needs decrease such as weekends or out of hours. Think of say 100 organisations using a tiny fraction of what Microsoft Azure can offer and all these resources being optimised for the best energy usage, the best performance, and the best IT maintenance policies.

Now consider these same 100 companies using their own server-based software 5 years ago, in their own server rooms, own physical servers, heavy duty workstations, licence costs, upgrade costs, server downtime, hardware replacement costs every 5 years... there is a genuine economy to this scale.

The sum of the parts is far more efficient than the individual fiefdoms.

But it's not just the technology itself. Cloud isn't just the end result, it's the means to do that bit more.

Versatile accounting software can offer dividends in the sustainability of your company, your ability to manage your impact on the environment, and the wellbeing and retention of your core employees. Using technology to remove the drudgery of repetitive data entry and disjointed workflows will free your colleagues for more worthwhile and rewarding tasks benefiting their growth, satisfaction in their role and future, and your business success It's not just the earth that needs your vision and sustainability, it's your organisation and your staff.

At a pure functional level, Accounts departments can benefit from immediate changes such as

- Fully paperless office, no printed sales invoices, statements, or debt chase letters. All electronic, all automated with triggers, reminders, and alerts. Saving time, effort, paper, postage carbon miles, and avoiding mind-numbing repetition for your accounts colleagues and improving morale.
- Accounts payable departments can insist on the removal of printed invoices being received, drop/drag your pdf invoices from your email into iplicit so they are already available for review at time of data entry or workflow approval or future audit, no more printing, filing, storage, or forwarding from pillar to post for manual approvals...seamless, fluid, and efficient.
- Working remotely doesn't require invoices to be posted from one home or office to another for approvals – electronically scan / drop in your incoming invoices together with copies of quotes, orders, delivery notes and always have them linked and available online.
- Still writing cheques? Remove the final burden, streamlined purchase payment processes should lead to simple bank Sepa file digital uploads and supplier payments, reducing staff time and effort.
- Remove double entry - why should your burdened accounts colleagues have to re-enter manual expense claims or timesheets on the system on behalf of other colleagues – empower all users to place requisitions, expenses, or timesheets with full approval routing and a seamless flow from source. Obtain full visibility of all commitments against your organisation from budget to requisition and company-wide spend commitments. Better management of cashflow, funding, and risks by having one centralised version of the truth and no department silos.
- Empower staff and remove drudgery. Use automated and recurring transactions, automatic accruals and reversals, template driven data entry, alerts, triggers, machine learning AI to automate your bank reconciliation, instant analysis on screen, live links to Excel. Harness all that technology can offer to support your colleague's wellbeing and job satisfaction. Allow them to benefit from your investment in technology to make their life more rewarding, allow them to focus on more meaningful tasks for the betterment and sustainability of the organisation.
- Using systemised processes and a unified approach, means that you are not exposed if today's Hero becomes tomorrow's risk. Individual employees

or departments with their own unique ways of doing things places a key-person risk of disruption if they leave or go on holidays. Your forward-looking sustainable vision should ensure that your complimentary and supporting systems and processes can aid the individual and not be at the mercy of the individual. Can empower their needs within the greater whole. Succession and continuity is essential in your growth vision and flexible tailorable cloud accounting systems can empower your heroes and your corporate vision. Improving your governance whilst at the same time supporting your workforce with assistive technology is the future.

- Grade your suppliers by their green credentials, set your own targets for supplier spend across your internal green ratings and easily manage this by tracking supplier credentials, the shipping methods and routes for your product delivery, the carbon effect, and the volume purchased.
- Extend your corporate travel requisitions and employee expense claims to include mileage, their car CO2 ratings, their airmiles, their carbon impact, together with your calculated savings from working remotely.
- Implementing purchase order systems for internal requisitions allow you to better monitor what is being purchased for internal consumption and by who... have supplier approval processes for new suppliers, agree select consumables or approved inventory lists of items and preferred suppliers for your colleagues to order from, whether that's green lightbulbs, recycled printer toner , or even the supplier you buy your furniture from to avoid them travelling from thousands of miles away by sea.

Sustainability is not a big bang. It's not an end result. It's an iterative process that you can start in many small ways that become your new norm, it will become part of what you and your colleagues instinctively do, rather than the burden of a separate task. It needs to be intertwined with your purchase, your sales, your product sourcing, your service delivery.

Can we have ulterior motives? Of course.

Highlighting our sustainability credentials will be more attractive to new customers and tenders. Improving productivity and workforce morale will help retain valued staff and in an era of high employment you can scale and expand without requiring more personnel, reduce running costs, operate leaner best practice systems, manage expenditure and avoidable inter-departmental burdens. Lowering your energy costs and your IT costs are silver linings on top of silver linings.

The Accounts department is no longer just the department of record. It falls to us to bear the burden of risk awareness, bear the burden of data measurement and creating the systems that can be absorbed into the day-to-day workflow to ensure the organisations sustainability. Working in seamless partnership with your accounting software, is the future. Expect more from technology and expect more from your accounting software. It's a living breathing inextricably linked lifeforce that can empower your road to incremental and sympathetic sustainability.

"Working in seamless partnership with your accounting software, is the future."

Alan Connor

Commercial Director, iplicit

The surprising tech skills in demand for accounting and finance

by Alan FitzGerald

From the days of using pebbles to represent data to double entry bookkeeping principles formalised by Luca Pacioli through to the advent of computerised technologies for finance and accounting, the skillsets required in accounting have evolved in manifold ways over the centuries whilst still holding to the solid foundational principles set down in the 16th Century.

These days you can also be assured that, along with death and taxes you can confidently add another absolute, technology obsolescence as being a surety in life.

Pacioli would be both astonished and - I suspect - incredibly flattered, that many of the concepts he drew up in the 16th Century remain today in play, albeit in a way where a lot of the 'work' now goes on behind the scenes.

Whether you are starting an accounting firm or business, are part of a team or looking to exit a business, one of my philosophies is that it is key to create the best environment for your team to process any work you do for your clients and ensure that the systems and skills required to keep 'the ship afloat' are maintained and updated appropriately.

Accounting remains one of the few professions where, if push came to shove, it could still be undertaken manually. Whilst it would not necessarily be a lot of fun i.e. to manage a large business in handwritten ledgers, it proves that the requirements are for an ever-increased level of knowledge of not only accounting systems and processes but how they operate and importantly, integrate.

How systems interact with other systems and getting the most out of them for the benefit of the user and the client understanding of that output is where I see key skillsets developing. Accounting systems have always produced lots of 'data' but getting access to this has often proved to be difficult, especially across disparate systems. In many circles data is touted as 'The New Oil'.

On face value, this is arguably correct. But oil in its most basic form is called 'Crude' for a reason. To get anything of substance out of it, it must be refined otherwise, you just have a messy and slippery substance which in its raw form is quite useless – sound familiar?

