September Issue 2019

Accountancy Plus

The Official Journal of CPA Ireland

Preparing for a No Deal Brexit

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CPA IRELAND


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Accountancy Plus
September 2019

CPA Ireland

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President's Message

Welcome to the September 2019 Edition of Accountancy Plus.

Since the last edition of Accountancy Plus in June, we have had a busy schedule over the summer months.

Take your Business Anywhere with a CPA

This month saw the launch of 'Take your Business Anywhere with a CPA' campaign. This campaign was designed as research earlier this year highlighted that CPA members represent over 100,000 SMEs in Ireland which promotes the value that CPAs provide SMEs nationwide. The radio advert was running on Newstalk 50 times during the two-week campaign along with 30 adverts running on 25 local radio stations. A paid digital campaign to support radio also ran from 1 September to 30 September 2019 on LinkedIn, Twitter, Google Search and Facebook.

CPA Ireland Leadership Programme 2019

In August, we were delighted to once again host the CPA Ireland Leadership Programme in conjunction with the Irish Management Institute (IMI). We had a strong delegation of senior members of the Association of National Accountants of Nigeria (ANAN) who visited Ireland for the programme which consisted of 3 days of lectures in the IMI followed by the conferring ceremony in CPA Ireland.

Launch of New CPA Ireland Skillnet Diploma Programmes

Over the summer months we have been working on the development of two new diploma courses in Forensic Accounting and Data Analytics. These were two of the topics most requested by members in our 2018 Training Needs Analysis Survey. Our Forensic Accounting Diploma was developed in conjunction with Grant Thornton and will commence in October. Our Data Analytics Diploma was developed in conjunction with various experts and will commence in November. Both diplomas have gained a lot of interest and we look forward to welcoming all participants onto the courses.

Brexit Events in Border Counties

The Department of Business, Enterprise and Innovation has been hosting information sessions on steps that small businesses should take to prepare for Brexit in the border counties. These are hosted in conjunction with the Consultative Committee of Accountancy Bodies (CCAB-I). The most recent event was held in Donegal Town on Thursday 25th July with Maureen Kelly, Knowledge Manager CPA providing an update on the expected impact of Brexit on the Accountancy Profession as a representative of CCAB-I.

Brexit Supports

I would like to remind you of the Brexit supports offered to you by CPA Ireland, in particular our online Brexit resources page which members can find when they log into our webpage www.cpaireland.ie

Last Year of the CPD Cycle

Please be reminded that this is the last year of the CPD cycle and CPA Ireland have an extensive Autumn/Winter CPD Programme. October sees the return of the Industry Matters conferences in Dublin and Cork. CPA will also provide full days training on Audit and Law & Regulation in December through Live Streaming with over 50 courses before the end of the year, including the CPD Wrap Ups, multiple webinar series and Essential Professional Briefings. We also offer a range of further learning courses, both online and in class, which can be found at www.cpaireland.ie/furtherlearning

Gearóid O'Driscoll

Gearóid O'Driscoll
President CPA Ireland

CPA Profile
Kenneth Rooney

Title:
Lending Director
Company:
Capitalflow
Qualifications:
CPA / APA

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

From an early age, I was always interested in business and finance, and in school, numbers were my forte. For my leaving cert, my chosen subjects included economics, business and accountancy, so accountancy was the natural fit as a career path. On graduation from school, I began my third level studies in Griffith College, which I loved and was fortunate to qualify as a CPA at the age of 21.

Why did you choose CPA Ireland as your qualification route?

It was in my leaving cert year at school, when my accountancy class was visited by the late Johnny Allen, from Olan F. Allen & Co. He explained the options and benefits of the CPA qualification, whereby you would gain a world-wide recognised qualification as well as the experience of working full-time in an accountancy practice. I knew straight away this was for me and I can safely say today I would not have had the opportunities in both my working and professional career without the guidance and support of Johnny Allen.

Please provide a brief history your career.

After a couple of years of working in practice with Olan F. Allen & Co, I spent a number of years working in industry as a retail accountant with both Hickey's fabrics and then Carphone Warehouse.

From there I moved to a career in Banking, initially working with ICC bank, and shortly afterwards Bank of Scotland Ireland. I held numerous positions from finance auditor to senior lending manager both within the Working Capital and the Property divisions.

In 2007, I left Bank of Scotland to work with a client as commercial director of a retail and wholesale business, which involved the import and distribution of household goods throughout Ireland and the UK. This was a fantastic experience. I got to travel extensively, including multiple trips to the Far East where I developed relationships with the key suppliers, while simultaneously building and developing the customer base back in Ireland and the UK. However, the retail sector was significantly impacted with the recession and the business suffered. This led to the decision for me to move back into the banking sector, which I did in 2010. The experience I gained, especially in my final year, was invaluable. It gave me a real insight into the challenges that SMEs face, whether it is ensuring product supply or simply negotiating with their funders / external stakeholders.

After a brief spell with IBRC, I moved back into mainstream banking in 2012 as Head of Business Banking North East for AIB. After almost 7 years with AIB, I moved to Capitalflow. Whilst working in AIB, I was coming across Capitalflow regularly and was impressed with how quickly they could turnaround funding proposals and how visible they were on the ground. I also liked their focus on the old-style relationship lending, which reminded me of ICC in the old days. In December 2018 I joined Capitalflow as Lending Director and haven't looked back. Being part of a young company means that there is a real energy in the team and no legacy constraints.

You have been a council member of the Drogheda Chamber of Commerce since 2012 and are currently Chairman of the Finance Committee, can you tell me more about your involvement with external committees?

I have been very active in the Chamber - I also sit on the board and was Vice President of the Chamber up until 2018. It's been a great way for me to really embed myself into the Drogheda business community and to build strong relationships and partnerships. The Chamber's main objective is to support its members within the local business community, and one of the main ways of doing this is through the strong collaboration with external stakeholders such as the local County Council, local Enterprise office and IDA. I have been very fortunate to work on sub-committees within the Chamber, in agreeing and driving change / strategies with these stakeholders for the betterment of the region.

What has been your biggest career achievement?

I have lots of career achievements that I am proud of such as qualifying as a CPA at 21 and becoming a senior lending manager at 27, but probably my most challenging but also my most rewarding was leading a €20million turnover SME with over 60 staff at the age of 30. I gained so much experience of managing a trading business through significant growth, acquisitions and through a recession.

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

With practices now having a more hands-on involvement in their client's business / finances, the lack of resources / staffing is a big issue facing the firms, especially in regional locations. We are now at full employment and it is becoming more difficult to attract staff out of Dublin and the larger cities.

Also, the ever-changing world of technology, which is a critical part of an accountants' day to day role. It is crucial that we embrace technology and offer it as part of our skill base.

What traits do you admire most in others?

For me, honesty and integrity are key traits you need in business. These are the foundations of any relationship, business or otherwise.

How do you unwind

I spend most of my free time coaching juvenile soccer and Gaelic teams. All my kids (6,9 &11) are involved in the clubs, so it's a great opportunity to give back to the clubs I played for but also spend time with the family. My eldest son has just joined the local golf club, which will hopefully mean I get to play more.

CPA Profile
John Kelly

Title:
Director/ Responsible Individual

Company:
Deloitte

Qualifications:
CPA

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

I started studying for a CPA qualification in 2004 when I was still playing professional rugby with Munster. I was 30 years old and knew that professional rugby wouldn't last for ever and I needed to start thinking about a new career. My degree in university was in civil engineering and I had a post graduate diploma in software engineering but I couldn't see myself working in either of those areas. My father had built his own successful accountancy practice in Cork and I was hoping to emulate his successful career.

Why did you choose CPA Ireland as your qualification route?

CPA allowed me the flexibility to complete professional accountancy exams while I was working as a professional rugby player. I retired from professional rugby in December 2007 and completed my CPA finals in 2008. I started as a trainee accountant with KPMG in 2008 and completed my professional training contract in 2011. CPA allowed me to complete my exams before I started my training contract. This flexibility was the key to choosing CPA.

Please provide a brief history your career.

I joined KPMG Cork's audit practice as part of their graduate trainee programme in 2008. All of the trainees who joined that year were accountancy, commerce and business graduates, all of whom were in their early twenties, except for me. I was 34 years old when I started and was often asked how I coped with the maturity levels of my peers.

The honest answer was that it was almost a step up in maturity considering the antics the rugby boys used to get up to. I stayed six years with KPMG, progressing to associate director level before moving to Grant Thornton as a director in 2014. GT in Cork was very much in a start-up phase and there was a big focus on business development. I learned a lot about the market and got a good understanding of services across all functions.

In January 2017, I joined Deloitte as a director in the audit and assurance department. In September 2018, I was made a Responsible Individual with signing authority for a portfolio of both private Irish clients and subsidiaries of multi-national clients. I enjoy working with a variety of businesses and being the engagement lead in the delivery of multi-disciplinary services and I enjoy working in Deloitte, a firm with a great team ethic.

My rugby career spanned ten years from 1997 to 2007. I played for Munster over 150 times and I had 17 caps for Ireland and played in the 2003 Rugby World Cup. I was on the 2006 European Cup winning team.

What has been your biggest career achievement?

My biggest achievement in my working life has been the transition from professional rugby to a career in accountancy. In 2006 I was at the very top of my career in rugby and one year later I was starting at the very bottom of another career, as a very late starter.

The motivation and determination that I had as a professional sports person helped me to work as hard as I possibly could and kept me focused on advancing in my new career.

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

There is increased regulation and scrutiny in the audit and assurance business. Quality is the key metric in our audit practice in Deloitte. Ensuring that our files are of the required standard is our primary focus. Our audit teams undergo rigorous training throughout the year and everything possible is done to ensure we reach the required quality standard. We also undergo both internal and external inspections. Getting a balance between achieving a file of sufficient quality while also delivering an efficient and cost-effective service is one of the key challenges that audit businesses face.

What traits do you admire most in others?

I love working in teams and I like having people around me who want to work hard for our team in Deloitte. I admire leaders who are able to get the best out of their people, while being fair and honest with their team.

How do you unwind?

I'm still involved with Munster Rugby in a voluntary capacity and have a role as Chairman of the Professional Game Board. This board works with the professional staff to ensure that there are appropriate strategies in place for the professional squads and we have oversight of recruitment of coaches and players. I love being involved with Munster because my involvement allows me the opportunity to go to a lot of the province's matches.

Financial Reporting News

Public Statement on IAS 12 Income Taxes

The European Securities and Markets Authority (ESMA) has published a Public Statement setting out its expectations regarding the application of the requirements relating to the recognition, measurement and disclosure of deferred tax assets arising from unused tax losses in IFRS financial statements.

The Public Statement which can be accessed at www.esma.europa.eu stems from the findings and discussions of the European Enforcers Coordination Sessions (EECS) where a number of cases highlighted that significant divergence exists in the application and enforcement of the requirements on deferred tax losses arising from unused tax losses carried forward.

Source: www.iaasa.ie

Amendments to FRS101 Definition of a Qualifying Entity

In July 2019 amendments were made to FRS 101 which amends the definition of a qualifying entity so that insurers cannot apply FRS 101 from the effective date of IFRS 17 Insurance Contracts. Unlike accounts that apply IFRS in full, those prepared in accordance with FRS 101 must comply with detailed accounting requirements set out in company law. Some of these requirements conflict with the requirements of IFRS 17. This amendment to FRS 101 was necessary to ensure continued compliance with company law that applies to non-IAS accounts. The Amendment to the Standard is available on the CPA website in the Accounting Standards Resource section.

Source: www.frc.org.uk

Amendments to FRS 102

In May 2019 the FRC issued Amendments to FRS 102 – Multi-employer defined benefit plans. These narrow-scope amendments respond to a current financial reporting issue regarding where to present the impact of an employer's transition from defined contribution accounting to defined benefit accounting; it shall be presented in other comprehensive income. The transition is required by FRS 102 when sufficient information about the multi-employer defined benefit plan becomes available for the employer to apply defined benefit accounting for the first time. The amendments do not affect the requirement to recognise the relevant liability (or asset) in relation to the plan.

The amendments are effective for accounting periods beginning on or after 1st January 2020, with early application permitted. The Amendments to the Standard is available on the CPA website in the Accounting Standards Resource section.

Source:www.frc.org.uk

Update on the financial condition of the credit union sector

The Central Bank of Ireland has published its fifth issue of the report on financial conditions of the credit union sector.

Total sector assets continue to rise, now standing at a record high of €18bn. 55 credit unions, with balance sheets of at least €100m, now account for 58% of total sector assets.

The report highlights improvements in the financial position of credit unions at a sectoral level, with a reversal in the decline in loan to asset ratios; a critical driver of income generation. Credit union boards continue to hold reserves in excess of minimum requirements, with the average reserve ratio of 16.5% across the sector.

Incremental changes in the overall lending profile continue to be reported by some credit unions, with early indications of an increase in credit risk appetite and an increase in the proportion of larger loans and loans of a longer duration.

The previously observed loan to asset ratio decline across the sector is beginning to reverse, however it remains close to an historic low level averaging 28% across the sector. Whilst it ranges from 11% to 72% in individual credit unions, given the reliance on loans to generate income, a low loan to asset ratio in some credit unions presents sustainability challenges. The average cost-income ratio across the sector remains high at 78%, highlighting the need for improved efficiencies.

The pace of decline in return on assets across the sector is also of concern given the current benign trading environment. The low loan to asset ratio, coupled with declining investment returns in a prevailing low interest rate environment, have continued to impact on overall returns across the sector.

Total member savings have increased from €11.8bn in 2014 to €15bn in 2019, with average savings per member in the region of €4,400. While credit unions are permitted to hold savings up to €100,000 per member, individual credit unions may set individual savings limits which are below €100,000 to take account of their particular business requirements and strategy.

Source: www.centralbank.ie

FRS 102 Business Combinations
Factsheet 6

by Robert Kirk

One of the most complicated aspects in FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland can be found in Section 19 on how to account for a business combination. As a result, a new Factsheet 6 was published in December 2018 to help preparers implement the rules. In this article I will illustrate how the rules apply with a couple of 'live' examples from Irish published accounts, both North and South. The factsheet includes the latest amendments introduced from the 1st January 2019 and these are contained in the latest version of FRS 102 published in March 2018.

We normally think of a business combination as a situation where one entity (the acquirer) purchases another (the acquiree) but, of course, it encompasses all situations whereby there is a bringing together of separate entities or businesses into one reporting entity regardless of their structure. It therefore includes mergers and even the purchase of assets from another entity rather than the entity itself.

Although mergers were previously accounted for under the technique of merger accounting this was banned by the International Accounting Standards Board (IASB) a number of years ago and that decision was endorsed in FRS 102. It means that all business combinations, apart from group reconstructions, must adopt the purchase or acquisition model. An acquirer therefore must be identified in all circumstances in a business combination.

FRS 102 and Factsheet 6 have identified the following five steps that must be followed in any business combination:

Step 1 Identify the acquirer

An acquirer must be identified in all business combinations even if it is a fairly even share forshare exchange. Other factors such as the make-up of the new management team must be assessed to identify which of the two parties effectively control the combined new entity. In some rare cases it could be that entity A appears to have legally acquired entity B but it has transferred so many shares to B that it really passes control over to B. In assessing who is the acquirer we do not follow the legal form but instead apply the 'substance' of the arrangement. This example is known as a reverse takeover and entity B is identified as the acquirer. In the vast majority of combinations there is no conflict between the legal form and the substance of the agreement and the acquirer (entity A) is usually the party paying out cash to acquire the ordinary shares in entity B.

Step 2 Date of the business combination

This is normally the date when the agreement is signed between the two parties and control passes on that date. However, there are some circumstances when control does not pass until a future date and, if that is the case, then the purchase method can only be applied at that date.

Step 3 Measure the cost of the combination

This is defined as the fair value of any consideration given in exchange for control, plus any costs of acquisition. This could consist of any combination of cash, cash equivalents, other assets, liabilities incurred or the issue of ordinary shares.

An example of the cost or purchase consideration is provided by Carbery Food Ingredients Ltd. The cost or purchase consideration was a mixture of cash and acquisition costs which are added and thus spread over the useful life of goodwill.

Carbery Food Ingredients Ltd

Year ended 31st December 2018

Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the consolidated statement of financial position and amortised on a straight-line basis over its useful life of 20 years. The fair value of the assets and liabilities are based on valuations using assumptions deemed by management to be appropriate to do so.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination.

If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the income statement is taken into account in determining the profit or loss on sale or discontinuance.

Other Intangibles

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions. Intangible assets, excluding development costs, created within the business are not capitalszed and expenditure is charged against profits in the year in which it is incurred. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight-line basis over their estimated useful life as follows:

Intangible formulae
5 to 10 years

Intangible Process Technology
5 to 10 years

Customer relationships
5 to 10 years

ERP systems / software
5 to 10 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended.

Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Acquisitions of subsidiary undertakings

The Group acquired 100% of the share capital of Janousek S.p.A. in April 2018

	Book Value	Fair Value Adjustment	Adjusted Value
	€	€	€
Intangible assets	14	-	14
Tangible assets	4,226	-	4,226
Other intangible assets	-	2,500	2,500
Inventory	866	(139)	727
Debtors & prepayments	1,170	-	1,170
Creditors due within 1 year	(1,360)	-	(1,360)
Bank debt & overdrafts	(3,285)	-	(3,285)
Deferred taxation arising on acquisition	-	(295)	(295)
			3,697
Goodwill arising on acquisition			1,743
			5,440
Discharged by:			
Purchase consideration			
- Cash paid			5,000
- Acquisition costs			440
			5,440

Intangible Assets				
	Goodwill	**Other intangibles**	**ERP Project**	**Total**
Cost	€	€	€	€
At 1 January 2018	74,669	25,773	8,980	**109,422**
Acquisitions (Note 22)	1,743	2,514	-	**4,257**
Additions	-	10	791	**801**
Exchange movements	3,007	1,222	302	**4,531**
At 31 December 2018	79,419	29,519	10,073	**119,011**
Amortisation & impairment:				
At 1 January 2018	45,187	22,656	1,024	**68,867**
Amortised during the year	3,741	2,141	896	**6,778**
Exchange movements	1,781	1,130	66	**2,977**
At 31 December 2018	50,709	25,927	1,986	**78,622**
Net book value:				
At 31 December 2018	28,710	3,592	8,087	**40,389**
At 31 December 2017	29,482	3,117	7,956	**40,555**

Goodwill and other intangibles primarily result from prior acquisitions within the Synergy division. Other intangibles include formulas, process technology and customer relationships separately identifiable at the respective acquisition dates. Goodwill and other intangibles are amortised over their expected useful lives and are also subject to annual impairment testing or more frequently if there are indicators of impairment. The amortisation of Goodwill and Other Intangibles charged to the Consolidated Income Statement in 2018 is €6.8million.

Under FRS 102, investments in ERP systems software are classified as intangible assets and currently the Group is engaged in such investments in our Ireland and Synergy divisions some of which has become available for use during 2016 in Synergy America's, during 2017 in Synergy Europe and during 2018 in Ireland with Synergy Asia scheduled to come online during 2019.

The recoverable amount of goodwill and intangibles allocated to a cash generating unit (CGU) is determined based on a value in use computation. Goodwill and intangibles acquired in a business combination are allocated to CGU's that are expected to benefit from the business acquisition. Where practically measurable and identifiable, intangible assets are sub-allocated within CGU's at specific location or site level or otherwise they are grouped at a geographical or divisional level.

The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective as they are based on a combination of management's past experience and estimates of future outcomes. Key assumptions include managements' estimates of future profitability, cash flow components and discount rates.

Cash flow forecasts employed for the value in use calculations are for a five-year period approved by management and a terminal value which is applied to year five cash flows. The terminal value reflects the discounted present value of the cash flows beyond year five which is based on projected long-term growth rates for the particular market in which the CGU operates. The present value of future cash flows is calculated using pre-tax discount rate which is based on the Group's weighted average cost of capital (WACC) adjusted to reflect the risks associated with that specific CGU.

Step 4 Allocate the purchase consideration to net assets acquired

This process involves trying to measure the net assets acquired at their fair value at the date of control passing. Generally, this does not pose major problems when valuing tangible assets as there are often market prices to adopt as fair value. However, that is not the case for intangible assets. Until the amendment to FRS 102 in March 2018 (effective from the 1st January 2019) acquirers had to try and identify as many intangible assets as they could find and effectively call goodwill by another name. It was essentially an attempt to get acquirers to justify why they might have purchased the acquiree. This resulted in a number of unusual identifiable intangibles being recorded for the first time e.g. brand names, customer lists, non-contractual customer relationships etc.

The feedback from many commentators on how FRS 102 was working was that the Financial Reporting Council (FRC) had gone too far. It was difficult in the first place to identify these assets and also very time consuming and expensive to measure them at fair value. Often expert valuers had to be employed. As a result, from January 1st 2019 an intangible asset will only have to be recorded in an acquisition if it meets all of the following three criteria:

a. the recognition criteria are met (ie that it is probable that economic benefits will flow, and the value of the asset can be measured reliably);

b. the intangible asset arises from contractual or other legal rights; and

c. the intangible asset is separable.

Factsheet 6 states that normally licences, copyrights, trademarks, internet domain names, patented technology and legally protected trade secrets would be expected to meet all three criteria. However, it does not expect customer lists, customer relationships and unprotected trade secrets to meet all three criteria as no contractual or legal right exists that would give rise to expected future economic benefits.

However, in addition, the latest amendments offer acquirers the option to recognise, separately from goodwill, intangible assets that meet the recognition criteria ((a) above) and only one of the other two conditions (ie either (b) or (c)). If that policy option is taken, it must be applied consistently to all intangible assets in that class across all business combinations.

In the Carbery Food Ingredients Ltd example it is not clear exactly what the €2,500,000 other intangibles acquired represent but they could possibly still include customer relationships as well as process technology and formulae.

An example of one company in Northern Ireland that has clearly identified customer relationships and brand names on its consolidated balance sheet is Westland Horticulture Ltd. Under the amendments, however, there is a transitional exception where the above requirements should only be applied prospectively (i.e. only for those business combinations occurring in the first reporting period in which the amendments are applied or subsequently).

Therefore, any intangible assets recognised separately from goodwill in earlier business combinations will not be subsumed into goodwill.

Westland Horticulture Ltd
Year ended 31st August 2018

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual values over their estimated useful lives as follows:

i. Goodwill – 10% straight line

ii. Patents – 10% straight line

iii. Brands – 10% straight line

iv. Customer relationships – 10% straight line

Amortisation is charged to administrative expenses in the profit and loss account.

Negative goodwill arising on acquisitions up to the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered, whether through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Intangible Assets

	Goodwill	Patents	Brands	Customer relationships	Negative goodwill	Total
Group Cost	£	£	£	£	£	£
At 1 September 2017	5,626,470	45,460	395,284	25,636	(420,925)	**5,671,925**
Currency translation differences	-	(811)	-	-	-	**(811)**
At 31 August 2018	5,626,470	44,649	395,284	25,636	(420,925)	**5,671,114**
Accumulated amortisation						
At 1 September 2017	2,813,223	34,849	79,056	5,128	(84,184)	**2,848,072**
Charge for the year	562,644	8,851	39,528	2,564	(42,092)	**571,495**
Currency translation differences	-	(544)	-	-	-	**(544)**
At 31 August 2018	3,375,867	43,156	118,584	7,692	(126,276)	**3,419,023**
Net book amount						
At 31 August 2018	2,250,603	1,493	276,700	17,944	(294,649)	**2,252,091**
At 31 August 2017	2,813,247	10,611	316,228	20,508	(336,741)	**2,823,853**

Another issue that can come up in step 4 is when an acquirer does not acquire 100% of the shares in the acquiree entity. That results in the creation of what is now termed non-controlling interests (formerly minority interests). Although full international standards permit two methods of measuring their value FRS 102 has clarified in the latest amendments that only the 'parent entity' method may be adopted. Essentially it means that their valuation will not include their share of goodwill in the acquiree entity – they will only include their share of all of the fair value of identified intangible and tangible net assets in the acquiree.

Step 5 Recognition of goodwill

The final step is to compare the purchase consideration to the fair value of the net assets acquired. Invariably this will be a positive figure and results in the creation of goodwill on the consolidated statement of financial position. An example can be seen in the Carbery Food Ingredients Ltd financial statements where goodwill of €1,743,000 was created on the acquisition of Janousek SPA.

Unlike the full international standards FRS 102 then requires acquirers to amortise the goodwill over its estimated useful life but if that cannot be reliably measured then it must be amortised over a maximum period of 10 years.

Occasionally an acquisition can result in the purchase consideration being less than the fair value of the net assets acquired. This is referred to as negative goodwill or badwill. It could be caused if an acquirer is able to buy another entity at a bargain price or it could be in anticipation of incurring future losses which have to be compensated for.

The accounting treatment is the same for both scenarios. FRS 102 again differs from full international standards in that it does not permit the balancing credit figure to go direct to profit. Instead it requires the credit balance to be initially recorded as a negative asset directly underneath positive goodwill.

It then has to be released into profit as the tangible assets acquired in the acquisition are recovered. However, this leads to problems as inventories are normally sold off within a couple of months whereas acquired property could last 50 years. Often companies will average out a release period. An example of that can be seen in the financial statements of Westland Horticulture Ltd where it would appear that the company is releasing 10% per annum back into profit.

Factsheet 6 also covers the amortisation of goodwill. There is no requirement for compulsory annual impairment calculations as goodwill is already being amortised.

It is therefore only subject to an impairment review when there is an indicator of impairment. Clearly the recoverable amount of goodwill cannot be measured directly, because it cannot be sold by itself and does not generate independent cash flows.

Therefore, its recoverable amount must be derived from measurement of the recoverable amount of the cash-generating units (CGU) of which it is part. If an impairment loss is to be recognised against a CGU, that loss is first allocated to reduce the carrying amount of goodwill allocated to that CGU, before being allocated to the other assets of the CGU on a pro rata basis. This is essentially the same process as for companies applying full international reporting standards.

In addition, factsheet 6 also recognises the complexity of business combinations and the importance for acquiring entities to provide clear disclosures to ensure users can understand them. FRS 102 includes a number of disclosure requirements across three sections of the standard which cover general information on subsidiaries (and special purpose entities) that are both included and excluded from consolidation and detailed information about amounts included in the consolidation.

Additionally, the Regulations also require the following disclosures:

- Certain information about subsidiaries including their name, location, shareholding and type of share as well as whether they are included or not in the consolidation.
- In the year of acquisition (where the acquisition significantly affects the figures shown in the group accounts), whether acquisition accounting has been applied and a tabular disclosure of the carrying and fair values of each class of assets (including goodwill and negative goodwill) and liabilities with an explanation for any significant adjustments.

Examples of some are included in the examples above. However, readers should also refer to the actual Factsheet itself where a detailed disclosure example is provided.

Conclusion

Accounting for business combinations is only likely to be an issue for the larger private company which might get involved in such activity. However, for those acquirors there is a lot of work required at the date when control passes, and it will probably require the services of specialist accountants and valuers as advisers. That can turn out to be an expensive exercise as well as having to carefully identify the five steps above and ensure that the accounting and disclosure treatment complies with FRS 102.

Robert Kirk

Robert Kirk, CPA, is professor of Financial Reporting at the University of Ulster. Robert is also author of the CPA Ireland Skillnet publication, A New Era for Irish and UK GAAP – A Quick Reference Guide to FRS 102.

Law & Regulation News

New Code of Ethics

On 23rd July 2019 CPA Ireland adopted the International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standards Board for Accountants (IESBA) in April 2018.

The 2019 Code is completely rewritten under a new structure and drafting convention that makes the Code easier to navigate, use and enforce.

The Code incorporates several substantive additions and revisions, including:

- An enhanced and more prominently featured conceptual framework.
- Clearer and more robust provisions pertaining to safeguards that are better aligned with threats to compliance with the fundamental principles and to independence.
- Strengthened independence provisions addressing the long association of personnel with an audit or assurance client.
- New and revised sections dedicated to members in business relating to:
  - preparing and presenting information; and
  - pressure to breach the fundamental principles.
- Strengthened provisions for all members pertaining to the offering or accepting of inducements, including gifts and hospitality.
- New application material to emphasise the importance of understanding facts and circumstances when exercising professional judgment.
- New application material to explain how compliance with the fundamental principles supports the exercise of professional scepticism in an audit or other assurance engagement.

Members are encouraged to familiarise themselves with the New Code which is available in the Ethics Resource section of the website.

Source: www.cpaireland.ie

FATF Combating the Abuse of Non-Profits

Charities and non-profit organisations (NPOs) perform a vital role in our society, providing relief and support to groups of the population in need, and at times of urgent crisis. Unfortunately, charitable fundraising has also been used to provide cover for the financing of terrorism.

The FATF has established best practices, aimed at preventing misuse of NPOs for the financing of terrorism while, at the same time, respecting legitimate actions of NPOs.

FATF applauds the efforts of NPOs to provide charitable services around the world, often in remote and difficult areas. The purpose of this paper is to facilitate these efforts and to protect the integrity and reputation of the NPO sector by providing examples of ways that government and the NPO sector can work together towards protecting the global NPO sector from terrorist abuse.

The paper may assist CPA members in the proper implementation of a risk-based approach when providing financial services to NPOs and can be access in the AML resource section of our website.

Source: www.fatf-gafi.org

Quick Guide to GDPR Breach Notifications

The Data Protection Commission (DPC) has issued a guide in relation to obligations on data breaches. This quick guide is intended primarily to help controllers better understand their obligations regarding notification and communication requirements – covering both notification to the DPC, but also communication to data subjects, where applicable.

The key questions covered below should give an overview of the GDPR breach notification regime, to assist controllers understand their basic obligations under this regime. Information on breach notifications, as well as the link to the breach notification form, can also be found on the DPC breach notification page.

There are two primary obligations on controllers under this regime:

(a) notification of any personal data breach to the DPC, unless they can demonstrate it is unlikely to result in a risk to data subjects; and

(b) communication of that breach to data subjects, where the breach is likely to result in a high risk to data subjects.

It is of utmost importance that controllers understand and comply with both of these obligations. The guide can be accessed on the DPC website at www.dataprotection.ie/en/guidance-landing/quick-guide-gdpr-breach-notifications.

Source: www.dataprotection.ie

10 Ideas to Make Corporate Governance a Driver of a Sustainable Economy

by Olivier Boutellis-Taft

This article looks at the changes boards and policy makers need to consider in order to address climate change and make sustainability a consideration in all decisions they make.

Since the industrial revolution, the market economy has propelled prosperity, well-being, life expectancy, cultural creativity and personal fulfilment. However, our economy is also aggravating natural resource depletion, deadly pollution, overconsumption and growing social concerns ranging from income inequality to climate migration. Different global studies support one of the largest scientific consensuses ever, the planet is in crisis. Warnings about a climate crisis are not new, we have seen increasingly urgent calls to address climate change (see Figure 1).

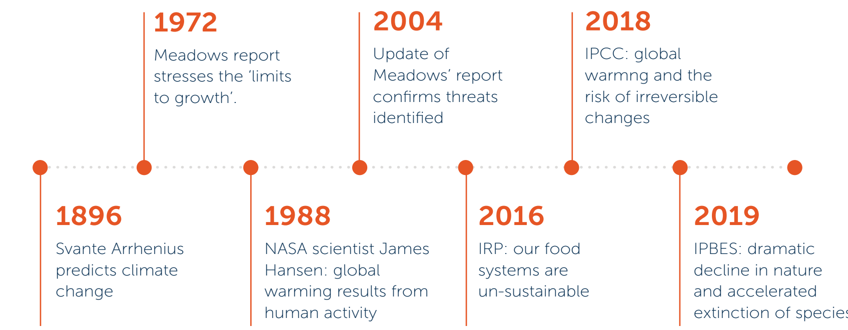

Figure 1: Warnings for the climate crisis

The only way forward is to change how the economy operates. This starts with changing how businesses are run. Corporate governance is an instrumental tool to shift towards a sustainable economy. It is no longer about doing good and making the world a better place: it is about staying in business.

This article proposes ten ideas to help boards and policymakers/regulators undertake the necessary changes to make sustainability the cornerstone of the decisions they make. Boards have the power to transform their business and can help leverage one of the greatest drivers of change: markets. But policymakers and regulators must change too, to support and accelerate systemic transformation.

This article is a preview of our publication 10 ideas to make corporate governance a driver of a sustainable economy, where we:

- suggest changes in boards' roles and practices, and
- propose legislative and non-legislative actions by EU and national policymakers and regulators.

Boards have a prime responsibility to make the economy sustainable

Markets have proved to be a great transformative force: we need to leverage their power to move towards a sustainable economy. Boards can take the following actions to start business' sustainability transformation:

1. Recognise their public interest responsibility to make business sustainable

All boards must take their responsibility to put their businesses on an accelerated path toward sustainability to ensure the survival of the business. From a practical business standpoint, sustainability encompasses many matters that fall directly under the board's strategic responsibility, such as access to raw materials, energy efficiency, supply chain resilience, social license, reputational risk and contingency planning.

2. Transform the business model

Businesses will not be able to absorb the waste and pollution that our current economic system creates. At the macro level, this means moving to a circular economy. At the micro level, it means transforming the business model. The board's agenda must reflect its priority to transform the business and monitor its progress.

The board will need to broaden its approach to risk management including, e.g. the impact of stranded assets, environmental litigation and reputational risk. Boards also need to anticipate regulatory reforms that address environmental challenges.

3. Make board composition fit for (renewed) purpose

The people and processes in business decision-making will have to change to shift the agenda and drive it forward. The board will need to define the collective profile for its work as well as the profile of individual board members, reflecting on what makes a 'good board member'. The board is also responsible for creating new roles, such as the accountant as key change maker, moving from

Chief Financial Officer to Chief Value Officer, who can evaluate the company's value creation beyond financial success.

Boards should seek to diversify professional competences and ways of thinking. Knowledge of sustainability issues relevant to the business has become critical. Most importantly, boards need members with the capacity to think laterally, challenge and speak-up. To this end, it is useful that different cultures, social backgrounds and generations find their way into the boardroom.

4. Regularly (re)assess functioning and processes

Board efficiency starts with putting effective processes in place to constantly assess the board's functioning. Experience shows that shortcomings in such processes have often played a role in corporate failures. Boards need to develop:

- objective director selection and recruitment procedures,
- ad hoc on-boarding and development programmes,
- balanced reward and retention policies,
- regular individual performance assessments, and
- full board assessments.

To prevent complacency and groupthink, these processes need to have the necessary degree of independence and objectivity.

5. Think in an integrated way

Boards need to integrate the environment as a consideration at all levels of the business and to take a fully integrated approach to strategy, management and reporting by:

- a comprehensive approach to strategic planning including scenario analysis,
- managing change inclusively and efficiently through experimentation, decentralisation and empowerment, and
- adopting the international integrated reporting <IR> framework to measure transformative progress and share experience on issues that are of public interest.

6. Transcend the business' boundaries

The board needs to comprehend the entire supply chain, stakeholders and ecosystems of the business, at least to manage reputational risk from a narrow self-interested perspective. Appropriate due diligence needs to be conducted throughout the entire supply chain. Impacts on markets need to be analysed and measured, including lifecycle assessments of products.

Policymakers and regulators need to become strategic enablers of change. Policymakers and regulators can strategically enable change when they:

7. Rethink the role of regulators

Systemic transformation calls for rapidly rolling out best practices and changing collective values and behaviours. It appears that solutions are often better developed close to practice, rather than mandated by untested laws produced in offices. It is critical that regulators closely monitor and understand market developments and the emergence of best practices – or lack thereof.

Once these best practices emerge, regulators need more focus on outcomes and effective enforcement of better and simpler rules to produce results, not more regulation. Regulators' efforts and results on simplification should be regularly assessed and policymakers and regulators at all levels should be responsible for their results.

8. Move from shareholder protection to stakeholder protection

In terms of financial markets, there should now be a shift in focus to protecting broader stakeholder interests and not only of the financial interests of investors.

9. Create a European regulatory framework for corporate governance in the single market

The EU corporate reporting framework suffers from a piecemeal approach with several legal texts dealing with different reporting obligations. The time has come for consolidation. An EU corporate governance code would better match the reality of a single market and bring consistency, coherence, legal certainty and, if done well, effective outcomes. An EU code would need a strong supervision framework, possible with a single European capital market supervisor.

10. Ensure consistent and effective enforcement

Change rarely occurs by decree. The effectiveness of any law depends on effective enforcement mechanisms. Inconsistent and uneven enforcement disrupts the market and slows down progress.

Enhance the 'comply or explain' principle - In a 'comply or explain' context, the quality, specificity and acceptability of the explanations need to be properly evaluated; this principle can only work as long as compliance is properly monitored and enforced.

Clarify director liability - Director liability needs to evolve with business' growing impact. Directors should bear the full consequences of their actions, omissions, negligence or wrongdoing. They should be responsible for preventing and mitigating negative environmental and societal impacts.

Rethink sanctions - Rules that are not applied or unevenly enforced are not only inefficient, they are counterproductive. Sanctions are not (only) aimed at dissuading or punishing: they are primarily aimed at protecting legitimate businesses and ensuring that there is a level playing field. Sanctions must be proportionate to the extent of the offense, its consequences, notably on the environment, and to the perpetrator's size and means.

The European Commission should step up its oversight of Member State' enforcement policies to prevent local political interference and safeguard independence, objectivity and a level playing field amongst European business.

Accountants are crucial in this joint effort

Making our economic system sustainable is a collective responsibility. In their different capacities, professional accountants play a key role at all stages of corporate governance. Good business decisions start with reliable information. As businesses change their benchmarks for success, accountants contribute by: measuring impacts, disclosing information, and certifying what is reported.

The accountancy profession has leveraged its expertise in the field of non-financial reporting and now has a long-standing experience on how to help companies make the right changes to reduce their environmental footprint – and costs.

Act now act swiftly

Corporate governance needs to take a holistic approach and consider all aspects of doing business and prioritise the transition to a circular economy as this growingly appears as the only option in a finite world. The private and public sector need to work together more, at local, national and European levels. Policymakers must play a leading role in internalising negative externalities into business costs.

We encourage the EU to continue showing leadership, including in multilateral forums, and taking decisive action even if others hesitate. Competitiveness is very important, but without a viable planet it doesn't matter anymore. We urge boards as well to begin now on the path to a more sustainable future.

Change starts today!

This article is a preview of the publication 10 ideas to make corporate governance a driver of a sustainable economy, which aims to inspire debate, so we welcome your feedback.

Send your thoughts and opinions on how corporate governance needs to evolve to iryna@accountancyeurope.eu by 1 October 2019.

Olivier Boutellis-Taft,
CEO Accountancy Europe

Olivier has been Accountancy Europe's CEO since 2006. He benefits from a diverse professional experience, having been a public prosecutor in France, a director with PricewaterhouseCoopers, a board member of the European Policy Centre, a director of XBRL international and a business and policy consultant. He regularly speaks on issues related to European affairs and the impact of technology on accountancy.

Assessing Compliance with the General Data Protection Regulation

by Gerry Egan

In the previous article in this series (June 2019) I provided an overview of the GDPR and some of the key developments since it came into force on 25 May 2018. That overview has given rise to a number of requests for a compliance checklist that accountants could use in their own businesses and practices or when assessing clients' compliance. This article is designed to meet that requirement.

Bad news and good news

The bad news is that unlike accounting standards which have been developed over decades, there is no single standard that one can go to assess compliance with the GDPR.

On the other hand, the good news is that for SMEs and similar organisations, it is relatively straightforward to assess their compliance with GDPR once one has a good grasp of the key principles underlying the Regulation. The checklist that follows is one that I have developed based on experience of working with multiple medium-to-small organisations over the past two years in both assessing their state of compliance and helping them to close any gaps that we have identified.

The GDPR compliance checklist and how to use it

The GDPR Compliance Checklist is broken into three parts:

- Governance arrangements
- Adherence to key data protection principles
- Data subject rights

In the interests of space, the checklist is set out as a series of yes/no questions but in any assessment, there will be shades of grey e.g. an organisation may have a privacy notice, but it could be badly written or not easy to find on a website. Judgement on the part of the assessor is necessary to use the checklist effectively and deliver value for clients.

Governance arrangements

This section focuses on how the organisation is set up to manage its data protection obligations.

Board oversight

- Is the board aware of the organisation's data protection obligations?
- Does it have appropriate oversight arrangements e.g. receive regular reports on compliance progress, breaches, complaints?
- Has data protection been identified as a risk in the risk register?
- Has responsibility for GDPR compliance been assigned within the organisation?
- Has the board assessed whether it is obliged to appoint a Data Protection Officer and acted accordingly?

Responsibilities of Data Controller and Data Processor

The following responsibilities apply to all organisations:

- Have you identified all of the personal data and all of the categories of data subjects whose data you process, what business processes this data is used for and who you share it with?
- Have you established for which data you are a data controller i.e. make the decisions about the use of the data and for which data you are a data processor i.e. act on the instructions of others?
- Have you prepared appropriate privacy (fair processing) notice(s) and have these been communicated effectively to data subjects?
- Do you have a record of your data processing activities in your capacity as a controller, processor or both?
- Does the organisation understand its obligations in relation to identifying, recording and reporting data breaches and have arrangements in place for doing so?
- If you are a data controller. have you identified your data processors, and do you have appropriate contracts in place (vice versa if you are a processor)?
- Do you understand Data Subject Rights, and do you have a process to handle requests within one month of being received?
- Do you understand the circumstances in which it may be necessary to carry out Data Privacy Impact Assessments and have you done so?

The following additional responsibilities may apply to Data Controllers in certain circumstances:

- If you operate in more than one EU Member State, have you designated one Member State as the site of your Main Establishment?
- If you are based outside the EU, have you appointed a Nominated Representative to represent your interests in the EU? (only applicable to companies with no physical presence in the EU but included for completeness)
- If you control personal data jointly with another party, do you have a Joint Controller Agreement setting

out the respective responsibilities of the joint controllers?

- In addition to Joint Controllers and Data Processors do you share personal data with Recipients or other Third Parties and has the justification for doing so been documented?
- If you transfer personal data outside of the EU, do you understand and are you abiding by the rules governing such transfers?

Awareness and training

- Have you conducted appropriate training and awareness raising activities?

Policies

- Have you reviewed/updated/ introduced relevant policies to ensure that they are GDPR compliant?

Adherence to Key Data Protection Principles

This section focuses on how well the organisation understands and adheres to the most important principles and how personal data is managed.

Transparency, Purpose and Lawful Processing condition

- Do you have a privacy notice, and have you communicated it effectively to Data Subjects?
- In relation to each category of data subject and set of personal data that you process have you identified the lawful purpose(s) for processing and which of the lawful processing conditions that you rely on, bearing in mind that different conditions apply to processing of 'ordinary' and 'special categories' of personal data?
- Have you recorded these details in your data processing record?

Purpose Limitation

- Are you using the data only for the purpose for which it was provided?
- If you propose to use the data for a different/additional purpose have you considered how you're going to communicate with the data subject?

Data Minimisation

- Have you taken steps to collect and process only the data that you require for the stated purpose?

Accuracy and Quality

- Have you taken steps to ensure the accuracy and quality of data and to keep it up to date?
- Are regular and systematic reviews undertaken to update personal data records?

Retention and Storage Limitation

- Have you determined how long you propose to retain different categories of data having regard to the principle that data should only be retained for as long as absolutely necessary?
- Do you have arrangements to systematically delete obsolete data at the end of the retention period?
- Are disposal methods appropriate?

Security and Confidentiality

- Have you considered the sources of risk to the privacy of the data subject both inside and from outside of the organisation?
- Are the technical and organisational security arrangements to protect the data e.g. physical security, IT security, appropriate access to records, commensurate with the sensitivity of the data and the risk to the privacy of the data subject?
- Is there an adequate focus on the confidentiality of personal data in your business practices?

Rights of Data Subjects

This final section of the checklist focuses on how the organisation protects the rights of data subjects and on how data subject requests are handled.

- Do you understand the rights of Data Subjects under GDPR?
- Do you have a documented process to handle requests within one month of being received?

And finally

Two final points: firstly, any assessment is only as good as the evidence presented. CPA members will be accustomed to asking, or being asked for, evidence of financial transactions as part of audits etc.

It is equally important when conducting an assessment of GDPR compliance to see the evidence.

Ask clients to: Show me your log of processing activities, demonstrate that data has been disposed of in accordance with your retention policy, illustrate how you have amended your application form to collect only necessary data.....

From the clients' point of view, it should be much more preferable for them to deal with tough questions from you rather than in the course of an investigation by the Data Protection Commission because of some non-compliance. If you or a client can answer in the affirmative to the above questions and support these affirmations with evidence, I would be confident that they are 'compliant with GDPR'.

Secondly, this checklist has been compiled for use in and by 'normal' businesses involved in selling goods and services, public sector organisations and non-profits. While the checklist is relevant in all cases some organisations have unique features like extensive use of automated decision making, complex international transfers of data or processing of children's data that may give rise to additional considerations that are not covered by this checklist. If any of these or other circumstances apply in your business, please feel free to contact the author for further guidance.

Gerry Egan,
M.Sc. (Mgmt.), C. Dir

Gerry is a Consultant and Trainer specialising in corporate governance, GDPR compliance and strategy working with clients in the private, public, and non-profit sectors.

Finance & Management News

EBA assesses impact of FinTech on payment institutions' and e-money institutions' business models

The European Banking Authority (EBA) has published a thematic Report on the impact of FinTech on payment institutions' (PIs) and electronic money institutions' (EMIs) business models. This Report points out the EBA's key observations on PIs' and EMIs' strategies and business model changes, in particular focusing on the current trends and drivers, the different approaches to FinTech, including their interaction with BigTech firms, and the level of implementation of innovative technologies.

The Report, which is in line with the priorities listed in its FinTech Roadmap, does not foresee or intend to model scenarios for potential future development of institutions. The Report aims to share knowledge and provide support to supervisors and other stakeholders in identifying and understanding the main trends that could impact PIs' and EMIs' business models and pose potential challenges to their sustainability.

The report can be accessed at

www.eba.europa.eu/-/eba-assesses-impact-of-fintech-on-payment-institutions-and-e-money-institutions-business-models.

Source: www.eba.europa.eu

Brexit Supports

Over the summer in conjunction with the Consultative Committee of Accountancy Bodies (CCAB-I) the Department of Business, Enterprise and Innovation hosted information sessions on steps that small businesses and their accountants should take to prepare for Brexit in the boarder counties.

Topics that were covered include:

- The range of Government supports for businesses, including cashflow management
- Import and export controls, including customs
- Supply chain management
- Certification and standards for industrial products

Maureen Kelly, Knowledge Manager CPA provided an update on the expected impact of Brexit on the Accountancy Profession as a representative of CCAB-I. Local Enterprise Offices, Enterprise Ireland, InterTradeIreland, National Standards Authority of Ireland, Health and Safety Authority, Competition and Consumer Protection Commission, Strategic Banking Corporation of Ireland, Microfinance Ireland and the Department of Agriculture, Food and the Marine provided information on the supports they provide.

Links to all these supports for Members in preparing for Brexit can be found on our Brexit Resource page on the CPA website.

Source: www.cpaireland.ie

Central Bank note outlines the landscape for London and other EU financial centres post Brexit

London likely to remain a very large global financial centre (GFC) even in adverse Brexit scenarios. Impact of Brexit on London’s GFC could be very small due to the ‘premium’ London enjoys.

A less open, productive, and rich UK might influence London’s GFC and other financial centres in the EU, including Dublin.

The Central Bank has published a Financial Stability Note by Silvia Calò and Valerie Herzberg which examines the future of Global Financial Centres (GFC) after Brexit, from an EU perspective. The research presents a set of scenarios for the future of London and other financial centres in Europe after Brexit and finds the impact of fundamental factors on London could be very small. The potential dispersal of financial services to smaller centres like Dublin could have an impact on those centres.

One of the scenarios suggests that London will remain one of the major global centres irrespective of shock impacts. This takes into consideration data for the size of the country and city, trade openness, economic development, host city innovation, dominant currencies and legacy effects. However London’s status might be vulnerable to changes effected by new trading arrangements, disruption in global value chains, and institutional reshaping and associated uncertainty.

Finally, the analysis suggests that even if the City of London remains robust to adverse conditions, the impact of relocations on smaller centres like Dublin, Amsterdam or Luxembourg could be quite material.

The rapidly growing and changing nature of the Dublin financial centre, coupled with the visible fragmentation of finance in Europe raises questions about the evolution of financial stability risks. The Note concludes that the Central Bank of Ireland has already addressed some of these risks - for instance through a thorough authorisations process and by focusing resources on identifying and mitigating risks.

Source: www.centralbank.ie

Leadership Insight

by Geraldine Ruane

Please provide a brief history of your career.

I began my career qualifying as a Certified Public Accountant in 1989, and later as a Chartered Director. I have held C-level and board positions in both the public and private sectors, and throughout my career, I have advocated for strong leadership, female empowerment and commercial focus.

I began my career in the private sector, in the pharmaceutical industry, where I have held senior roles in Mallinckrodt, Novartis and Chanelle Group. From there I moved into the public sector as Chief Executive Officer (CEO) of Ordnance Survey Ireland for 7 years before taking up my current role as Chief Operating Officer (COO) of Trinity College in 2013.

I have held Executive and Non-Executive Board Positions within the Pharma, ICT, HE, Government and Charity Sectors. I currently Chair the Steering Committee of Trinity Technology Enterprise Campus, a billion Euro project that comprises a new innovation district planned on 5.5 acres in Dublin Docklands designed to help Ireland attract investments, talent and jobs.

I strongly believe that people are at the heart of every successful business and enjoy sharing my knowledge and expertise in building strong leadership and team development within organisations. To that end, I qualified as an executive and business coach and have completed executive training on leadership programmes at Harvard in the US and IMD in Switzerland.