Accountants in practice have vast amounts of this raw data available about and concerning their clients.

This may include all the compliance history, information on their ideal client, the consistently late payers, the profitable and those that could really benefit from some ongoing advice, etc if only they'd listen. It is to this group where I see certain skills being required.

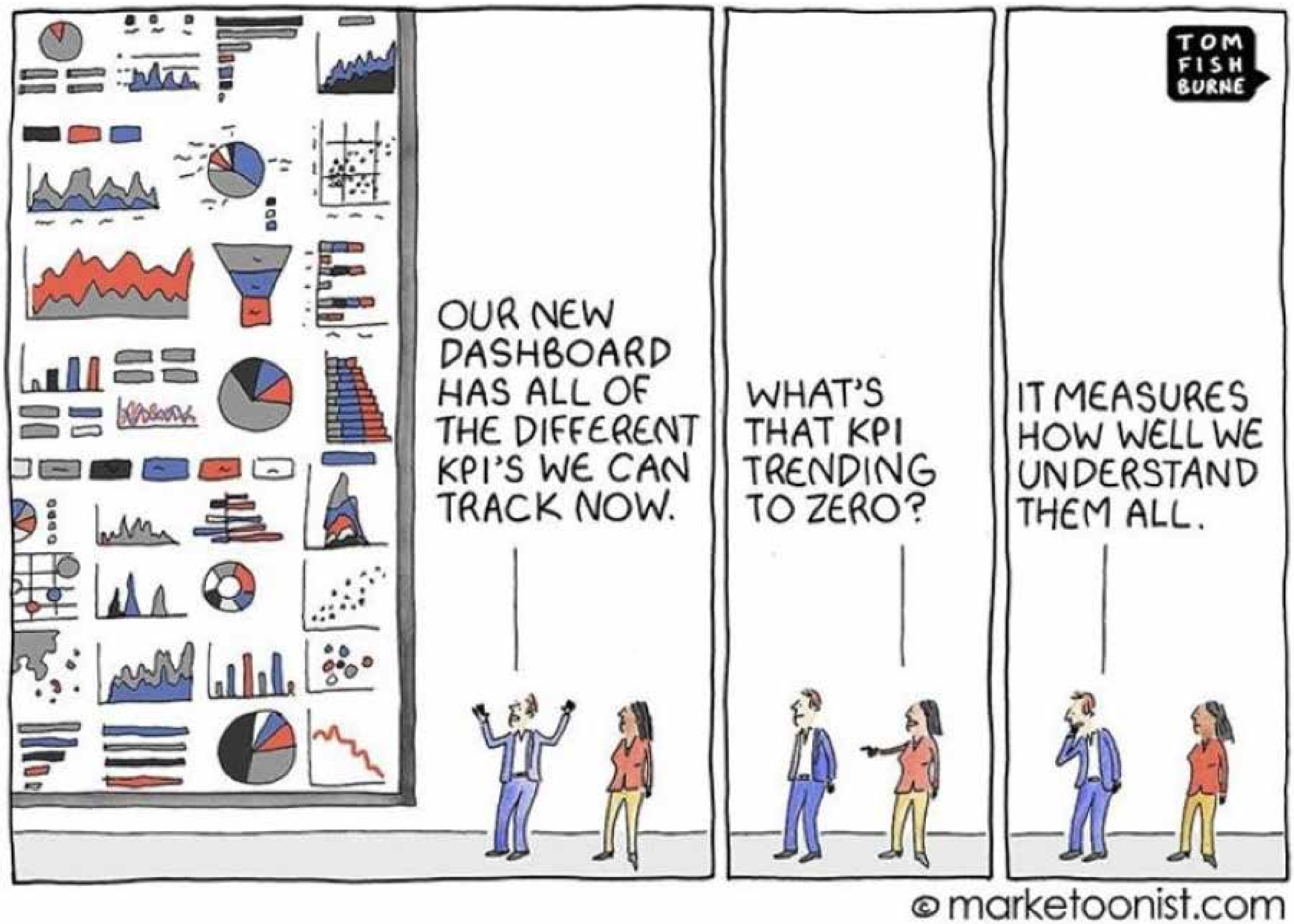
The increase in the availability of data that can be gleaned from a wide array of sources within modern accounting systems has revolutionised the speed and delivery of information to teams, business leaders, clients, reporting authorities and more, to make the decision-making process more efficient and accurate than ever before.

In my opinion, Information is the new fuel distilled from the vast fields of crude data.

But to the uninitiated to be faced with this seemingly endless stream of raw data can also be a peril.

Enter the proliferation of graphical representation tools designed 'to make your life easier…'. If only it were that simple.

A key measure and requirement for an accounting firm using these newer (and often very clever) technologies is the



process of 'translating' the information that makes perfect sense to a specialist, into a format that can be readily understood by the recipient.

Most business owners/entrepreneurs do not have accounting backgrounds and are therefore reliant on accounting firms to assist and guide them through what can be for the uninitiated an often-burdensome compliance quagmire. Richard Branson, who created the Virgin global empire, recounted a story where at the age of 50, he revealed in a board meeting, that he did not understand the difference between gross & net profit. It shows that the lack of knowledge never stopped him and that he had a good team around him too! His CFO subsequently explained it using a fishing net analogy and he now proudly boasts that he knows the difference!

Accountants speak a very special 'language' which frankly most are not interested in learning. This is where your 'Anxiety Transfer Specialist' services come into play. Take the pain to do with business structures, finance plans, compliance obligations, and more, away so that the client can focus on what they need to do, and they will be your most loyal advocates.

The skill of being able to interpret and translate the vast array of financial information available to you into meaningful insights that clients can action is the gold. If firms deliver stale reports, bunches of numbers etc, most clients will probably politely nod and leave and just go back to what they were doing, satisfied that they have tried...

Consider a doctor prescribing you this: "Deglute 1,000Mg of Acetylsalicylic acid in solid form with two parts Hydrogen and one part Oxygen and make contact with yours truly ante-meridian via a system for transmitting voices over a distance using wire or radio, by converting acoustic vibrations to electrical signals".

That is a technical word salad when all it really means is "Take two aspirin with water and call me in the morning..."

Complex financial discussions with an entrepreneur without a finance background will often meet with blank stares. Understanding how to deliver good and bad news in a way that reflects their level of understanding is a term I call KYA – Know Your Audience.

If an accounting firm can interpret the manifold data which leads to key understandable information also known as the 'Explain it to me like I'm five years old' theory, I believe that they can choose who they want to work with from the line of people/companies wanting to work with them. I was once present at a Big4 partners meeting where one partner suggested that the "best & brightest" may not be beneficial to them if they couldn't talk to a client.

Oscar Wilde once quipped 'I'm not young enough to know everything'. As we see a new generation of accountant enter the market, using these solutions is becoming their realm and expertise. Many of them will have an almost innate knowledge of data and systems and their skills are increasingly being acquired by accounting teams to interpret the vast amounts of tax and financial data. Coming from an environment where almost everything in their private lives is connected from the world being on their watches to the interconnectivity of their social media platforms to summoning an Uber to take them to anywhere in a seamless, cashless transaction.

The firms that are cognisant of this fact are the ones to which these and future generations of worker will be attracted as they are used to being in a connected world. It becomes imperative that firms match their technology to the new accountants' expectations to also be 'connected' but in my experience many firms are not.

In my experience from dozens of one-on-one interviews with team members it is quite common for newer members of a firm to question processes from an IT perspective as their frustration levels with what can be done outside of the firm is not reflected in the 'professional' environment.

Unfortunately, given the size of the market, the range of software for an accounting firm compared to the overall market, is very limited. It is highly bespoke, and most products follow a set of guiding principle/concepts drawn up in the 1990s as to how they operate.

There will also always be a perpetual battle between balancing the needs of a firm to produce work, and the reports required to cater and satisfy the wide range of clients, especially where, through the democratisation of technology, clients can often be more technologically advanced than the accounting firm that services them.

An area that has changed is the market for the end services, particularly reporting where data can be extracted by software into visual representation. This market has grown significantly and now has a wide variety of software(s) available.

Excel will never disappear and is a readily accessible solution. It is the mainstay of all accounting firms, but it is neither the best at representing data nor the sharing of data, particularly to a less-skilled recipient. PowerBI is rapidly becoming the go-to solution for firms looking to cater to a wide audience of clients and

scenarios. The challenge with PowerBI is that, like learning guitar it appears to be quite easy to pick up initially, but as most find out, it is very hard to master. This is where tapping into the companies that offer 'out of the box' reporting solutions such as Futrli or Syft* are often easier paths to tread, at least initially; these utilise a template approach to reporting so that reports can be generated quickly and with little effort.

Leonardo Da Vinci is quoted to have said that 'Simplicity is the ultimate in Sophistication', and many of these solutions are incredibly useful and as per the cartoon above can provide great insight into a business, if used wisely.

But it is in the delivery of the information to the recipient in a format which is easy to understand that is more important than ever and that has become the surprising and sought-after element. The rare mixture of technical, accounting and 'soft-skills'.

If a firm gets that combination right, then like the fabled mousetrap, the world will beat a path to their door.

* You can learn more about these and other solutions on CPA Irelands Digitalisation Hub

Alan FitzGerald

Alan has 30 years experience in technology, nearly 23 of those just in Tax and accounting software. In 2015, based on demand from accounting firms, he established Practice Connections Advisory and offers independent and technology agnostic advice to firms big and small in practice management, workflow, tax, document management and reporting solutions options.

Due Diligence: Still vitally necessary to protect your business needs.
Don't be a victim of fraud

by Martin Dubbey

Increasingly due diligence is seen by many as a necessary hardship in order to 'tick box' compliance enquiries. Whilst satisfying the regulator of this activity, companies and indeed individuals should not lose sight of the importance of more in-depth enhanced due diligence to satisfy themselves they are dealing with genuine and legitimate business interests. The growing number of frauds that we see, is an indicator that not everyone is learning this lesson.

Hardly a day goes past without receiving warnings about record numbers of victims of fraud, new fraud schemes, and how fraudsters are adapting their techniques in order to enhance the sophistication of their scams.

This was recently highlighted under Operation Skein, the gardaí investigation into the notorious Black Axe crime network who focussed on email fraud, targeting individuals abroad and laundering up to €64 million in Ireland with the help of 4000 money mules.

With the growing difficulties in the financial sector, discussions around enhanced cybersecurity, insider threats and the deepening financial crisis the growth in fraud is likely to become part of our daily consideration, which of course it should be. The financial losses experienced by victims are increasing, as too is the lesser discussed psychological impact.

Enhanced levels of due diligence can quickly establish the root credibility of the organisation or person you are dealing with. The checks are straightforward to implement and provide an assurance of who you are dealing with.

An obvious statement, people commit fraud, they may have the most genuine and legitimate looking profile but peel this back and what you may find is a criminal who is out to defraud innocent and sometimes vulnerable victims.

This article discusses two cases of authorised push payment fraud (APP), both from Ireland which serve to highlight the problem. APP scams occur where a payer is deceived or defrauded into authorising a payment to a criminal. These have increased both in value and volume, with many individuals suffering significant financial and emotional harm. The two most common APP scams are impersonation APP scams and APP investment scams.With years of experience, it can be said that a small due diligence investment now can prevent years of misery and financial loss down the line. How many times has it been said, 'if only I had done proper due diligence?'

Why Due Diligence?

Two case examples that emanated from Ireland demonstrate the lengths some people will go to commit fraud.

The first APP impersonation case concerned an investment fraud involving an Irish company. The company needed investment funds to expand its operations and in comes a larger than life American, war veteran of Vietnam, offering the funds they needed. Everything was going well, but something about him created unease. When he started asking for some upfront investment coverage the case was referred for due diligence and an examination of the war veteran's CV identified a definite red flag.

He stated that he had for 15 years being studying native Americans in their natural habitat. That immediately interpreted as 15 years in prison, probably a federal facility for a more serious offence. A check on his business address revealed a library in his home state and most importantly a check of the Vietnam war dead indicated he had been killed in 1972. These enquiries took less than an hour. Clearly the Irish company pulled out of the transaction. They were of course disappointed, but this action undoubtedly saved them from future pain and financial loss. The American was arrested later trying to renew his fake passport at the US Embassy. Police reports say that he refused to give his real name. To this day the Irish company have no idea as to the identity of who they were dealing with.

Another recent APP impersonation case involves a Dublin based company dealing in property transactions for their overseas investors. In this case their email system was hacked, and the fraudsters were able to insert fake details of the property investment companies and bank accounts to be paid out, not in Ireland, but in the UK. This change should have been an immediate red flag as the properties were in Ireland. Nonetheless, the transactions continued in good faith and significant sums were invested in three UK companies rather than Irish. A quick enhanced due diligence check would have established that each of the companies was a recently founded UK limited company with no interest in property markets. There was a single director and shareholder of each company emanating from Baltic states countries and no trading activity. None of them had any economic value.

At this stage the investors have lost their money and face a long battle with regulators and the police to help recoup their losses, if indeed this is possible. The point is that an enhanced check would have identified these risks and highlighted it back to the investment firm and investors whether they should have invested.

Recent reports by the BBC indicate estimates of 15,000 fake companies in the UK, probably even more. The process for setting up a company in the UK takes about 20 minutes and costs around 15 Euros. Whilst it is reported that the UK registry of companies is prone to fraudulent activity so is the Irish register and others.