As a champion for diversity and inclusion, I have supported initiatives that address gender imbalances in organisations and served as a Lead Mentor on the Irish Government supported 'Going for Growth' Programme for women entrepreneurs.

Describe your working life as COO in Trinity College Dublin.

I joined Trinity College as Chief Operating Officer in 2013. Trinity College Dublin is Ireland's premier university. The pursuit of excellence through research and scholarship is at the heart of a Trinity education as is the desire to be a University of Global Consequence.

My role as the Chief Operating Officer (COO) is a broad role with a range of responsibilities. I provide strategic leadership, management and organisation of the university's professional and support functions. My focus is on delivering professional, agile and customer-centric services that enable Trinity to achieve its mission and vision in a cost-effective manner. I focus my efforts on meeting the needs of all our stakeholders. I report directly to the Provost and am an ex officio member of the Board.

In the last number of years there has been significant change in higher education environment. Funding pressures, increased competition and advances in technology create both opportunities and threats. Trinity like all other universities were going through the same challenges and opportunities. The experience of the recent deep recession in Ireland has taught us that we need to be innovative and relentless in driving change.

I play a key role in leading transformational change and driving digital transformation in this large and complex environment. We have developed programmes designed to optimise organisational structure, systems implementation, large-scale process re-engineering and large capital projects. We are laser-focused on building culture and delivering customer service in a meaningful and measurable way. To that end I work closely with my 7 Directors and 13 functional areas with a staff of 900 in the Corporate Services Division.

In my current role, I am responsible for increasing commercial revenue and have helped to establish commercial initiatives with local and international organisations. This has provided additional external funding to support student and staff services in support of the university's mission and to help eliminate the university financial deficit.

As a Chief Officer I supported the Provost in the development, implementation and successful delivery of an ambitious five year (2014-2019) strategic plan for the University. We are currently working on our new 5-year strategic plan.

I work closely with a diverse group of stakeholders that includes commercial partners, government departments and agencies and international peer universities. In addition to formal meetings with senior colleagues, I also meet regularly with academics, the staff within my areas of responsibility and with students.

Finally, in keeping with my own belief that 'people are the heart of every successful business', I have supported training in leadership, mentorship and coaching to help drive the capability of our teams.

What has been your most challenging role or leadership challenge to date?

Across all the roles I have held, both in the public and private sectors, the biggest leadership challenge I've faced common to all of them has been the need to build agility in both myself and the organisations I lead in order to respond to the increasing levels and pace of change facing our businesses.

The changes we have to respond to have come from many sources; changes in markets, competitors, new technologies, changing demands from our customer and stakeholder requirements, coupled with shrinking public sector funding. One area I always focus on in building our organisational responsiveness muscle is the area of individual and team development, continuously working on building a culture of teamwork, participation, empowerment and dialogue, and consistent communication and engagement with our stakeholders on decision making.

What do you think are the biggest challenges accountants face today?

The Technological and Regulatory challenges facing Accountants today are very significant. In addition, Accountants are expected to work closely with managers at all levels in the organisation, operating at both operational and strategic levels providing valuable input to decision making as well as perform the traditional reporting functions.

> "when you raise your standards and turn "should" into "must," you are making an inner shift to take control over the quality of your life."

A trend I see continuing is the expectation from the business for accountants to proactively contribute to strategic conversations about the future, to bring to discussions good commercial awareness and well-argued opinions. If I were starting my accounting career today, I would look for opportunities to develop my influencing skills, networking skills and my emotional intelligence at the same time as developing my technical accounting knowledge.

You were recently chosen as Chair of the steering committee for Trinity Technology and Enterprise Campus (TTEC). Can you tell me more about what this involves?

TTEC will be a new world class university at the heart of the Grand Canal Innovation District and will be the catalyst for collaboration and partnership between industry and universities. Dr Patrick Prendergast, Provost of Trinity took the historic step to developing this second campus dedicated to technology and innovation. TTEC will be built on a designated 5.5-acre site adjacent to Grand Canal Quay and Macken Street in the heart of the district.

Working closely with the local community, a campus of style and impact, with open spaces, ease of access and new retail spaces and services will spark further urban regeneration in the area as well as create educational and employment opportunities for all those living in close proximity to the district."

The Provost of Trinity College and An Taoiseach, Leo Varadkar T.D., recently launched this far-reaching plan for the creation of the Grand Canal Innovation District in Dublin. The proposal from Trinity College Dublin is modelled on innovation districts in cities such as Boston, Toronto, Rotterdam and Barcelona. It will significantly strengthen Ireland's competitive advantage when developing new indigenous companies or competing for foreign direct investment.

As Chair of the TTEC Steering Committee we are responsible for the governance (oversight, guidance and enablement) of the current Trinity Technology & Enterprise Campus into a second innovation campus of the university. It is an exciting and challenging role and I am very pleased to be involved in its development.

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

I have learned that success demands that I set high standards for myself and others and that I work to meet those standards and support others in doing the same. Knowing what I want and setting goals to achieve them.

That does not mean I will have everything immediately, but it does mean I am taking consistent action toward my goals. It means holding myself accountable and rather than looking for excuses for mediocre performance it is finding new ways to go above and beyond in pursing my goals.

Anthony Robbins, a world leadership guru says, "when you raise your standards and turn "should" into

“must,” you are making an inner shift to take control over the quality of your life. Any area you are not getting what you want is because you haven’t raised your standards”.

To date what has been your career highlight?

I have been fortunate to have led some wonderful organisations in both the private and public sector. My current role as COO of Trinity is certainly a key highlight of my career. It is a privilege to be a part of Trinity, a global brand with worldwide recognition. Trinity is renowned academically, delivers on a superior student experience, is an iconic tourism landmark, a successful commercial operation and now a driver of unparalleled innovation with the new TTEC. I get to work at the heart of this organisation - I am very lucky indeed!

Who or what inspires you most in business?

I am very impressed by Christine Lagarde, who was the first woman to head the IMF-(International Monetary Fund) and the first woman to become Finance Minister of a G8 Economy. I had the pleasure of hearing her speak when she visited Trinity College this year. She shared her definition of leadership which resonates with what I believe leadership is really about.

“To me, it’s about encouraging people. It’s about stimulating them. It’s about enabling them to achieve what they can achieve — and to do that with a purpose. Others would call it a “vision” but I’d rather use “purpose” because I think that everybody has a purpose in life and that when collectively people work together or practice sport together, they have a joint purpose.”

From the sporting world I am inspired by the leadership of Paul McGinley who is a world-respected professional golfer. He led a team of 12 European players against the American team, captained by Tom Watson, to success in the Ryder cup of 2014. The European side was fulsome in their praise and admiration for McGinley’s leadership. As a true leader Paul said that the players have only themselves to thank, after the way in which they responded to both his decisions and the pressure they were under. Paul’s participative and involving style of leadership showed huge emotional intelligence.

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

The advice I share below is a short collection of what I have found helpful for myself on my own leadership journey.

Know Yourself! Continually invest in your own and your people’s development. You need never stop growing intellectually, mentally, and emotionally.

Build in reflection time in your workday to review your own reactions and underlying assumptions and the beliefs you hold as absolutes. Review your interactions over the past day and reflect on the impact your words had on others and encourage your team to do this also.

Listen, learn and engage with people. I say it again, “People are at the heart of every successful business”

Develop a curiosity. As leaders we need to be curious about everything- about what the possibilities are, what the future opportunities and threats might be, and to be able to see issues from different perspectives and be proactive in seeking and using feedback.

For all aspiring leaders, I would recommend every piece of advice in Ronald Heifetz’s book on leading change (called The Practice of Adaptive Leadership)

How do you unwind?

In my downtime I am a lover of outdoor pursuits whether it be playing golf, hill walking, attending regional, national and international sporting events and enjoying weekends away. I have a love of dancing, enjoy most music and relaxing with family and friends.

> **“People are at the heart of every successful business”**

Geraldine Ruane,
Chief Operating Officer, Trinity College

Uncertainty and Deadlines

Make "no deal" Brexit Planning Crucial

by Katie Daughen

The risk of a disruptive, "no deal" Brexit is now greater than it possibly has ever been throughout the Brexit process. So much so that in July the Irish Government published its updated Contingency Action Plan calling on businesses to prepare for this scenario.

The recent victory of Boris Johnson in the Conservative Party leadership contest and his appointment as Prime Minister of the United Kingdom has put "no deal" back on the political agenda. His actions since taking up office firmly indicate that he is serious thus far, about carrying through the "do or die" exit promised during his leadership campaign.

The Prime Minister's stated intentions of renegotiating the Withdrawal Agreement and removing the Protocol on Ireland/Northern Ireland (the "Backstop") have been rejected by the European Commission. So far, the line has remained that the current Withdrawal Agreement is the only deal on offer and while flexibility remains over the wording of the Political Declaration, negotiations on the Withdrawal text are now closed.

At present it seems unlikely that the European Council will meet again before their next scheduled meeting on 17-18 October. Without such a meeting there will be no mandate for the Commission's Article 50 Taskforce to offer the UK Government any new terms on the Withdrawal Agreement.

"The Irish Government has predicted that unemployment could rise by 50-55,000"

There is also now much speculation about the possibility of an election before the Brexit deadline of 31 October. Some view this as an almost certain prospect with Labour indicating that they will lay down a motion of no confidence when Parliament returns in early September. Others argue that an election could be pushed back until after the Brexit deadline meaning such an event would have no impact on whether the UK leaves with a deal or not.

While the majority of MPs remain firmly opposed to a "no deal" outcome and while the ability of the Prime Minister to prorogue (essentially suspend) Parliament to obtain such a result has been limited; without a ratified Withdrawal Agreement in place, a "no deal" exit remains the default outcome of the process.

With Brexit now edging ever closer, the current political climate presents many challenges for businesses over the coming months.

Warnings of the economic damage that could be brought about by a "no deal" exit have been stark. The Irish Government has predicted that unemployment could rise by 50-55,000, while the Irish Central Bank has estimated that there could be 34,000 fewer jobs by the end of next year, rising to 110,000 over the next decade.

Other consequences of "no deal" Brexit for the Irish economy include reduced economic growth, disruption to time sensitive supply chains, further depreciation in sterling hitting exporters, and an immediate increase in costs for businesses that will have to pay tariffs and comply with new systems for trade between the UK and Ireland.

Similar consequences will be faced by businesses in the UK. Vauxhall is the latest car manufacturer in the UK to announce that they may have to cut jobs and cease production depending on the outcome of Brexit. The Head of the Bank of England, Mark Carney, has warned that many businesses could become uncompetitive overnight.

It's for these reasons that the British Irish Chamber of Commerce has long warned of the dangers of "no deal" and has advocated to public representatives on all sides to avoid this disastrous outcome. As the only organisation solely dedicated to the bilateral trade between the UK and Ireland, we are only too aware of the costs and consequences for businesses that a "no deal" Brexit would cause. While Brexit will not end our bilateral trade, it has the potential to be highly disruptive and costly for the many businesses that currently benefit from the frictionless and close trading relationship between these two islands.

Unfortunately, businesses have no control over how Brexit will be resolved, but they can control how prepared they are for all possible scenarios. In the immediate aftermath of the referendum vote, businesses were unprepared for the sudden depreciation of sterling and lessons must be learned from this painful experience to ensure the same mistakes aren't repeated.

Regardless of the outcome, the UK will remain an important trading partner for Ireland and vice versa. Our similar tastes, business outlook, cultural ties and geographic proximity make us natural business and trading allies. While Brexit might disrupt this relationship, those in business will find ways to overcome these hurdles and maintain these vital links.

There are practical steps that business can take now to offset any potential pain in the future. Many have no financial cost although they will take time and energy – something we know is difficult for SMEs in particular, many of whom are already running on tight margins and with very little extra capacity.

The first thing businesses should do is register for an Economic Operators' Registration and Identification (EORI) number. Having an EORI will be a basic requirement for trading with the UK if there is no deal. Registration should be one of the first steps in any business' Brexit plan. It is a simple, online process and free of charge. Revenue have produced a helpful step by step guide that can be found on their website at

www.revenue.ie/en/online-services/services/common/register-for-an-eori-number.aspx

EORI registration figures to date have been worryingly low with Revenue stating that around 60,000 traders have yet to register. This is an easy process and there is no reason why businesses should not have already taken this step.

Currency management is also going to be key for businesses that trade with the UK. The value of sterling continues to be volatile and further depreciation is likely if the UK leaves the EU without a deal. The Bank of England has previously predicted that sterling could move to parity with the euro or potentially fall even lower.

Businesses should not take a chance on currency. Practical steps that businesses can take now include renegotiating contracts in the currency of operation and hedging. If business production costs are all paid in euro, it only makes sense that selling costs should also be charged in the same currency. Similarly, hedging is also a prudent way to negate the anticipated further decline in sterling if there is no deal.

Other actions that businesses should now take include:

- review supply chains to identify any potential pinch points/regulatory issues;
- learn how new customs/trade rules might impact operations; and
- explore available trade facilitations that might help limit this impact.

It's not all negative though. There are opportunities for those willing to take them. Businesses should look at forming strategic partnerships with likeminded UK firms to secure market share and access and vice versa. There is also an opportunity for Irish firms to take over international trading licences for the EU market held by UK firms. And finally, for those reliant on the UK market for their survival, now may be the time to put boots on the ground and to expand your business internationally.

Now is the time to prepare. Engage with State Agencies and avail of business supports. Go through the Government's Brexit Preparedness Checklist. The recently launched Clear Customs Training is free and is a highly valuable resource for businesses involved in goods trade with the UK. The latest UK notices for preparing for "no deal" can be found on the Gov.UK website at

www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal.

The British Irish Chamber of Commerce is also here to provide information and guidance. Our Brexit Toolkit is a free resource and a great place to start when it comes to thinking about what you might need to do to prepare. Our Brexit Supports page also catalogues the latest no deal contingency plans from Ireland, the UK and EU and provides links to the supports available for businesses to help them prepare.

About the British Irish Chamber of Commerce

The British Irish Chamber of Commerce is a private sector trade organisation, founded in 2011 to represent businesses and employers with interests in the two islands of Great Britain and Ireland. The Chamber's mission is to highlight, protect and grow the trade between Ireland, Northern Ireland, Scotland, Wales and England. That trade is worth over €1.3 billion a week or €70 billion a year and it supports 400,000 jobs, about evenly between the two islands.

This article went to print on 2nd September.

"Unfortunately, businesses have no control over how Brexit will be resolved"

Katie Daughen,
Head of Brexit Policy British Irish Chamber of Commerce

Taxation News

Charities VAT Compensation Scheme

Revenue has confirmed that over 1,100 claims, totalling almost €40m, were made by charities under the Charities VAT Compensation Scheme. Of these claims, 61% were received from charities supporting the community, 16% from religious charities, 15% from charities supporting education and 8% from charities involved in the relief of poverty.

The scheme, which was announced as part of Budget 2018, aims to reduce the VAT burden on charities and to partially compensate them for VAT paid in the day to day running of their activities. The scheme started in 2018 and applies to VAT paid on qualifying expenditure on or after 1 January 2018.

To avail of the scheme, charities can submit one claim per year, which should relate to VAT paid on qualifying expenditure in the previous year only. For example, VAT paid on qualifying expenditure in 2018 can be claimed between 1 January and 30 June 2019. The fund for the scheme is capped at €5m per year. Where the total amount of claims received in any year exceeds the capped amount, charities will be refunded on a pro-rata basis.

Therefore for 2018 if all the claims submitted are fully valid each charity will receive approximately an eight of their claim back by way of a VAT refund.

Revenue expect to make refunds to qualifying claimants on a pro-rata basis during October and November.

Source: www.revenue.ie

The Employers' Guide to PAYE

Tax and Duty Manual Part 42-04-35A 'The Employers' Guide to PAYE' has been updated to provide further clarification and guidance on the following:

- the composition of Gross Pay
- the use of the Revenue Payroll Notification (RPN)
- the Employers obligations to commence employments.

Employers are again reminded of their obligation to provide accurate information when making a payroll submission to Revenue.

Most employers are submitting the correct payroll information, but some recurring issues have been identified.

These are outlined in Chapter 19, paragraph 19.2 of the Manual. Revenue has established a team to monitor submissions and may contact employers to assist them in addressing any identified issues. Employers should contact the National Employer Helpline at 01-7383638 for assistance.

Employers are also requested to ensure their contact information is correct by visiting ROS and updating profile details as appropriate.

Source: www.revenue.ie

E-commerce: many of the challenges of collecting VAT and customs duties remain to be resolved

The EU encourages e-commerce to ensure that businesses and consumers can buy and sell internationally on the internet as they do on their local markets. Member States are responsible for the collection of VAT and customs duties due on e-commerce cross-border transactions. The European Court of Auditors Audit Chamber IV Regulation of markets and competitive economy, carried out this audit because any shortfall in the collection of VAT and customs duties affects the budgets of the Member States and the EU, as they must compensate for it in proportion to their GNI.