The Process of Enhanced Due Diligence

The process is straightforward, an enhanced application is to obtain knowledge of the subjects' background financial and reputational standing. This higher risk approach differs from the check box compliance route and is necessary for a deep understanding of the subject on which business decisions can be made.

Several techniques can be considered at this stage, these can be overt or covert. However, many would expect to be the subject of due diligence in any transaction these days. Immediate red flags can then be raised by the inability to produce key business documents, or in avoiding straight forward questions around their business structure.

One of the key questions around business structure, is of course, who owns it. On one hand the UK property investment company set up in the past few weeks by a single director and shareholder from a high-risk country should bring immediate flags.

But layered complex ownership structures connected to high-risk countries should also be of concern. Think simply if I lost my money how would I get it back? In both examples the chances of recovery are minimal. Therefore, it is crucial to be sure who are you are in fact dealing with.

There are many other indicators that suggest proposals may not be genuine. To demonstrate, in another recent case, again an APP investment scam, the investor had offered a one million USD investment from his company portfolio. The client signed off their investment before clearing any funds. A quick check of the company indicated that it had been dormant for 6 years. Clearly no credibility at all found in the due diligence, but it happens.

If necessary, you can go even more in-depth, challenge what you have been told, look physically if you can at the addresses you have been given for the company, are they genuine, or is it the local library like our American war veteran offered? On-line mapping systems are of course a great time saver here, but again there is nothing like a physical check if possible. An online map may give you a nice picture of the premises a year ago but visit now and it is boarded up with a pile of post on the floor.

An adverse media check is always of value. Whilst this is normally undertaken at basic level, check all the layers of the people and companies you are dealing with. With this be geo-political aware. This means to follow up changes caused by regional conflict where the

status of people you are dealing with can change overnight. The situation in Ukraine following the Russian invasion is a prime example.

Do not limit your enquiries to just the beginning of the transaction. If it is a complicated on-going relationship, then continue checking on who you are dealing with. Ensure they have the funds necessary and the capability to deliver what is on offer.

There are examples where people have gone to extreme lengths to obtain investment money. In some countries this has gone so far as taking over oil refineries for the day, changing the signs and laying on VIP visits of investors. If it is too good to be true, then it probably is.

Finally

Over the years enhanced due diligence has found out fake people, fake documents, fake companies, fake funds, fake websites, fake bank accounts and yes even fake banks.

The list goes on. This is a timely reminder to be careful. Remember enhanced due diligence does not have to be complicated and may save your clients a lot of anguish.

Martin Dubbey

Managing Director and founder
Harod Associates Limited
www.harodassociates.com

After a career in UK law enforcement, Martin Dubbey founded Harod Associates in 2010. The company provides due diligence, asset-tracing and support services, making use of the latest technology to underpin operations. Martin has specialised in the use cyber of investigation techniques to speed the process and accuracy of due diligence enquiries.

How FinTech will revolutionise the Accountancy industry

by Patrick Horgan and Paul Moore

What is the best way to view the seemingly endless innovative technologies coming on stream in the accountancy industry? Curiosity, rather than scepticism, might be the approach to take. After all, it is always much easier to continue doing things as we always have instead of embracing change. The embracing of change, despite the challenges that come with it, is where we will find improvements and advancements in how we operate.

As a rule, technology should be viewed as supporting, not replacing, accountants. It is understandable that worries might exist in relation to skills like creative problem solving being removed, but instead it should be viewed as an opportunity to enable accountants to do more valuable work. Leave technology take care of monotonous or time-consuming jobs and focus on being more creative or collaborative. Most of the tasks that can be handed over to technology are ones that could be automated, and the truth is, forward thinking organisations have always favoured automation.

FinTech to date

It is important to note the success of FinTech in accountancy to date before we look at any future impacts. The implementation of cloud-based accounting and bookkeeping has radically changed how accountants manage and interact with their clients. This was especially relevant during Covid-19 when firms had to adapt and operate remotely during the pandemic. Indeed, it has become such a mainstay of the industry over the last twenty years that we probably take it for granted.

As FinTech continues to disrupt the accounting ecosystem, so too have the demands of the regulatory environment where obligations have become more onerous for the industry. Technology is an enabler to help firms meet these obligations in a more efficient way.

This, in turn, has given rise to new opportunities for companies in this space. This is evident in the boom in AML and KYC applications that are becoming must-haves for accountancy practices wanting and needing to remain compliant.

Opportunities

As KYC and AML concerns continue to become bigger issues for accountancy practices, the use of a sufficient onboarding platform has transformed how they manage new customers and update existing ones. The process has changed from a time-consuming and repetitive one to something much more streamlined and leaner. This has enabled firms to increase the sustainability of their businesses and allowed them to reclaim the wasted time from poor KYC practices. That time can be used to work on other parts of the business or to increase the services they can offer to clients.

Not only this, the sheer amount of data that AI and machine learning can process means it far outstrips traditional methods of handling. It allows us to identify trends at a macro level which we may have otherwise missed. Machine learning should not be viewed just as a benefit but should be classed as a necessity. Added to this is the fact that both aforementioned technologies can demonstrate more critical analysis than manual analysis ever could.

Pace of change

This radical pace of change is only going to continue and is reflective of the business world at large. New and young companies are now much more agile and can be established and grown dramatically faster compared to 15-20 years ago. This can be seen in the number of different payment formats now available, mobile payments, mobile

apps, all of which allow companies to manage their businesses from their phones from anywhere in the world. Accountants need to mirror such growth with sufficient services to ensure they are facilitating their client's chances of success. If they don't, their competitors will.

Indeed, this is one of the overarching benefits that FinTech has had on accountancy firms. It has taken dated business practices and transformed them allowing the firms to significantly improve the services they can offer to clients. What once may solely have been bookkeeping, accountants can now offer more value-added services like financial advisory, personal tax consulting, fundraising, and investment advisory. An improved and enhanced service allows accountancy firms the opportunity to diversify, grow quicker and increase the number of customers they serve.

As with all innovative technologies, there can be a fear of the unknown, particularly if the firm is used to more traditional ways of doing things. But on the other side lies radical improvement and a more manageable way of doing business, especially as an enabler to grow the business. Once the first trickle of positive change from technology is seen in a firm, it is hard to stop the inevitable flow of progress that comes if correct FinTech solutions are embraced.

Blockchain

Blockchain is most certainly in the category of needing more information and adoption before it can be fully, or even partially, welcomed. Whilst it is not so well understood as a technology, at least in terms of its potential impact, in financial services it has significant potential to change the way processes in accounting are conducted.

Actual widespread adoption of blockchain in accountancy is still a while off, but there is no doubting, in theory, its potential upsides for accountancy. Such benefits include instant payment settlement which reduces the risk of non-payment by one side, and a distributed ledger meaning there is a public history of all transactions to prove a transaction occurred.