The auditors examined whether the European Commission has established a sound regulatory and control framework for e-commerce with regard to the collection of VAT and customs duties, and whether Member States' control measures help ensure the complete collection of VAT and customs duties on e-commerce. They found that despite recent positive developments the EU is not currently dealing adequately with these issues but have addressed some of the weaknesses identified with the "e-commerce package".

The auditors make a number of recommendations as to how the European Commission and the Member States should better address the challenges identified and establish a sound regulatory and control framework.

The full report can be access at **http://publications.europa.eu/webpub/eca/special-reports/e-commerce-12-2019/en/**

Source: www.europa.eu

Tax treatment of the reimbursement of expenses of travel and subsistence to office holders and employees

Tax and Duty Manual Part 05-01-06 has been updated as follows:

Chapter 2 - General principles. This chapter has been updated to include paragraphs on:

- Reimbursement of toll charges
- E-working.

Chapter 4 - Reimbursement of travel and subsistence expenses – specific scenarios. This chapter has been updated to include:

- A paragraph on reimbursement of travel and subsistence expenses by intermediaries
- A paragraph on temporary assignees from the State working abroad on foreign assignment
- Reference to incidental duties in respect of section 195A TCA 1997.
- The Manual can be accessed on the Revenue website in eBrief No. 149/19

Source: www.revenue.ie

The Gender Diversity Dividend

By Sheila Killian, Philip O'Regan, Ruth Lynch and Martin Laheen of University of Limerick

In a recent article in this magazine, Donna Torres wrote compellingly about the importance of tackling the gender gap across the accounting profession. She made the case that gender diversity is not only a women's issue but a human one and affects the entire workplace. This certainly is supported by countless studies that show that diversity in the workplace strengthens teams as it brings in multiple perspectives to decision-making and helps to ensure that all options are considered, and the full range of stakeholders is taken into account. In tax work, of course, this is especially important. Arguably, the stakeholders in the tax decisions made by CPAs and other tax experts include not only clients and the employing firm, but also government and anyone drawing on support from the coffers of the state.

Working with a team at University of Limerick, we wondered how this diversity dividend would transpose to an area as technical and regulated as taxation? Donna Torres rightly pointed out in her article that CPA leads in this area having achieved parity in terms of male and female members. So what are the implications for accounting practices of this change in demographic? We can all see the value from a perspective of equal opportunity.

We know gender diversity helps with teamwork, but how does it work out in working environments where professionals may work alone for a large part of the time, and which are highly regulated? Specifically, what difference might it make to a tax practice, in the current climate, to have more gender-diverse groups of tax experts in our organisations?

The current climate matters here. In recent years, triggered in part by reporting and debate around the Panama Papers, the Ansbacher accounts, the Apple tax controversy, we have seen a new wave of public concern about tax avoidance and evasion. This is being more clearly understood in its impact on government spending and cuts, and there is now the potential for significant reputational damage where very aggressive tax decisions are made. This is a change, and one that comes at the same time as the change in the gender makeup of the profession. We wondered how these two trends might interact?

At the University of Limerick, we recently undertook a large international study of tax experts and tax professionals. Our work formed part of a broader research project, the H2020 COFFERS project funded by the European Commission to address issues of taxation and inequality. Our part of the research addressed not policy, but the work of tax experts working in a range of sectors including professional service firms, the public sector and the corporate sector. We were interested, inter alia, in seeing how men and women, working side-by-side as tax experts, might differ in their approach to work.

Tax workers as professionals are expected to exhibit a range of qualities in their daily jobs. However, people attach different levels of value or importance to the different characteristics, and this will change how they work. Imagine, for instance, that you and I are working side by side as tax juniors. You might think the most important thing for you is to be accurate in your work, for instance, while I might attach more value to being speedy. If there are more people like me than people like you in the office, then that will affect the overall way in which work is done.

We set out, then, to see if the qualities valued by men and women differ. These "work values" are not a synonym for ethics, although ethical behaviour is a key value for all professionals and is particularly important in tax work. Rather, the term describes the personal attributes that each respondent thinks are most important for their own role, a way of unpacking something that is often described as a work ethic, and of finding differences in the way different groups might prioritise one way of working over another.

We surveyed over a thousand tax experts working across 58 countries and asked them to score a range of personal qualities, all well-rooted in academic literature, that might be valued in their daily work. The responses were well-balanced on a range of dimensions, with a good mix of male and female respondents in each of the different age groups, sectors and at different levels in their organisations. We were satisfied then, that if we found significant differences between the kinds of qualities valued by men and women, these would tell us something about the likely effect of gender changes in the profession.

The findings are very interesting, particularly in view of the changing gender makeup of the tax profession in general, and the newly qualified CPA cohort in particular. There were some foundational personal qualities which were rated more or less equally by the men and women who answered the survey, as they related to their day-to-day work. Unsurprisingly for tax professionals, these related to the importance of being technically competent, speedy, pragmatic and loyal in their work. Perhaps of more interest to CPAs working in tax, we also found significant differences in some key areas.

In their responses, women attached significantly more importance to being compliant and accurate than did men. The fact that they value this trait does not of course mean that they display it to a greater degree than do their male counterparts, but it does imply that this in something they focus on in their daily work, and in which they take pride. For that reason, the result suggests that having more women in the tax team may have a positive impact on the overall attention paid to accuracy and compliance, and so may act as a control, improving overall team performance in this area.

Men, by contrast, attached more value to the traits of being innovative and nuanced. "Nuanced" is a slightly ambiguous term. It can be a positive characteristic for a professional, implying that a range of considerations is taken into account in reaching a decision, for example, or that fine judgements are made on complex issues.

In combination with being innovative, it suggests an ability to devise novel and perhaps complex tax arrangements, or on out-of-the-box thinking on the subject of tax. Traditionally, such activities have been regarded as prestigious and important by advising firms as a means to generate fees from clients.

This prestige is moderating in the new climate of increased concern about the social impact of tax decisions and reputational risk associated with adverse tax judgements. The fact that men working in the tax field value this quality in themselves more than women do is interesting and suggests that a profession with a higher female representation may be even more appropriate in tax work at this time.

Women attached more importance to being ethical than did the male respondents to our survey. Attaching a value to being ethical at work is particularly important for tax professionals now with growing tax complexity, pressure for aggressive tax planning and rising public concern about tax avoidance and evasion. The finding that women place a higher value on being ethical is in line with other studies in the accounting profession and among accounting students, which have suggested a higher level of moral development among female professionals. It may be that this is explained less by inherent differences in the levels of ethics across the genders, and more in the value attached to it by men and women.

Overall, this suggests that it could be useful to have more women in the team at all levels in the organisation.

These findings represent both a challenge and an opportunity to the traditional accounting practice in Ireland. The differences suggest that the shifting gender balance of the profession may change the way in which tax work is done in a way that aligns well with the changing imperatives of the time. Overall, a tax team with a good balance of men and women would seem to bring a range of valued personal qualities to bear on the tax work, which would not be seen in a more homogenous group of all men or all women. This points the way to exploring other aspects of diversity at work, including race, age, culture etc., with a view to seeing how the "diversity dividend" could be delivered for the profession.

"a good balance of men and women would seem to bring a range of valued personal qualities"

COFFERS
EU Horizon 2020 Project

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In Practice News

2018 Profile of the Profession

The Irish Auditing and Accounting Supervisory Authority (IAASA) has published its annual Profile of the Profession for 2018, which provides readers with an insight into:

- the Prescribed Accountancy Bodies' ('PABs') membership, student numbers, and public practice profiles;
- the nature and scale of the PABs' regulatory and monitoring activities; and
- the Recognised Accountancy Bodies' ('RABs') auditor population and related audit quality and continuing professional development ('CPD') monitoring activities.

IAASA's role in relation to the accountancy bodies includes supervising the manner in which the PABs regulate their members. It also extends to oversight of the RABs' performance of the regulatory functions assigned to them under legislation in respect of statutory auditors including approval and registration, continuing education, quality assurance and investigation and discipline.

At 31 December 2018:

- there were 38,530 PAB members resident in Ireland, a slight increase of 1.4% from 2017;
- the PABs' aggregate student membership resident in Ireland was 16,462, a minor increase on the previous year (2017: 16,425);
- the number of audit firms approved/ registered to audit in Ireland was 4,568 (2017: 4,745) with 1,260 of those located in Ireland (2017: 1,291); and
- individual statutory auditors approved/ registered to audit in Ireland was 10,000 (2017: 9,566) with 1,956 of these individuals located in Ireland (2017: 1,973).

Prescribed Accountancy Body Membership

There has been a 3% increase in PAB worldwide membership in the year, although the geographical split by location remains largely unchanged.

Of the PABs, ACCA continues to have the largest membership worldwide, representing almost 39%. In Ireland, ICAI continue to have the highest membership with almost 48% of members.

As in prior years, four PABs accounted for almost 98% of PAB members located in Ireland:

- ICAI (48%);
- ACCA (29%);
- CIMA (11%); and
- CPA (10%).

The majority gender profile of members in Ireland is male, in contrast to the student profile, where the majority gender profile is female. However CPA continues to be the only RAB with a majority female membership at 51%.

Prescribed Accountancy Body Student Population

Total students in Ireland represent 2.7% of PABs' worldwide students in 2018 and over 66% of students continue to be located outside the EU. There has been a minor increase of 1.5% in PAB student numbers worldwide in the year, with the geographical split by location remaining largely unchanged. ACCA continues to have the most students worldwide, and the most students in Ireland.

As in prior years, four PABs accounted for almost all of Irish students:

- ACCA (50%);
- ICAI (34%);
- CIMA (10%); and
- CPA (5%).

Prescribed Accountancy Body Members Holding Practicing Certificates

PAB members worldwide authorised to practise in Ireland has decreased marginally by 1.2% from 2017; those located in Ireland has also decreased marginally by 0.9% from 2017.

As in prior years, the vast majority (97%) of those authorised to practise in Ireland and located in Ireland are members of:

- ICAI (53%),
- ACCA (23%), and
- CPA (21%)

The majority (72%) of worldwide PAB members holding practising certificates are members of ICAEW.

Statutory Audit Firms and Statutory Auditors

Over the past 5 years statutory audit firms and statutory auditors, approved by the RABs to perform statutory audits in Ireland, located worldwide and in Ireland, are detailed below.

The number of statutory audit firms worldwide has declined by 17%. Individually, the degree of decline varies:

- ACCA (↓13%);
- ICAEW (↓18%);
- ICAI (↓16%);
- ICAS (↓17%); and
- CPA (↓0.3%)

Year on year, ICAEW account for the largest proportion of approved statutory audit firms and statutory auditors located worldwide, whilst ICAI account for the largest proportion located in Ireland.

Statutory audit firms located in Ireland since 2014 has declined by 18%. Individually, the degree of decline varies across the RABs concerned:

- ACCA (↓16%);
- ICAEW (↓50%);
- ICAI (↓18%); and
- CPA (↓0.2%)

Statutory auditors located in Ireland has declined by 15% in the period. Again, individually, the degree of decline varies across the RABs concerned:

- ACCA (↓13%);
- ICAEW (↓50%);
- ICAI (↓11%); and
- CPA (↓6%)

The document also reports on PABs' investigation and disciplinary activities, RAB's quality assurance of statutory audit firms and PABs' activities in continuing education of members during 2018.

The full document can be downloaded from the IAASA website at www.iaasa.ie

Source: www.iaasa.ie

Managing your AML Obligations

by Emer Kelly

"Gatekeepers particularly solicitors, accountants, and tax advisors who provide services such as advisory on tax and other complicated financial advisory and company and trust formation could be exploited by criminals who seek to launder the proceeds of crime or evade tax. The risks are higher in situations where these professionals do not apply comprehensive CDD procedures to identify the beneficial owner and the source of funds."

This is an extract from Ireland's Mutual Evaluation Report by FATF from 2017 and it highlights the role of the accountancy sector within the Irish Anti-Money Laundering (AML) framework. The Irish National risk Assessment listed the potentially vulnerable services provided by the sector as follows;

- Company and trust formations;
- Insolvency services;
- Providing financial advice;
- Providing tax advice;
- Handling client money;
- Managing client assets and financial accounts;
- Investment business services;
- Auditing financial statements; and
- Company secretarial services.

It also identified potentially higher risk clients as

- High net worth clients;
- Politically exposed persons (PEPs); and
- Other known potential higher risk clients, e.g. cash intensive businesses, construction or real estate transactions, suspected criminals etc.

The report states that the involvement of accountancy service providers can provide a veneer of legitimacy to illicit transactions.

In this role as gatekeeper, accountants have a vital role to play to prevent their services being used for criminal purposes including the funding of terrorism. In doing so it is essential that all accountancy firms have robust policies and procedures in place regarding money laundering and terrorist financing (MLTF). The role of the accountant, auditor and tax advisor regarding MLTF obligations is provided for by the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. This was recently amended by the Criminal Justice (Money Laundering and Terrorist Financing) Act 2018, which gave effect to certain provisions of the Fourth Money Laundering Directive. In this article, the '2010 Act' refers to the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended by the Criminal Justice Act 2013 and the Criminal Justice (Money Laundering and Terrorist Financing (Amendment) Act 2018.

Key Changes

The key changes introduced by the 2018 legislation were as follows;

- Greater emphasis on identification of beneficial owners of businesses
- Wider definition of politically exposed persons (PEPs) to those resident in this jurisdiction. Previously under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, designated persons must carry out enhanced measures where a customer was a "politically exposed person", meaning persons holding certain political, judicial or other offices abroad. These measures must now be applied nationally.
- A requirement to apply procedures based on an enhanced risk-based approach to assess and respond to potential money laundering or terrorist financing
- Lowering the threshold for determining whether a high-value goods dealer falls under the Act from €15,000 to €10,000

Newly Published Guidance

Earlier this year CPA Ireland through CCAB-I, published guidance on the changes introduced by the 2018 legislation. This guidance is an important part of the MLTF framework to ensure that accountants remain vigilant in their dealings with clients.

If firms have not already updated their policies and procedures in this area, this guidance is a good place to start.

Key areas for developing policies and procedures

Firms must ensure that they have written and communicated policies and procedures that deal with the following areas;

Responsibility and oversight

The legislation explicitly requires firms to:

- Monitor and manage their own compliance with the 2010 Act; and
- Ensure that policies, controls and procedures adopted in accordance with the 2010 Act are approved by senior management and that such policies, controls and procedures are kept under review, in particular when there are changes to the business profile or risk profile of the firm.

In deciding what systems to install, a firm will need to consider the type, scale and complexity of its services.

The systems should be capable of assessing the risk of a client, performing appropriate customer due diligence (CDD), monitoring clients, keeping appropriate records and enabling staff to make an internal Suspicious Transaction Report (STR) where appropriate.

The legislation requires that the business risk assessment and the firm's policies and procedures are approved by senior management.

A Money Laundering Reporting Officer ("MLRO") or other nominated officer may be appointed by the accountancy firm to manage its internal reporting procedures, taking responsibility for receiving internal STRs and making external STRs to the State Financial Intelligence Unit (FIU Ireland) and the Revenue Commissioners.

Risk based approach

An accountancy firm must have policies and procedures in place that provide for a risk-based approach to MLTF risks. A risk-based approach recognises that the risks posed by MLTF activity will not be the same in every case and so allows a firm to tailor its responses accordingly.

Risk assessment procedures must now be applied at both the client level and at the firm level and certain specified criteria must be considered.

A firm risk assessment must be conducted to identify and assess the risks of MLTF involved in the firm's business activities. The legislation requires that a firm consider at a minimum the risk factors outlined in S.30(A), Schedule 3 and Schedule 4 of the 2010 Act, e.g. the types of customers, the products and services that are provided etc. This firm risk assessment must be approved by senior management. MLTF risks at a firm level may include the possibility that the firm might:

- Be used to launder money (e.g. by holding criminal proceeds in a fund or a client money account, or by becoming involved in an arrangement that disguises the beneficial ownership of criminal proceeds);
- Be used to facilitate MLTF by another person (e.g. by creating a corporate vehicle to be used for money laundering or by introducing a money launderer to another regulated entity);
- Suffer consequential legal, regulatory or reputational damage because a client (or one or more of its associates) is involved in money laundering;
- Fail to report a suspicion of MLTF

An accountancy firm with a simple client base and a limited portfolio of services may result in a simple risk assessment for the firm – and in such circumstances a single set of policies and procedures may suffice. The risk profile of the firm should show where particular risks are likely to arise, and so where certain procedures will be needed to tackle them.

As part of the risk assessment the following should be considered;

a. the type of customer that the designated person has;

b. the products and services that the designated person provides;

c. the countries or geographical areas in which the designated person operates;

d. the type of transactions that the designated person carries out;

e. the delivery channels that the designated person uses;

f. other prescribed additional risk factors.