In summary, it could lead to less fraud and more trust in transactions, with less errors on both sides due to automated transactions. The instantaneous nature of blockchain is where most of the promise is held. For example, tax returns could be completed and verified immediately, saving hours of work. Or, as mentioned earlier, audits of financial statements could be completed much faster as transactions could be verified by the blockchain.

Cryptocurrency

Cryptocurrencies are normally bundled into the blockchain conversation, but there seems to be even less understanding as to how cryptocurrency will impact accountancy. At its core is this: what do we classify cryptocurrency as? No standards exist yet. It is not cash and cannot be readily (widely, at least) exchanged for any good or service.

Its high volatility further precludes it from the cash conversation. Therefore, it is most suitable as an intangible asset and most crypto assets are accounted for as indefinite-lived intangible assets. This means they must be carried at the lowest value since purchase, rather than its current value. Which is far from ideal and logically an obstacle if a firm needs to carry an asset at an artificially low value.

This overall lack of clarity is a reason firms would be slow on adopting assets based around cryptocurrency. This is exacerbated by the fluctuations in the industry of late and these drastic changes in value only serve to increase the apprehension people have towards crypto. However, that may be about to change as the FASB (Financial Accounting Standards Board) recently concluded that firms should measure crypto assets using fair value accounting in the US.

One would imagine that we will take our guidance on this tricky situation from somewhere like the US. It will take time to see if this is accepted and then reflected in everyday accounting but if it is, we could be looking at firms more regularly owning assets in the crypto world, especially if it enables/encourages the use of blockchain technology. Will we gradually see a move away from 'traditional' assets to digital ones? Possibly, as most global financial institutions are moving towards digital assets becoming a part of their portfolios. But there is a lot of water to flow under the bridge before that happens.

For both blockchain and cryptocurrency, their practicality and how easily or not they can be adopted into accounting will ultimately determine the scale of the impact on the profession. When the original internet was launched in the 90's, people knew it had potential, but it is fair to say the transformative effect it has had on the world was not foreseen by all. We could be in a similar position with crypto and blockchain in terms of not fully realising the extent to which they will impact our lives.

Conclusion

Given the rate of advancement in technology in the last fifteen years, it will be interesting to see how the next fifteen play out and the impact they will have on the accounting industry. AI, Virtual Reality, and Blockchain will all become more ubiquitous, but they will all serve to make industry professionals more relevant rather than less. Accountants of tomorrow will play a more creative and strategic role in their company and should see their roles freed up for more ingenuity and creativity instead of being constrained or side-lined by technology.

Of course, this all depends on organizations realising the potential of new FinTech and supporting and empowering their accountants to take full advantage. This will be the difference in them being industry leaders or part of the chasing pack.

Patrick Horgan
CEO of valid8Me

Paul Moore
Marketing Manager of valid8Me

Institute News

CPA Ireland Skillnet launches Sustainability Hub

In October 2022, CPA Ireland Skillnet launched a new interactive and practical Sustainability Hub to help guide members and students to develop sustainability strategies for business.

In recent years, climate and weather catastrophes, environmental disasters, legislation and regulation, consumer demand, the investor perspective and the views of all stakeholders in the business ecosystem have dramatically shifted sustainability from a theme to an action item at the heart of every business.

Global standards on sustainability reporting are in development by the International Sustainability Standards Board, and the European Commission is also setting disclosure standards, initially for large companies, that will take those global standards as a baseline and take account of any variations required in the EU. Mandatory reporting is on the immediate horizon and sustainability reporting will be core to what CPAs do in the immediate future.

Sustainability reporting will not be confined to large companies, and we are already seeing SMEs being asked to verify their sustainability credentials within the supply chain of larger companies and when tendering for public contracts.

To support CPAs in providing that transparency and trust, both knowledge and credentials are, we believe, essential. CPAs already possess the core technical skills to lead in the domain of sustainability reporting and CPA Ireland is delivering the knowledge advantage through the development and launch of this Sustainability Hub. This initiative follows on from and builds upon CPA Ireland's leadership positions in Digitalisation and in Wellbeing, and the Sustainability Hub will provide knowledge across all aspects of sustainability that are relevant to CPAs and to the businesses you advise.

To access the Sustainability Hub, please click here.

Pictured: Trish O'Neill, Director Member Services and Eamonn Siggins, Chief Executive, CPA Ireland

CPA Ireland and the Institute of Cost and Management Accountants Bangladesh

CPA Ireland and the Institute of Cost and Management Accountants Bangladesh have entered into a Mutual Recognition Agreement which was signed during the World Congress of Accountants 2022 in Mumbai India. The agreement was signed by Aine Collins, President, CPA Ireland and Mr. Md. Mamunur Rashid FCMA, President ICMAB.

Under the agreement, members in good standing of either body will be considered for membership by the other body. Members wishing to practice public accounting will be required to meet the specific regulatory and legal requirements in each jurisdiction.

CPA is one of the best-known international accounting designations and Irish professional qualifications are held in high regard worldwide.

L to R: Eamonn Siggins, Chief Executive CPA Ireland, Gillian Peters, Director Business Development CPA Ireland, Mr. Md. Mamunur Rashid FCMA, President ICMAB, Áine Collins, President CPA Ireland, Trish O'Neill, Director Member Services CPA Ireland, Cáit Carmody, Director Professional Standards CPA Ireland

Membership Changes:

Removals

Member ID	First Name	Last Name	Date
023998	Brian	Mahon	03/11/2022
024021	Keith	Wall	03/11/2022
007460	Mary	Cotter	20/07/2022

Deaths

Member ID	First Name	Last Name	Date
000512	Colm	Grogan	26/05/2022

CPA Ireland and CIIA Partnership

In September 2022, CPA Ireland announced a new partnership with the Chartered Institute of Internal Auditors (CIIA).

Members of CPA Ireland now have the option to join the Chartered Institute of Internal Auditors by passing the online CIA challenge exam and satisfying the qualifications for good standing.

The CIA challenge exam is a fast-track route for qualified accountants to complete the highly respected Certified Internal Auditor (CIA) certification. This route is available only to members of qualified accounting bodies and covers all areas of the CIA certification. Candidates doing the CIA challenge exam are required to sit one exam to earn the CIA designation.

The masterclass for the CIA challenge exam takes place in October and January with exam sittings in either November or February.

Click here to find out more about the CIA Challenge Exam.

We have also concluded an access agreement to the highest level of CIA membership (Chartered Internal Auditor status), the gold standard in internal auditing.

For the Chartered exam there is an enrolment option this September with exams in January, and March with exams in July.

Click here to find out more about the Chartered Internal Auditor Status.