A risk assessment of individual clients must also be conducted and must provide for different risk categories such as: low, normal and high. Low and high-risk factors such as those set out in Schedule 3 and 4 of the Act, which include customer and geographical risk factors, must be considered.

The client risk assessment should be conducted at the start of a new business relationship and the outcome of the assessment will determine the required level of CDD required.

Customer Due Diligence

Customer Due Diligence procedures must be applied at the start of a new business relationship, at appropriate times during the lifetime of the relationship and when an occasional transaction is to be undertaken.

The components of CDD are;

- Identifying the client and then verifying their identity (i.e. confirming that identity is valid by obtaining documents or other information from sources which are independent and reliable).
- Identifying beneficial owner(s) so that the ownership and control structure can be understood and the identities of any individuals who are the owners or controllers can be known and, on a risk sensitive basis, reasonable measures should be taken to verify their identity; and
- Gathering information, reasonably warranted by the risk of money laundering or terrorist financing on the intended purpose and nature of the business relationship.

The legislation prescribes the level of CDD that should be applied in certain situations (i.e. simplified or enhanced) and a firm's risk assessment should flow through into client acceptance and ID procedures. A firm's policies should clearly identify the situations where enhanced due diligence must be applied, for example where a client is identified as a PEP.

Such procedures must consider the risk factors set out in Schedule 3 and 4 of the legislation.

Suspicious transaction reporting

An accountancy firm must make a suspicious transaction report where the firm or individual has knowledge, suspicion or reasonable grounds for suspicion of money laundering or terrorist financing arising from the firm's normal course of business.

The external reporting obligation under the legislation is to the FIU and to the Revenue Commissioners. The report to the FIU is made via the online GoAML portal.

It is essential that firms have written and communicated internal reporting lines for such reports.

Firms and their staff should be aware of the offence of prejudicing an investigation (tipping off).

Record keeping

It is important that all records created as part of the CDD process and the business relationship are retained for five years after the client relationship ends.

Firms should also be aware of the interaction between MLTF requirements and those relating to GDPR.

Training and awareness

The Act requires that ongoing training is provided.

Training programmes should be tailored to each business area and cover the firm's procedures so that individuals understand the MLTF risks posed by the specific services and types of client they deal with.

Records should be kept detailing the attendees, dates and the topics covered.

Monitoring and supervision

The CPA quality assurance regime will monitor a CPA firm's AML compliance and will assess the adequacy of a firm's risk assessment, policies and procedures, customer due diligence processes and training. Breaches of MLTF requirements may result in regulatory action for a CPA member or firm.

Members who provide services such as book-keeping services which do not necessarily require the provider to hold a practising certificate must register separately with CPA Ireland for the purposes of the legislation.

5th AML Directive

The world of MLTF is fast paced and continues to become more complex. Legislation in this area continues to evolve to keep up. The 5th AML Directive is now due to be transposed by EU Member States by January 2020.

The areas for change include the following;

- Interconnection of national Beneficial Ownership registers
- Extension of the requirement to apply CDD at times to also include "when there is a legal duty to contact the client in the relevant calendar year to review any relevant information relating to the beneficial owners".
- Introduction of an EU list to identify PEPs
- Response to the increased use of virtual currencies
- Introduces stricter measures in relation to anonymous prepaid cards
- Requirement for Member States to establish bank and real estate registers to identify bank accounts, safe deposit boxes and the legal persons owning real estate.

Such changes will require further changes to the internal policies and procedures of accountancy firms.

Emer Kelly,
Quality Assurance Manager, CPA Ireland

As part of her role she is involved in the supervision of CPA firms for AML purposes. She has also lectured on this topic and was part of the CCAB-I working group that developed AML guidance for accountancy firms.

Professional Services
How to start marketing your practice

by Mary Cloonan

Sometimes small practices haven't gotten around to thinking about their practice's public image or brand. They are busy focusing on clients, getting the billable work done as efficiently as possible and getting onto the next tax return or set of accounts that need to be completed before their deadline. Sometimes professionals operate like that for years, indeed decades.

I can understand why professional services practices are so focused they have never stopped to consider how clients and prospective clients view their practice. I frequently see practices that have dated logos, a poor website and no social media presence and it shocks me to hear that they don't think it matters. These are professionals advising businesses!

Without a doubt it does influence clients. Your clients and prospects will be influenced by a practice's lack of diligence to their image and brand. It can easily make them wonder what else you aren't staying on top of as a professional services practice. You can do without that doubt being planted in your client's mind, which is a gift to your competitor.

Perception is important because for your client, their perception is their reality. Honestly how do your clients and prospects see you and your practice? Perception plays a powerful part in your clients' businesses and lives. It should matter to you if you want to retain and build your practice.

I frequently get calls from practice owners saying they would like to discuss their practice's marketing and usually one of the following is the reason why:

- Realisation that the practice needs to take business development more seriously and the practice image is dated.
- Trouble recruiting for a role and a general feeling that the practice is viewed as unattractive by candidates.
- A hope that the practice will be attractive to a larger firm for potential acquisition in the future.
- Feeling they are losing clients on fees regularly without being able to articulate their expertise.
- Poor website and social media.

Where to start?

It can be challenging for practice owners to know where to start when it comes to marketing. My first conversation with them will focus on the following:

In 5 years' time what will your practice look like to be successful?

What is your goal? To grow? To be acquired? To focus on a new area? Do you have a strategy?

The profession in Ireland continues to evolve and if patterns of the profession in the UK and US are anything to go on one point is clear. Practices must focus on their business to be successful rather that just being busy working in it.

So, what type of practice do you want? Are you planning to grow? Your overall business strategy is the context for your market development strategy, so that's the place to start.

If you are clear about where you want to take your practice, your marketing strategy is easy to build.

Once you know what you want for your practice the next question is this.

Who is your ideal target client?

The answer cannot be everyone because you are practically saying no one. It's impossible to target all business types and sectors. Furthermore, a non-specific target means you are not specialising in any area and as practice owners know, the more general the service given to a client the less the fee.

The market has changed in the last 5 years with more and more professionals choosing to specialise in a particular area (service or sector). This means that professionals who choose to specialise are positioning themselves as experts, experts know their client's industry, and the issues and can advise clients.

In the past this may have been an option for only large firms, but the Irish market is small, built on connections and relationships, so displaying your expertise in a particular sector is far easier to establish in a smaller market than you might think. I work with a number of small to mid-sized practices that focus very successfully on specific expert areas.

In turn they compete effectively with general practice (GP) accountants and I hear all the time how a GP practice has just lost a long-term excellent client to another practice who specialise in their client's area.

Research in the USA shows that high growth, high profit firms are focused on having clearly defined target clients. The narrower the focus, the faster the growth. The more diverse the target audience, the more diluted your marketing efforts will be.

So how do you pick a specialist area? Carefully. Also remember, picking a specialist area does not prohibit you from working with clients and prospects in other areas. There are some reasonable tips when it comes to picking your sector.

- Ensure you like working with clients in the area.
- Is there potential? Problems in a sector are usually an interesting opportunity for advisers.
- Most importantly, are you committed to building your profile in this sector over a sustained period of time?

Let's say you work with a few hotels and understand the issues challenging the sector and are interested in building your profile to that sector.

Once you establish who your target audience is here are some of the key methods for building your profile with them:

LinkedIn

Build a personal profile that clearly focuses on your expertise, get well connected with stakeholders, follow relevant groups (CPA Ireland), businesses and influencers in the hospitality sector space. A frequent mistake I see on profiles is no or little contact information - ensure you list your email, phone, website, address and social media handles if you have them. Get involved in groups that are relevant to you and post regularly. If you have a practice account set up on LinkedIn as a business, use it regularly and encourage your team and clients to engage. Post at a minimum once a week, include visuals, links and call to actions with the post.

At a minimum ensure you get involved in the CPA brand building campaign and use it as an opportunity for you and your practice to make some noise on social media by sharing updates etc.

Website

Your website is your virtual presence 24/7 and the single most important brand development tool. It is the place where all your audiences turn to learn what you do, how you do it and who your clients are. Prospective clients are not likely to choose your practice solely based on your website, but it is a validation point. Prospects will easily rule you out if your site sends the wrong message.

A well written website that is concise and most importantly built to be reactive and mobile friendly is not enough. Websites in professional services have advanced significantly in the last 24 months. Ensure you are not getting left behind or making a poor impression with a dated site. This is one area professional services must take seriously as outdated sites leave the impression that the practice too could be outdated.

SEO

It's a vast area so I will just share some very quick tips to start with. Ensure your practice is listed as a business on google. There is nothing worse for your clients than being unable to use google maps to get to your office. Make sure your practice location is mapped in with full contact information, some photographs and regularly update that listing. If you have expertise in a particular area, ensure it is included here. It's very important for SEO ranking.

Also ensure you link your social media accounts back to your website and encourage engagement by listing your social media accounts on your email signature, relevant publications etc. Some practices think SEO won't help them but at a minimum, if you aren't there you are sending a message in itself.

Network

People do business with people they know, like and trust. So if you are trying to do business in a particular sector let the sector know you. Most industry sectors have an industry representative or group in this example the Hotel Federation so go along to events, seek to write in their publications, seek opportunities to speak at events and exhibits if that's an option.

"Perception plays a powerful part in your clients' businesses and lives. It should matter to you if you want to retain and build your practice."

Comment

Ensure you are well read and understand the issues of your chosen sector. Set up google news alerts for hotels in Ireland, hospitality, etc. This will ensure you are staying up to date on the issues with emails into your account with relevant news articles as often as you choose. You can then comment on the latest news on the industry and post via social media and/or write a short piece on issues relevant to the sector. Get connected to the journalists involved and offer commentary yourself. Don't forget to share the supports that will be available from CPA Ireland in terms of press releases to local papers etc

Research

Research and online polls can be a powerful method of building your profile in a specific sector. Research allows you flag wave your brand a number of times, from doing the research, reminding your audience to participate, and sharing results. Today, research using simple freely available tools such as Survey Monkey makes it very accessible for all.

Repeat

Most importantly when establishing your profile in a specific area ensure you are consistent and repeat. I see large and small practices start very enthuasticaly but only those who maintain focus will reap rewards.

Frequently I am asked if a sector focus in only for the large practice and I can tell you it certainly is an option for a sole practitioner every bit as much as a larger firm. The only requirement is commitment.

There is an ongoing challenge for professionals to mitigate again the fee race to the bottom. The power of your brand is critical in this battle. Leveraging any opportunity to profile is wise as it builds your practice name. You want your practice to be the top of mind option when a well-established prospect is unhappy with service from a current provider.

A professional services brand is best understood as your firm's reputation and its visibility in the marketplace.

My final tip for practice owners is measure, measure, measure.

A strategy is not going to work if it is never implemented. It can often happen. A great strategy is developed and started with high energy then reality intervenes. Professionals get busy with client work and other tasks get put off... then forgotten.

That's why tracking is so important. I recommend tracking both the implementation of the plan as well as results.

Mary Cloonan,

Working exclusively with professional services firms and B2B companies, Mary, founder of Marketing Clever, is a virtual head of marketing for her clients.

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Funding a Business through Crowdfunding

by Vinny O'Brien

The expression crowdfunding is a reasonably modern addition to the investment vernacular. But its principles are rooted in the history of Antarctic exploration. In 1911, Sir Edmond Shackleton started his personal crusade to conquer the dark tundra of the Antarctic.

Shackleton estimated that he would need at least £60,000 to secure two ships, and two parties of men. The first ship would sail to the head of the Weddell Sea, and a team of men would start to cross the continent with dog teams. The second ship would travel to the Ross Sea and lay food depots to be collected by Shackleton and his men during the second half of the crossing.

The Imperial Trans-Antarctic expedition was officially announced at this time.

Shackleton's preferred method of fund-raising was to approach potential donors directly. He began this process in 1913, but with little initial success. However, after the Government promised £10,000, with the stipulation that the rest was raised privately, other donations were received during the spring and summer of 1914. The Royal Geographical Society gave £1,000 and other individual donors included Lord Rosebery, Dudley Docker of the Birmingham Small Arms Company and Janet Stancomb-Will, a wealthy tobacco heiress.

Fast forward 100 years or so and there are many modern adventurers / entrepreneurs ploughing the same furrow.

Crowdfunding is being used globally as an alternative funding vehicle for many start-ups. Not being able to meet the rigours of government funding or navigating their way to finding a like minded community, crowdfunded companies pop up frequently. The model itself has many applications and provides an interesting avenue for product or equity funding when it seems traditional avenues are closed.

Crua Outdoors

Thermo Tents Limited, trading as Crua Outdoors (www.cruaoutdoors.com) are a Tralee based company using this vehicle to its optimum. It may be a coincidence that Derek O'Sullivan, the business founder, lives under the shadow of a giant statue in honour of St Brendan the Navigator, who for so many, like Shackleton, set down the path to exploration many centuries before.

Product Crowdfunding

Crua Outdoors first embarked on raising money on a platform called Kickstarter. Crua Outdoors had designed a patent pending tent and had a manufacturer ready to go, but no finance at the right level to meet Minimum Order Quantity (MOQ). Derek reverted to the community as he calls it. "We knew from research that we had a product that campers and hikers alike needed. Our design was strong and we had confidence in the market to grow this into a bigger range. Kickstarter offered a community of millions of people in one place, who were there to support product development."

At its core Kickstarter is a product discovery platform. The community is made of people who see an idea, it resonates with them and they "back it". It is done on a no risk basis. A target fund is set and if it is hit, the seller is duty bound to make and fulfil the product. If the target is not met, the project ends without obligation and with some sad founders. On their first campaign, Crua Outdoors raised nearly $60K in what was classified as sales revenue but was working capital. Now they had to make the tents and sell them. Fast forward 3 years and the team have successfully closed their "Hover Chair" earlier this year at approx. $250k raised and over 2,500 new customers. In total to date, they have raised well over €1million in working capital for product development and have 2 new campaigns ready to go live this year.

Whilst having "fun" on Kickstarter, there was the small matter of growing the business. As a direct to consumer ecommerce business, it can be hard to raise revenue in the world of private money. Crua Outdoors turned to the community. This time the platform we used was Seedrs. Seedrs is an equity crowdfunding platform for investing in start-ups and later-stage businesses throughout Europe. Seedrs was the first equity crowdfunding platform to receive regulatory approval from a financial regulator – the Financial Conduct Authority in May 2012. The company is based in East London's Tech City.

Let's take a step back.

What is equity crowdfunding?

Crowdfunding is becoming an increasingly broad term as the industry grows, but our focus is on equity investment in early-stage and growth-focused businesses.

The concept of crowdfunding originally allowed supporters of a business, individual or product to pledge funds in return for perks or just as a donation. Equity crowdfunding allows individuals to pledge funds to innovative growth-focused businesses, but in return for equity in that business, which means investors will be able to share in any future success of a company.

Why we chose Seedrs

Seedrs has a market-dominating 74% campaign success rate and it has set the record for the largest UK equity crowdfunding round in 2017 with Revolut, raising £3.9million, not including our own record-setting £6million crowdfunding round. The platform is also a full-service lifecycle platform that offers professional grade investor protections no matter how much you invest.

Another benefit we found of using Seedrs is that you will become a shareholder in a business on exactly the same terms as everyone else including professional investors such as venture capitalists if they have also invested in the campaign.

"Crowdfunding is being used globally as an alternative funding vehicle for many start-ups."

Crua Outdoors on Seedrs

Crua Outdoors has been able to raise just over £1million in equity finance on Seedrs over the last 2 years. It has enabled office expansion, hiring key staff, software purchasing and much more. Three follow on investors have taken board positions and have been able to add value at the right side of the table while helping their investment grow. It is a symbiotic relationship not always enjoyed at start-up phase.

Ireland's crowdfunding efforts are growing slowly and becoming viable options for businesses seeing other avenues and routes to growth, businessloans.ie, gridfinance.ie and linkedfinance.ie are examples of crowdfunding platforms we are more familiar with.

With Ireland's population capping at 4.5million people, maybe it's time like Sir Ernest, that we look to pastures different in order for the sail to be raised.

Vinny O'Brien,

Vinny is an Enterprise Ireland panel consultant and business mentor, specialising in eCommerce. He has worked in the industry for 12 years with companies like eBay, Arnotts and Micksgarage. Today he works as a consultant to international companies and mentors in the Irish start up community and beyond.

Vinny is also the founder of https://theecommercesummit.com/ running on October 2nd and 3rd 2019 in Tralee.
Ticket Discount code ECSEB10.

Cyber Security

by Gina Dollard

This article looks at how cybercriminals target employees and end-users to breach networks and how we can recognize threats and spot scams to prevent breaches from being successful.

Introduction

Today's cybercriminals are constantly evolving their tactics in order to overcome whatever cutting-edge security solutions organisations put in place to stop them. This means that although most businesses with mature cybersecurity programs are good at blocking the majority of threats that target them, there will always be a handful that manage to get through.

As the following case studies will demonstrate, there are a large number of cyber threats for which employee and end-user vigilance remains the best defence. The easiest way to breach a corporate network is through its users, but with the right knowledge and mind-set it's possible to recognise a threat when it arrives in your inbox and react accordingly.

Threats

Business E-mail Compromise (BEC) refers to a broad category of fraud in which a cybercriminal impersonates someone in an organisation – usually a senior manager or executive – and sends an e-mail to their direct reports asking them to transfer a large sum of money to a particular account or to pay an unexpected invoice. Despite its name, BEC only sometimes involves actual compromise of an organisation's e-mail system; in many cases a fraudster simply uses a lookalike e-mail address and hopes that the recipient won't notice the difference until it's too late.

Fraudsters who carry out BEC attacks often perform extensive research on the organisations they target. They will know which staff members are authorised to make payments and will have a good idea of the overall organisational structure of the company. For this reason, BEC fraud can be difficult to initially detect.

Credential phishing is still extremely common and increasingly targets users of cloud-based e-mail and office applications such as those offered by Microsoft and Google.

Common phishing e-mails for these kinds of services will claim that your account has been 'locked' or is about to be deleted and request that you login in order to prevent this from happening. You will then be shown a login page which looks identical to the real thing which will send your username and password to the fraudster. Although many cloud-based applications provide enhanced security mechanisms to protect against these kinds of attacks (such as two-factor authentication), it is common for smaller organisations in particular to not use them. This means that stolen credentials can easily be used to gain immediate access to employee e-mail accounts and documents.

Ransomware is a type of malware which encrypts files on infected systems and then demands a ransom payment (usually in Bitcoin or another cryptocurrency) before they can be retrieved. It remains one of the most immediate threats facing small and medium enterprises in particular, although it can even be devastating to large corporations.

Although some cybercrime groups have begun delivering ransomware via other means, the vast majority of ransomware incidents begin with an e-mail containing a malicious attachment or link. Once opened, the malware will begin to rapidly encrypt commonly-used files such as documents and spreadsheets. Modern ransomware can even spread automatically from one system to another, making it a particularly dangerous threat.

How to spot scams

All of the threats discussed above share a common trait: they all target end-users and employees. Most office workers receive dozens of e-mails every day. Cybercriminals take advantage of this by hoping that busy employees will click first and ask questions later. You can help to protect yourself and your organisation from e-mail-based threats by following a few simple guidelines.

Never open attachments or click links in e-mails you didn't expect to receive. This seems like obvious advice, but cybercriminals are still highly successful at tricking their targets into opening 'invoices' or other urgent-seeming attachments that arrive without warning. If in doubt, follow your organisation's guidelines for reporting potential security incidents before opening anything that you didn't expect to receive.

Always be wary of e-mails that carry an undue sense of urgency.

BEC in particular relies on the fact that employees might be used to receiving urgent instructions from company management. But you should always be wary of immediately carrying out instructions to make large payments with no notice.

The simplest method of spotting this kind of fraud is to pick up the phone and call the person who is supposedly making the request. It's not uncommon for employees to unwittingly interact with a fraudster over the course of several back-and-forth e-mails only for the fraud to come to light when they finally call the person they thought they were communicating with the whole time.

Of course, it also helps if organisations have separation of duty in place so that payments need to be authorised by a second employee who must independently verify the legitimacy of the initial request.

Carefully read e-mails that seem suspicious. Although cybercriminals have methods of making their fraudulent e-mails seem legitimate, there are often tell-tale signs that can give them away. They may use look-a-like e-mail addresses which appear to come from your organisation at first glance, but which are actually coming from somewhere completely different. They can also have poor spelling and grammar, although some phishing e-mails are almost exact copies of real e-mails sent by the services they purport to be from.

It's also common for e-mails with malicious links to claim that the link is for a well-known website. By hovering over the link without clicking on it you can check where it actually leads to. If the address isn't exactly what you expected based on the link's description, don't click on it.

Be careful of unexpected phone calls and SMS messages. As well as e-mail, cybercriminals also carry out fraud using so-called 'vishing' (voice phishing) and 'smishing' (SMS phishing). These techniques can be particularly effective because they can appear more legitimate than e-mail, where most people are used to receiving a certain amount of spam.

It's generally a good idea to refrain from clicking links in SMS messages and to hang up if you feel that an unsolicited caller on the phone is asking you to do something you're not comfortable with.

Cautionary tales

In late 2018 the Dutch branch of the cinema chain Pathé suffered a multi-million-euro loss as a result of a BEC fraud. Cybercriminals impersonated an employee from the company's French parent firm and sent an e-mail to the CFO requesting that he make a transfer of €800,000 as part of a 'confidential' acquisition.

The company's CFO and CEO complied with the request and with several more that followed, ultimately sending over €19 million. Both employees were dismissed as a direct result of their actions.

This incident shows that BEC fraud can be highly lucrative if a fraudster can find the right target.

Aluminium manufacturer Norsk Hydro was forced to take many of its operational systems offline following a devastating ransomware attack earlier this year. The malware spread throughout the company's network, affecting over 100 of its plants around the world. As a result, staff were forced to manually perform work that would have normally been performed by its computer systems.

The company refused to pay the ransom, but the estimated cost of the attack still reached €45 million. That included lost revenue due to closed factories and the extensive 'clean-up' operation needed to remove the malware and restore functionality across its network. These kinds of secondary costs can often end up being enormous in cases where malware has managed to spread to many dozens or hundreds of machines.

Conclusion

The cyber-threats profiled in this article are ones that pose a major risk to virtually every organisation that has any kind of internet or e-mail presence (which is to say, almost all of them).

It can sometimes seem that major cybersecurity incidents happen out of the blue and that ordinary employees are powerless to do anything about them. Hopefully the examples provided in this article demonstrate that major cyber-threats often rely on relatively simple social engineering techniques to gain access to the organisations that they target, which means that anyone can potentially be the difference between a thwarted cybercrime campaign and a successful one.

That puts more responsibility on staff who probably don't think of 'cybersecurity' as being part of their role, but it also means that everyone has an opportunity to be the reason why their organisation avoided that major BEC fraud or ransomware attack.

"Credential phishing is still extremely common and increasingly targets users of cloud-based e-mail and office applications"

Gina Dollard,
Head of Security Operations at AIB

Gina leads a team of cybersecurity experts. The Team provide threat intelligence to highlight and mitigate cyber risks to the business; perform incident response and forensic investigations; and engage in intelligence sharing with national and international partners.

Institute News

CPA Ireland Skillnet launch two new Diplomas!

CPA Ireland Skillnet is delighted to launch two new Diploma courses in **Forensic Accounting** and **Data Analytics**, commencing in the final quarter of 2019. These were two of the topics most requested by members in our 2018 Training Needs Analysis Survey.

Each Diploma offers **40 hours of CPD split over two years,** making them the ideal way to complete you CPD requirements for the current 3-year cycle.

Places limited so book now at **www.cpaireland.ie** to avoid disappointment.

Diploma in Forensic Accounting

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

Key Details:

Method: 5 full days & final assessment

Location: CPA Ireland HQ, 17 Harcourt St, Dublin 2

Date: 11 October 2019 - 6 March 2020

CPD Credit: 40 hours (8 hours per day)

Cost: €1550 (non-members: €1750)

Diploma in Data Analytics

This course will provide a high-level understanding of the main concepts associated with data analytics and how decision makers use analytics to formulate and support them in solving business problems and communicating that analysis to a management team.

Key Details:

Method: 5 full days & final assessment

Location: Dublin & online via live streaming

Date: 22 November 2019 - March 2020

CPD Credit: 40 hours (8 hours per day)

Cost: €1550 (non-members: €1750)

Pictured at the launch:
Patrick D'Arcy, Director Forensic & Investigation Services Grant Thornton, Paul Healy, Chief Executive, Skillnet Ireland and Dr Brian Byrne, lecturer TUD

Take your Business Anywhere with a CPA

This September, CPA Ireland ran both digital and radio campaigns to further increase the brand awareness of CPA Ireland members and firms in the SME market. The campaign highlighted the value that CPAs contribute to businesses in Ireland.

As members have a vast geographic spread the radio campaign ran on Newstalk and also on 25 local stations from 9 September to 23 September at commuter times.

A paid digital campaign to support radio also ran from 1 September to 30 September 2019 on LinkedIn, Twitter, Google Search and Facebook.

The team at CPA Ireland worked with members in Practice to develop strong, coherent value propositions and based on this research, the theme of the campaign is 'Take your Business Anywhere with a CPA'. Full details of these value propositions can be seen on www.cpaireland.ie .

New Member Firm window stickers updated with the new brand were sent to all firms along with tips for leveraging the campaign and tips for increasing online presence, with or without a website and social media tips.

Gearóid O'Driscoll, President, CPA Ireland, Gillian Peters, Director Business Development, CPA Ireland and Eamonn Siggins, CEO CPA Ireland

CPA Ireland Launches new Trainee Placement Service

CPA Ireland are acutely aware of the challenges facing organisations when it comes to trainee recruitment and as a result, we have launched a brand-new service to support CPA Ireland members and employers nationwide.

The trainee placement service is unique to CPA Ireland and offers members and employers alike support with sourcing top trainee talent that will help drive your business forward.

By engaging with the CPA Ireland Trainee Placement Service, you will:

- Eliminate recruitment agency and advertising fees from your staffing budget.
- Exclude candidate sourcing, screening and interview scheduling from your recruitment process.
- Access a diverse range of candidates including graduates, accounting technicians & leaving cert students.
- Acquire an in-demand skills-set as all trainees will pursue the cutting-edge CPA Qualification.

For further details contact Caroline Maloney, Business Development Executive at cmoloney@cpaireland.ie or on 01 425100.

CPA Ireland Leadership Programme 2019

In August, CPA Ireland were delighted to once again host a strong delegation of senior members of the Association of National Accountants of Nigeria (ANAN) who visited Ireland for the 5th CPA Ireland Leadership Programme.

The programme consisted of three full days of lectures at the Irish Management Institute (IMI) in Sandyford, Dublin.

The topics covered in the lectures were:

1. **Effective Leadership**
2. **Ethical Leadership**
3. **Leading Through Change**
4. **Leadership Resilience**

During the programme, 12 members of the delegation availed of the Mutual Recognition Agreement between CPA Ireland and ANAN to apply for CPA Ireland membership.

The programme concluded with a conferring ceremony in CPA Ireland headquarters, at which all delegates were presented with certificates by the CPA Ireland President, Gearóid O'Driscoll.

Director Education

Last month Paul Heaney, Director Education, retired from CPA Ireland after 15 years. Pauls contribution over the 15 years with CPA Ireland was exemplarily. President, Council and all the staff at CPA Ireland would like to wish Paul all the best in his retirement and for the future.

Pictured with Paul Heaney is Gearóid O'Driscoll, President, CPA Ireland and the new Director of Education, Deirdre McDonnell who commenced in the role in September. Deirdre who qualified as a CPA in 1990 previously worked in CPA Ireland as Director of Member Services from 1996 to 1999, and as Director of Business Development from 2014 to 2016.

Deirdre comes to CPA Ireland at a crucial time as CPA Ireland work on developing and rolling out the new syllabus for the CPA qualification.

"I am looking forward to working with the Education team at CPA Ireland to ensure that we are at the leading edge of the new generation of professional accounting education".

Paul Heaney, Outgoing Director Education, Gearóid O'Driscoll, President CPA Ireland and Deirdre McDonnell, Director Education.

CPA Ireland Golfing Society - President's Prize

The CPA Ireland Benevolent Fund received a boost in income of €1,300 from the generosity of the players and sponsors who supported the President's Prize outing in Powerscourt on Friday 26 July 2019.

Pat McCrohan, Director, CPA Ireland Benevolent Fund, in receiving the cheque from the Golfing Society President, Richard O'Hanrahan, reminded participants that the aim of the Benevolent Fund is to provide financial assistance to members, students and/or their dependents who find themselves in financial difficulty.

"Members have the opportunity to contribute to the Benevolent Fund at time of subscription renewal and I would encourage more members to do so. Life can take some unexpected twists and there is no accounting for fate. As a community of CPAs, it is essential that we have a well-resourced Benevolent Fund to help those who need support" said Mr McCrohan.

Richard O'Hanrahan expressed his appreciation to the CPAs and their guests who golfed, to Powerscourt, to the main sponsors Arena Capital Partners Ltd and to all the other generous sponsors.

The winners on the day in the Team of 4 Champagne Scramble:

1. **Team Jimmie Kelly**
2. **Team Paul Wrafter**
3. **Team Brendan Allen**

Nano Brennan was elected Captain of the CPA Golfing Society for 2020, the first lady to be so elected, taking over from Andy Callanan.

Jimmie Kelly won the President's Prize and hopes to defend the perpetual trophy in Powerscourt again next year.

Richard O'Hanrahan was **"very pleased with the 2019 turnout and we hope to grow the event in 2020. We will be hosting in Powerscourt again and will be supporting the CPA Ireland Benevolent Fund. I hope members will be generous through participation and through sponsorship."**

Pictured is Pat McCrohan, Director, CPA Ireland Benevolent Fund and Richard O'Hanrahan, Golfing Society President.

CPA Ireland Membership Changes:

Resignations:

007076 Ann Behan 10/05/2019

002763 Frank McCooey 20/05/2019

022234 Bernard van der Poll 22/05/2019

022983 Ritesh Garg 24/06/2019

Removals:

022232 Neha Kaushik 09/05/2019

001748 Patrick Lennon 16/05/2019

022233 Anthony Surulere Ayeni 02/07/2019

000318 Brian Martin Desmond 02/07/2019

006743 Bridget Barden 02/07/2019

000855 Caroline A Meaney 02/07/2019

015070 Claire O'Neill 02/07/2019

002830 Conor McArdle 02/07/2019

001702 James G Kelly 02/07/2019

015403 Judith Condell 02/07/2019

016055 Kapil Rana 02/07/2019

005013 Kate O'Brien 02/07/2019

005273 Lorraine Keane 04/07/2019

015556 Louise Mary O'Donnell 04/07/2019

007374 Louise Sullivan 04/07/2019

006386 Margaret Donohoe 04/07/2019

004939 Mary Lacey 04/07/2019

003084 Mary P. Bourke 04/07/2019

007622 Michelle Bergin 04/07/2019

006103 Mohamed S. Al Ahbabi 04/07/2019

005276 Mun Koo 04/07/2019

020152 Murtaza Hussain Jaffri 04/07/2019

015167 Olga Zorroza 08/07/2019

005061 Patrick O'Donovan 08/07/2019

007861 Roisin Ebbs 08/07/2019

018394 Rungano Kandandambi 08/07/2019

006910 Siobhan McAllen 08/07/2019

003715 Susanna Black 08/07/2019

021589 Venkata Seshu Aravind Kumar Marri 08/07/2019

015661 Veronica Flynn 08/07/2019

005486 Yat Tung Tang 08/07/2019

020154 Zohair Shahid 08/07/2019

CPD News

CPD Wrap Ups 2019

With 2019 being the last year of the current CPD cycle, make sure that you don't end up with a shortfall on your structured hours. The CPD Wrap Ups will take place over two days in December, in Cork and Dublin.

By attending the two days, attendees will gain 16 structured hours over a variety of topics including: Tax, Investments & Pensions, Law & Regulation, Customer Relations & much more.

Key Details:

Date: 11th & 12th December 2019

Dublin: Carlton Hotel, Blanchardstown

Cork: Radisson Hotel, Little Island

CPD Credit: 16 hours

Cost: €340/€390

Book now:
www.cpaireland.ie/cpd

Certified Tax Adviser – Still time to enrol on the 2019/2020 course

Develop your Tax Knowledge on the go!

Flexible learning options make CPA Ireland's Certified Tax Adviser (CTax) course the most convenient way to earn your Advanced Tax Qualification. We are still taking bookings for the 19/20 course which commenced on 7th September. All lectures are recorded so you can catch up online!