Deirdre McDonnell and Gillian Peters

This year Deirdre McDonnell, Director of Education, and Gillian Peters, Director of Business Development, left CPA Ireland to take on new challenges.

Both Deirdre and Gillian can reflect on their achievements with pride.

Deirdre led the development of our new Syllabus of Education which really positions CPAs to face the future of accounting and to add value in every sector. Deirdre was also central to the discussions which brought the MRA with the American Institute of CPAs and NASBA to a successful conclusion. Deirdre leaves us having positioned the CPA Ireland qualification and assessments at the equivalent level to global peer bodies.

Gillian has transformed the CPA Ireland brand and has brought out the purpose and values of CPA Ireland into a brand that has instilled pride in members and students alike. Gillian has built key relationships with academics and employers alike ensuring that CPA students and CPAs are valued in every sector.

Gillian has also delivered on those needs and wants of graduates and prospective students with the launch of initiatives such as Fast Track and our Career Placement Service.

President, Council and all the staff at CPA Ireland would like to wish Deirdre and Gillian all the best for the future.

Have you paid your Annual Subscriptions?

It is important to check for any outstanding invoices or anomalies with your account.

View Cart is a good place to check. For Practice Firms, you should check any fees charged to firm.

Reminders are issued periodically during the year. Sometimes your circumstances have altered, and we haven't been notified. If you have queries on account balances, please do contact us to resolve. Contact details for all departments are available at www.cpaireland.ie

Budget 2023 - CPA Ireland Response

CPA Ireland has broadly welcomed Budget 2023 and CPA Ireland President Áine Collins described it as a pro-SME Budget which contains a series of measures that "will provide certainty to SMEs and boost their confidence at a time of considerable international uncertainty."

Commenting on the announcement of Budget 2023 Áine Collins welcomed the creation of the Business Energy Support Scheme: "Just as every household in Ireland is experiencing soaring energy costs this is a growing concern for many SMEs. The new BESS scheme will be an extremely welcome support and assist businesses with the short-terms pressures. However, it is key that this scheme is easy to access and does not rely on arduous red tape which time poor SMEs will struggle to complete.

"The extension of the standard rate cut off point to €40,000 is an extremely meaningful update in our tax code. It will be a major benefit to middle income earners and help deliver a more progressive tax system. Many businesses and their employees will also benefit from the extension in the threshold of the Small Benefit Exemption to €1,000. This provides an option for employees to be rewarded in creative ways without being subject to taxes."

Concluding Áine Collins said "SMEs are the backbone of Ireland's economy. Today's budget provides them with vital support in the face of high inflation. But this must be viewed only as a first step, and we must ensure they remain protected from the future pressures that will emerge in the months ahead.

CPD News

Sustainability Hub

In October 2022, CPA Ireland Skillnet launched a new interactive and practical Sustainability Hub to help guide members and students to develop sustainability strategies for business.

Sustainability reporting will not be confined to large companies, and we are already seeing SMEs being asked to verify their sustainability credentials within the supply chain of larger companies and when tendering for public contracts.

To support CPAs in providing that transparency and trust, both knowledge and credentials are, we believe, essential. CPAs already possess the core technical skills to lead in the domain of sustainability reporting and CPA Ireland is delivering the knowledge advantage through the development and launch of this Sustainability Hub.

This initiative follows on from and builds upon CPA Ireland's leadership positions in Digitalisation and in Wellbeing, and the Sustainability Hub will provide knowledge across all aspects of sustainability that are relevant to CPAs and to the businesses you advise.

Visit the hub here.

End of CPD Cycle

As we are fast approaching the end of the year, we would like to remind our members that this is the final year of the 3-year CPD Cycle. This means that you must complete all of your CPD hours by the 31 December 2022.

Requirements

Practice:

- 75 structured hours
- 45 unstructured hours

Industry:

- 60 structured hours
- 60 unstructured hours

For our newer members who have qualified in the past two years your CPD requirements are calculated on a pro rata basis. For example, if you work in practice and you were conferred in December 2021 you must complete 25 hours during 2022 (50 hours if you were conferred in December 2020). If you work in industry and you were conferred in December 2021 you must complete 20 hours during 2022 (40 hours if you were conferred in December 2020).

We will be running an extensive programme of conferences, webinars, full day courses and Post Qualification Specialisms throughout the remainder of the year – more than enough to fulfil all your requirements!

If you have any queries on your CPD hours please visit our CPD section of the website or contact Rachel Hawker, rhawker@cpaireland.ie

CPD Wrap Ups

CPA Ireland's CPD Wrap Up is a key event on the CPD calendar each year. Rounding up some of the main issues affecting accountants in both practice and industry, this two-day event offers the ideal opportunity to gain valuable CPD hours while brushing up on your knowledge!

The CPD Wrap Up 2022 will take place online on 13th & 14th December.

Key Event Details

Time: 9.30am – 4.40pm each day

CPD Credit: 16 hours for both day

Cost: €340 for both days
or €190 for one day

Day 1:

- Economic Update with John Fahey, AIB
- Finance Bill Update with Paul Murphy, Martin J Kelly & Co
- Mental Well-being / Stress Management with Muriel Cuddy
- SCARP with Tom Murray, Friel Stafford

Day 2

- Assisted Decision-Making (Capacity) Act 2015 with Decision Support Services
- Professional Scepticism with Brendan Lenihan, Navigo
- Cyber Security
- Pensions Update with Justin O'Gorman, JDM Insurance

Women in Business - Celebrating Women

We are looking forward to once again hosting one of our favourite events, Women in Business, this December. Women in Business 2022 is taking place in Cork on 7th December and in Dublin on 15th December.

We are excited to introduce you to our speakers including Niamh O'Shaughnessy, Design Skillnet and Fiona Buckley, Steps to Success with Trish O'Neill, CPA Ireland, chairing the events. A key benefit of these events is the opportunity to network with fellow members, speakers and CPA Staff members. We look forward to seeing you there.

Key event details:

Dates & Locations:

- 7th December –
  Hayfield Manor, Cork
- 15th December –
  CPA Ireland offices, 17 Harcourt Street, Dublin 2

Time: 5pm – 8pm
(registration will start from 4.30pm)

CPD Credit: 3 hours

Cost: €50 for CPA members

Certified Tax Adviser

Certified Tax Adviser – Full Day Tax Courses to Refresh your Tax Knowledge

CPA Ireland have a number of full-day tax courses in the first quarter of 2023, providing a comprehensive update across all tax heads.

These courses are the ideal opportunity for you to stay abreast of the latest developments in tax and develop your technical knowledge in the application of the latest tax legislation affecting business. Participants will be equipped with the skills necessary to best serve clients' needs.

Courses take place online via live streaming for added convenience and cost only €250 for Members. Attendees will earn 6 hours of structured Tax CPD for each course.

Course Schedule:

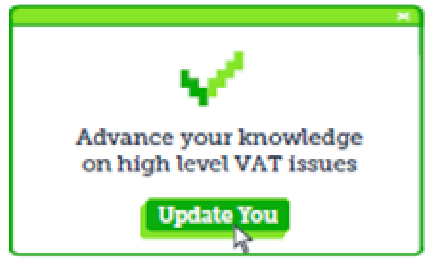
14th January 2023
Capital Gains Tax - Book now!

28th January 2023
CAT & Stamp Duty - Book now!

11th February 2023
Revenue & Client Interaction - Book now!

Advanced VAT for Accountants

Still time to register and catch up online



There is still time to book onto the Advanced VAT course and catch up online.

This course provides an in-depth analysis of Advanced VAT Issues and will equip participants with the knowledge and confidence to deal with them. Book your place now!

Book your place now at cpaireland.ie/cpd

Key Details:

Method: 3 full days plus online assessment

Location: Dublin & online via live streaming

Date: November 2022 to January 2023

CPD Credit: 24 hours

Cost: €850

"I found the entire course to be useful in my role as an accountant in practice. Vat queries often arise from clients and this course has given me the knowledge/confidence to deal with Vat queries/ issues as they arise".

Pick & Mix offer: Save £100 on FIVE 4-hour courses

CPA Ireland have partnered with accountingcpd to give you your year's CPD at your fingertips, ready to complete when & where it suits you, with their Pick & Mix offer.

Choose a year's worth of online CPD now and save €100 on the usual price, just in time for the end of year CPD deadline.

Simply pick any five 4-hour courses from a wide range of topics covering both technical skills and professional development. Keep up to date with accounting trends & changes; develop new skills; or prepare yourself for the next career step, with Pick & Mix.

accountingcpd

120 days access
Code: CPA20

Buy Now

Pick any five 4-hour online CPD courses – 20 hours

Add your choice of a free 1-hour course (for a total of 21 hours) in your basket

Use code CPA20 at the checkout and save €100

was €325
€225 +vat
Save €100

If 100+ courses feels like too much choice, browse accountingcpd's bundles, which gather together courses on a specific topic.

Topics include:

- Excel
- IFRS
- Business resilience
- Collaboration
- 21st Century finance function
- Data, digital & technology
- Financial modelling
- and more

Webinars & Online Courses

CPA Ireland continues to provide insightful and topical webinars on a wide range of interesting and relevant topics including, Brexit, succession planning, tax, the economy, audit and leadership. We also provide a rage of online courses to keep you up to date and informed on a range of topics from VAT, FRS 102, US GAAP, Python and Governance for the Charitable Sector.

Did you know that you can purchase and get access to the webinar recordings right up until 31st December. If you are therefore running short on your CPD at the end of this 3-year cycle, there's no need to worry with our suite of webinar recordings. These can be purchased at https://portal.cpaireland.ie/showcourses.aspx?_ga=2.66653159.832284700.1667304887-1528302935.1574438265

Location	Dates	Title	Price	NM Price	CPD Credit
Online	Monday, December 05, 2022	Winter Tax Webinar 2	€29.00	€36.00	1 hour
Online	Tuesday, December 06, 2022	Winter Audit Webinar 3	€29.00	€36.00	1 hour
Live	Wednesday 7 December 2022	Women in Business - Cork	€50.00	€75.00	3 hours
Online	Friday 9 December 2022	Annual Audit Update	€225.00	€275.00	8 hours
Livestreaming	Wednesday 14 December 2022	Advanced VAT for Accountants 3-day course	€850.00	€850.00	24 hours
Online	Monday 19 December 2022	Winter Tax Webinar 3	€29.00	€36.00	1 hour
Online	Tuesday 13 December 2022	Winter Audit Webinar 4	€29.00	€36.00	1 hour
Online	13 & 14 December 2022	CPD Wrap Up 2022 (2 day event)	€340.00	€390.00	16 hours
Online	Tuesday 13 December 2022	CPD Wrap Up - Day 1 only	€200.00	€240.00	8 hours
Online	Wednesday 14 December 2022	e-briefing 4	€29.00	€36.00	1 hour
Online	Wednesday 14 December 2022	CPD Wrap Up - Day 2 only	€200.00	€240.00	8 hours
Online	Thursday 15 December 2022	Economic Update Q4	€29.00	€36.00	1 hour
Live	Thursday 15 December 2023	Women in Business - Dublin	€50.00	€75.00	3 hours
Online	Friday 16 December 2022	Law & Regulation Day	€225.00	€275.00	8 hours
Online	Monday 19 December 2022	Winter Tax Webinar 4	€29.00	€36.00	1 hour
Livestreaming	Wednesday 11 January 2023	Advanced VAT for Accountants 3-day course	€850.00	€850.00	24 hours
Livestreaming	Saturday 14 January 2023	CTax: CGT	€250.00	€295.00	6 hours
Webinar	Thursday 26 January 2023	Software Showcase - LightYearAp	€0.00	€20.00	1 hour
Livestreaming	Saturday 28 January 2023	CTax: CAT & SD	€250.00	€295.00	6 hours
Livestreaming	Saturday 11 February 2023	CTax: Revenue & Client Interaction	€250.00	€295.00	6 hours

Student News

Newly Qualified Members

Congratulations to all our newly admitted CPA Ireland members who were conferred on 3 December in the O'Reilly Hall, UCD. We wish you every success in your future career as a CPA. The March 2023 edition of Accountancy Plus will include a special feature on the conferring ceremony.

Student Webinar Series

A series of webinars has been recorded to assist students in planning their studies, examinations, and training. These are available on the CPA Ireland website and cover:

- Maximise Your Exam Performance
- CPA Online Examination System Tutorial
- Prepare for the Academic Year 2022/23 (including Examination Progression Rules)
- Working in Practice/Practicing Certificates
- New Student Induction
- Training Records

Further webinars will be added to this series during 2023.

Study Support Materials

Students are reminded of the wealth of study support materials available on the Syllabus and Study Support section of the CPA Ireland website. These resources include, for each paper:

- Detailed Syllabus and Learning Guide
- Past Papers and Suggested Solutions
- Relevant Articles
- Examinable Material
- Educators' Briefing

Examination Success

On behalf of CPA Ireland, we would like to congratulate all of our students who were successful in their exams in August 2022.

Special congratulations to our prizewinning students who each achieved first place in their CPA examinations in 2022 (April and August sittings).