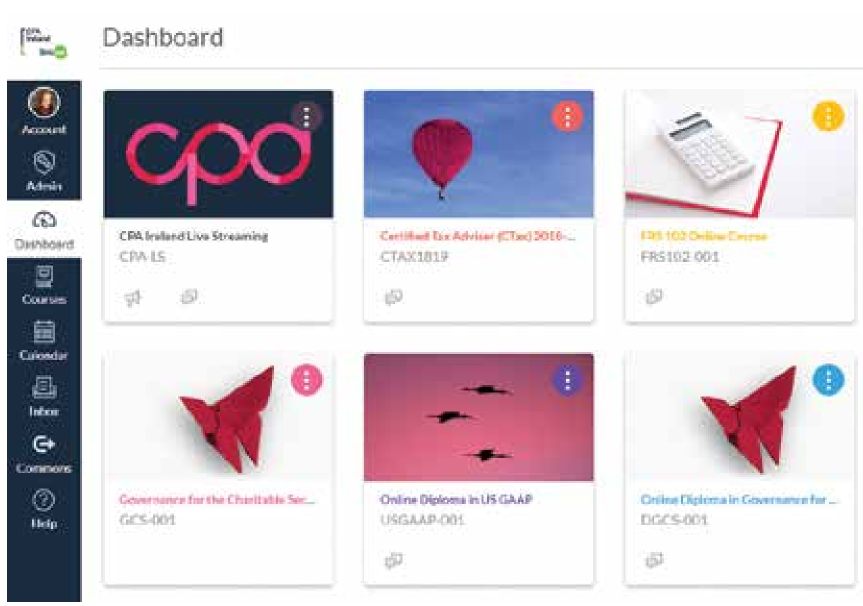
Participants will be given access to CPA Ireland's bespoke online learning platform, Canvas, where you can view the live stream of all lectures, as well as accessing additional resources such as articles and exam tips & techniques, notes, past exams and assignments.

Everything at your Fingertips

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

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

Book now:
cpaireland.ie/ctax



CPA Industry Matters Conferences 2019

This year's Industry Matters Conference offers accountants employed in industry, not just an opportunity to get up to date on technical issues, but also to hear from and engage with top business leaders providing interesting content and new ideas enabling them to adapt to the changing needs of their business environment.

The conference also provides a unique networking opportunity with colleagues, peers and leading subject matter experts from across the spectrum, and the chance to discuss the issues and challenges you face with fellow professionals.

Key Details:

Dublin: 11th & 12 October, Carlton Hotel, Blanchardstown

Cork: 18th & 19th October, Rochestown Park Hotel

Friday: 9.30am – 5pm
Saturday: 9am – 1pm
CPD Credit: 12 hours
Cost: €295/€345
Book: www.cpaireland.ie/cpd

CPA Ireland's further learning suite

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

Complete your CPD hours with CPA Irelands suite of online further learning courses. With 2019 being the last year of the current CPD cycle, don't leave yourself short of structured hours. CPA Ireland's further learning suite offers a range of Certificate, Diploma & Online courses to develop your skills and professional knowledge.

These courses can be accessed at a time and place that suits you. Our new Learning Management System, Canvas enhances your learning experience and organises all of your eLearning into one location that can be accessed from your computer or smart device.

What further learning courses can I do online?

Diploma in US GAAP

Diploma in Governance for the Charitable Sector

Online course in FRS102

https://www.cpaireland.ie/CPD/Further-Learning-Courses

CPA Ireland Skillnet Women in Business events

CPA Ireland Skillnet, with thanks to the kind sponsorship of AIB, hosted two Women in Business Events in Dublin and Cork. The event provided female professionals the opportunity to share leadership strategies, build their own networks and hear from successful female leaders and entrepreneurs.

Both evenings were a huge success. Speakers included Katherine Lynch, AIB Branch Manager, Patrick Street, Cork; Rosie Fitzgerald, Creative Director, BBC iPlayer; Aine Collins, CPA Ireland Vice President; Katie Daughen, Head of Brexit Policy, British Irish Chamber of Commerce and Michelle Mc Greal, Head of Diversity and Inclusion, AIB.

Leandra Macari, Market Engagement, AIB stated that "AIB is proud to be backing the CPA Ireland Women in Business event. CPA's support and commitment to their members is synonymous with AIB's purpose to back our customers to achieve their dreams and ambitions." Katherine Lynch, AIB Branch Manager, Patrick Street Cork, spoke at the Cork event about the importance of Communication and Leadership within an organisation.

Pictured left to right - Maureen Kelly, Knowledge Manager, CPA Ireland; Katherine Lynch, AIB Branch Manager, Patrick Street, Cork; Rosie FitzGerald, Creative Director, BBC iPlayer and Leandra Macari, Market Engagement, AIB

Pictured left to right - Lorraine Greene, Market Engagement Manager, AIB; Michelle Mc Greal, Head of Diversity and Inclusion, AIB; Katie Daughen, Head of Brexit Policy, British Irish Chamber of Commerce & Rosie Fitzgerald, Creative Director, BBC iPlayer.

Location	Dates	Title	Price	NM Price	CPD Credit
Dublin	05/10/2019	Succession Planning	€250.00	€295.00	6 hours
Livestreaming	05/10/2019	Succession Planning	€250.00	€295.00	6 hours
Dublin	11/10/2019	Diploma in Forensic Accounting	€1,550.00	€1,750.00	40 hours
Dublin	11/10/2019	Industry Matters Conference	€295.00	€345.00	12 hours
Cork	18/10/2019	Industry Matters Conference	€295.00	€345.00	12 hours
Dublin	12/11/2019	Accountants in Industry	€235.00	€285.00	8 hours
Athlone	13/11/2019	Accountants in Industry	€235.00	€285.00	8 hours
Limerick	14/11/2019	Accountants in Industry	€235.00	€285.00	8 hours
Cork	15/11/2019	Accountants in Industry	€235.00	€285.00	8 hours
Dublin	18/11/2019	Accounts Regulation for Charities	€95.00	€125.00	3 hours
Cork	19/11/2019	Strategy for Accountants	€235.00	€285.00	8 hours
Athlone	20/11/2019	Accounts Regulation for Charities	€95.00	€125.00	3 hours
Dublin	21/11/2019	Strategy for Accountants	€235.00	€285.00	8 hours
Dublin	22/11/2019	Diploma in Data Analytics	€1,550.00	€1,750.00	40 hours
Livestreaming	22/11/2019	Diploma in Data Analytics	€1,550.00	€1,750.00	40 hours
Dublin	23/11/2019	Tax Issues of Employment Income	€250.00	€295.00	6 hours
Livestreaming	23/11/2019	Tax Issues of Employment Income	€250.00	€295.00	6 hours
Limerick	25/11/2019	Accounts Regulation for Charities	€95.00	€125.00	3 hours
Cork	26/11/2019	Accounts Regulation for Charities	€95.00	€125.00	3 hours
Galway	26/11/2019	Essential Professional Briefing	€235.00	€285.00	8 hours
Kildare	27/11/2019	Essential Professional Briefing	€235.00	€285.00	8 hours
Dublin	28/11/2019	Essential Professional Briefing	€235.00	€285.00	8 hours
Limerick	03/12/2019	Essential Professional Briefing	€235.00	€285.00	8 hours
Kerry	04/12/2019	Essential Professional Briefing	€235.00	€285.00	8 hours
Cork	05/12/2019	Essential Professional Briefing	€235.00	€285.00	8 hours
Dublin	06/12/2019	Annual Audit Day	€235.00	€285.00	8 hours
Livestreaming	06/12/2019	Annual Audit Day - Livestreaming	€235.00	€285.00	8 hours
Dublin	07/12/2019	Corporation Tax - Specialist Issues	€250.00	€295.00	6 hours
Livestreaming	07/12/2019	Corporation Tax - Specialist Issues	€250.00	€295.00	6 hours

Location	Dates	Title	Price	NM Price	CPD Credit
Webinar	17/09/2019	Digital Marketing Webinar	€29.00	€36.00	1 hour
Webinar	18/09/2019	Economic Update Q3	€29.00	€36.00	1 hour
Webinar	19/09/2019	e-briefing 3	€29.00	€36.00	1 hour
Webinar	24/09/2019	Peak Leadership Webinar 1	€105.00	€130.00	4 hours
Webinar	25/09/2019	External Audit of the Credit Unions	€29.00	€35.00	1 hour
Webinar	26/09/2019	Business Valuations for Tax Purposes	€29.00	€36.00	1 hour
Webinar	27/09/2019	VAT Update	€29.00	€36.00	1 hour
Webinar	01/10/2019	Peak Leadership Webinar 2	€105.00	€130.00	4 hours
Webinar	08/10/2019	Peak Leadership Webinar 3	€105.00	€130.00	4 hours
Webinar	10/10/2019	Budget 2020 Webinar	€0.00	€36.00	1 hour
Webinar	15/10/2019	Peak Leadership Webinar 4	€105.00	€130.00	4 hours
Webinar	25/11/2019	Winter Tax Webinar Series 2019	€105.00	€130.00	4 hours
Webinar	25/11/2019	Winter Tax Webinar 1	€29.00	€35.00	1 hour
Webinar	26/11/2019	Audit Webinar 1 - Winter 2019	€29.00	€35.00	1 hour
Webinar	26/11/2019	Audit Webinar Series Winter 2019	€105.00	€130.00	4 hours
Webinar	29/11/2019	Frequently Asked Technical Queries	€0.00	€36.00	1 hour
Webinar	02/12/2019	Winter Tax Webinar 2	€29.00	€35.00	1 hour
Webinar	03/12/2019	Audit Webinar 2 - Winter 2019	€29.00	€35.00	1 hour

Student News

Examinations Notice – August 2019

The results of the August 2019 examinations, which were held in four venues in Ireland and six overseas, will be available online on Friday 11 October 2019, six weeks after the final examination.

To access results, students should log on to their 'MyCPA' profile online. Good luck to all students who sat examinations in August and are awaiting results and congratulations to those students who have already achieved exam success in 2019!

Educators' Conference

The Annual Educators' Conference will take place on Saturday 5 October. This is an important element of the on-going communications between the Institute and its Approved Educators. Participants include, lecturers and other representatives of Approved Educators, Examiners, Moderators, members of the Institute's Education and Training Committee, the Examinations Executive, Student Development Executive and the Director of Education and Training.

The focus of the conference will be the CPA Ireland syllabus and assessment standards, teaching and learning and related communications. The aim is to enhance, as appropriate, the synchronisation between each of these elements.

Mark O'Sullivan, CPA Student

Mark O'Sullivan works in Grant Thornton as a member of the advisory team based in Cork city. Originally from Carrigaline, Mark has just sat his first Professional 2 exam in August. He aims to be qualified in 2020, following the completion of the remaining P2 exams in April.

After college, Mark worked as a credit analyst and case manager with a big financial institution. In 2016, he decided to pursue a career in accountancy.

"I chose CPA Ireland to enhance and develop my accountancy skills, knowledge and experience, while also being rewarded with an internationally recognised qualification that I could rely on throughout my career," Mark explains.

"As I was working full time, CPA was also my first choice due to the flexibility that it offers students in preparing for and sitting examinations. To date I have been studying for CPA through Griffith College's online lectures, which provides me with the flexibility to view lectures in my own time.

This flexibility allowed me to study and prepare for exams at my own pace, which I feel is one of the key factors in succeeding. CPA Ireland also provides a wide array of student supports and career opportunities."

Mark stresses that study is the key to success with CPA Ireland.

"Asking plenty of questions, not just in the classroom but also in the workplace, will help bring some real-life examples and experience to your study.

CPA is a hard-earned qualification that you will have for rest of your life, and it will be a reflection of the work put in throughout all those countless evenings and weekends of studying."

New Employers & Supervisors

CPA would also like to extend our welcome to all of the new employers and supervisors who have joined the programme over the last year and we greatly look forward to working with you over the coming years.

Many employers over the years have asked to become subscribers to our monthly student news e-bulletin communication in order for them to keep informed of important news or developments relating to the training requirements of their trainees. If your employer would like to become a subscriber please email details to training@cpaireland.ie

Professional 2 Students: Application to Membership Notice

The following information will be of particular interest to Professional 2 (P2) students who are aiming to successfully complete their P2 examinations in August 2019 and who intend to apply for membership of the Institute in 2019. Students that had passed the P2 examinations previously were invited in June to apply for membership.

The Institute will issue an "Application to Membership Pack" to all students who successfully completed their P2 examinations in August 2019.

As there are only three weeks between the date that the results are issued and when the applications are due for submission, we strongly encourage all students to gather, as soon as possible, the relevant information so as to be able to submit their application documentation on time.

The following documents, if not previously submitted to the Institute, should be submitted with each application to membership.

1. **Application Form.**
2. **Two Employer References on headed paper.**
3. **Training Records (evidencing 3 years relevant supervised training, if not previously submitted to the Institute).**
4. **Competency Guide & Return (evidencing four in-depth competence records and all the behavioral attributes).**
5. **ECDL Certificate or Certificate of IT Competence (if not previously submitted to the Institute).**
6. **Admission Fee: €732.**
7. **Conferring Invitation Form.**
8. **Student ID Card.**

Please also note:

This year's Conferring Ceremony is scheduled to take place on Saturday 7 December 2019 in O'Reilly Hall, UCD, Dublin 4. Mandatory induction training must be completed in advance of the Conferring Ceremony.

Fully completed Application to Membership Packs must be received in the Institute by Friday 1 November 2019, from those students who are invited to apply for membership following the August 2019 examinations.

There is no guarantee that any late application will be reviewed and processed.

Students who:

- **Satisfy the entry requirements for admission to membership,**
- **Fully comply with the Application to Membership Process, and**
- **Pay the appropriate fees,**

will receive written confirmation of their approval for admission to membership and a formal invitation to the Conferring Ceremony and induction training.

Please note, the above Application to Membership fee does not include the Annual Member Subscription for 2020, which, for members, falls due in January 2020. The Annual Member Subscription for 2019 is €599.

We greatly look forward to meeting with you in UCD and welcoming all successful applicants into membership.

If you have any queries regarding the Application to Membership Process, please contact Réidín at training@cpaireland.ie or 01 425 1022.

Welcome to all of our new CPA students!

On behalf of CPA Ireland, the Education & Training Department would like to welcome all newly registered students! You may be aware of the Institute's 'open door policy' and you are encouraged to avail of this.

Please feel free to contact us with any questions you may have regarding your study, examinations or training. Feedback from CPA Ireland students is essential to the Institute's continuous improvement processes and its 'open door' is one important channel.

Others include class visits by representatives of the Institute, online surveys, regular meetings with Approved Educators, examView (feedback from students during examination diets), the annual Educators' Conference, social media and the more traditional channels such as e-mail and telephone. We look forward to hearing from you while you train to become a Certified Public Accountant.

At the start of each month you will receive the monthly Student News e-bulletin so ensure to keep a close eye on your inbox.

This is essential reading for any CPA Ireland student as it will keep you informed and up to date on Institute news, such as deadlines for applying for examinations, and also provide you with important insights into the areas of taxation, business and practice. Articles directly related to the CPA Ireland syllabus are also included on a regular basis.

As a student it is imperative that you familiarise yourself with the CPA Study Support section of the Institute's website where you will find a wealth of resources.

In addition to accessing the syllabus, you can access past papers and suggested solutions, articles, webinars, briefing documents and other important information. Remember, articles published in previous academic years may still be relevant reading so you are encouraged to read all articles that have been published to date.

You should also be aware of the Institute's requirement for all students to log and submit their training on a regular basis. Information about training can be found on the CPA website (https://www.cpaireland.ie/Current-Students/Training)

It is also important that you keep your 'MyCPA' online profile updated and accurate. If you change address, employer, phone number etc. update your online account to include the most recent details, otherwise you may miss out on important communications from the Institute. You will also use MyCPA to pay for your annual student subscription and to apply for examinations. Please note that a student may not apply for examinations if there are unpaid annual subscriptions or exemption fees in his / her account.

We look forward to meeting many of you during the academic year and to supporting you in realising your ambition to become Certified Public Accountant.

CPA Approved Educators Update 2019/2020

The list of CPA Approved Educators for 2019/2020 is available on the CPA website www.cpaireland.ie. They offer both class room and e-learning options. Many students value the flexibility offered by e-learning options as it means that you can study from home regardless of your location at a time that suits you!

Students are advised to contact the individual CPA Approved Educator directly for further information regarding course times, fees, etc. Please be advised that classes are run subject to demand.

Class Visits 2019/2020 Academic Year

The Institute will commence a series of class visits to each Approved Educator in the new academic year. The class visits provide new and existing students with an opportunity to meet with staff from the Education & Training Department. The class visits enables us to welcome new students as well as provide students with an overview of the CPA processes including examinations, training and competence development, etc. It is also an opportunity for students to discuss any queries they may have directly, in a relaxed and friendly environment.

Annual Student Subscription

The annual student subscription is now due for 2019/2020. Invoices have been sent by email to all students. In order to make payment, please log in to your MY CPA Profile.

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.

The views expressed in items published in Accountancy Plus are those of the contributors and are not necessarily endorsed by the Institute, its Council or Editor. No responsibility for loss occasioned to any person acting or refraining to act as a result of material contained in this publication can be accepted by the Institute of Certified Public Accountants in Ireland.

The information contained in this magazine is to be used as a guide. For further information you should speak to your CPA professional advisor. Neither the Institute of Certified Public Accountants in Ireland or contributors can be held liable for any error, or for the consequences of any action, or lack of action arising from this magazine.