Conor Lucey	Foundation Level Taxation
Adrian Carroll	Foundation Level Financial Accounting
Lauren Byrne	Foundation Level Management Accounting
Marie Farrell	Foundation Level Management Fundamentals
Conor Molloy	Professional Level Corporate Law
Chris O'Dowd	Professional Level Managerial Finance
Conor Molloy`	Professional Level Financial Reporting
Mark Tyler	Professional Level Audit & Assurance
Chris O'Dowd	Professional Level Performance Management
Gemma Brennan	Professional Level Advanced Taxation
Dwayne Curran	Strategic Level Advanced Financial Reporting
Conor Molloy	Strategic Level Strategy & Leadership
Sharon Sheehan	Strategic Level Strategic Corporate Finance
Jurate Naujikaite	Strategic Level Data Analytics for Finance
Chris Dunne	Strategic Level Advanced Tax Strategy
Helen Douglas	Strategic Level Advanced Audit & Assurance

Training Records

Students are reminded of the requirement to log their training and submit it to the Institute for review. All training must be submitted through MyCPA and submitted to your mentor for approval each quarter. The final date for submitting training completed in 2022 will be 31 January 2023.

Please note, the final date for submission of any training completed in 2021 or 2022 will be 31 January 2023. After that date it will only be possible to submit training for 2023 onwards.

Students who submit their training as required will receive feedback from the Institute highlighting any issues to ensure that every student is on track to meet the Institute's requirement in terms of depth and breadth of training.

Trainees who do not comply with the requirement to log their training each quarter, may find that although they have more than three year's relevant experience, they are unable to apply for membership on completion of examinations, as they do not have sufficient training logged and accepted by the Institute.

Students are reminded of the requirement to be able to demonstrate in-depth competence in at least two of the six training areas as required. Detailed information about the Institute's training requirements may be found on the CPA Ireland website.

Key Dates for Students for 2023

To help you to plan for 2023, key dates for all students can be found on the Key Dates page of the CPA Ireland website.

This shows, for example timetables for 2023 examinations (April and August), exam registration deadlines, training submission deadlines, as well as information for students who hope to apply for membership in 2023.

Information & Disclaimer

Accountancy Plus is the official journal of the Institute of Certified Public Accountants in Ireland.

It acts as a primary means of communication between the Institute and its Members, Student Members and Affiliates and a copy is sent automatically as part of their annual subscription. Accountancy Plus is published on a quarterly basis.

The Institute of Certified Public Accountants in Ireland, CPA Ireland is one of the main Irish accountancy bodies, with in excess of 5,000 members and students. The CPA designation is the most commonly used designation worldwide for professional accountants and the Institute's qualification enjoys wide international recognition.

The Institute's membership operates in public practice, industry, financial services and the public sector and CPAs work in over 40 countries around the world.

The Institute is active in the profession at national and international level, participating in the Consultative Committee of Accountancy Bodies – Ireland – CCAB (I) and together with other leading accountancy bodies, the Institute was a founding member of the International Federation of Accountants (IFAC) – the worldwide body. The Institute is also a member of Accountancy Europe, the representative body for the main accountancy bodies The Institute's Offices are at 17 Harcourt Street, Dublin 2, D02 W963 and at Unit 3, The Old Gasworks, Kilmorey Street, Newry, BT34 2DH.

Publication Notice

Disciplinary Tribunal - Invest/09/20

At a disciplinary tribunal hearing held on 1 September 2022, the following charge of misconduct was proven in relation to Member Anne Cunningham, Clane, Co. Kildare in accordance with bye law 6.5.1(e) in that in the course of carrying out her professional duties, she provided or purported to provide financial services in connection with a matter in which she had been engaged by a client and it is alleged that those services were inadequate and were not of the quality that could reasonably be expected of her.

Misconduct is established that the member was engaged by a client to complete the financial statements for her company and to file these with Companies Registration Office and Revenue Commissioners along with the associated returns and personal tax returns. The returns were not filed by the Member which resulted in the client incurring late filing fees with Companies Registration Office and loss of audit exemption.

The Tribunal ordered that the Member:

- Be reprimanded
- Be fined €3,500

And contribute €2,500 towards the Institute's costs (payable over 36 months)

The Tribunal also ordered those details of these findings and orders be published in Accountancy Plus with reference to Anne Cunningham by name.

Disciplinary Tribunal - Ref: Invest/09/21

At a disciplinary tribunal hearing held on 11 May 2022, the following charges of misconduct were proven in relation to Michael Joseph Cronin (Member) of 1 Terenure Place, Terenure, Dublin 6w, in accordance with:

- Bye law 6.5.1(e) in that in the course of carrying out his professional duties, he provided or purported to provide financial services in connection with a matter in which he had been engaged by a client and those services were inadequate and were not of the quality that could reasonably be expected of him; and
- Bye Law 6.5.1 (f) in that he performed his professional duties inefficiently or incompetently to such an extent, or on such a number of occasions, as to bring discredit to himself, the Institute and the Profession of accountancy.

That the following charges of misconduct are proven in relation to Cronin & Company (Firm) of 1 Terenure Place, Terenure, Dublin 6w in accordance with:

- Bye law 6.6.1(e) in that in the course of carrying out its professional duties, it provided or purported to provide financial services in connection with a matter in which it has been engaged by a client and those services were inadequate and were not of the quality that could reasonably be expected of it.
- Bye Law 6.6.1 (f) in that it performed its professional duties inefficiently or incompetently to such an extent, or on such a number of occasions, as to bring discredit to itself, the Institute and the Profession of accountancy

Misconduct is established in that a client of the Firm, invested through the Firm in a tax efficient holiday home scheme in or about 1992 and the Member and Firm failed to adequately explain and/or account to the client for the rental income from the investment, its location, the tax status of the income generated, its structure, the partnership agreement, authority to expend funds on behalf of the partnership, to account for any distributions made to other partners, including the sums, dates of distribution, and failed to make distributions to the client as a partner.

The Tribunal imposed the following Orders:

In relation to Michael Cronin:

- Severe Reprimand
- Fine €10,000

In relation to Cronin & Company:

- Reprimand
- Fine €10,000

And a contribution towards the Institute's costs of €7,188.

In accordance with bye law 6.32.1 (f) the Tribunal imposed the following conditions:

1. That the Member and Firm be prohibited from holding a Client Account and any funds remaining in the client account be transferred to a duly authorised law firm to manage.
2. That the Member and Firm facilitate and co-operate with a practice review to be conducted by the Institute with a focus on the movements in the Client Account.
3. That the Member and Firm prepare full annual statements of rental income and expenditure for all the properties held in the holiday home scheme for each year from 2000 to June 2022.
4. That the annual statements of rental income and expenditure be sent by the Member or the Firm to each of the Investors in the holiday home scheme and each one be advised in writing of the basis on which the fund has been managed to date and the basis on which it is intended to manage the fund in the future and include relevant material in relation to the tax treatment of the fund.
5. That none of the financial implications of any of the sanctions imposed in this case be imposed on the client account or on the investors concerned.

The Tribunal also ordered those details of these findings and orders be published in Accountancy Plus with reference to Michael Cronin and Cronin & Company by name.