

September Issue 2024

Accountancy Plus

The Official Journal of CPA Ireland



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IRELAND

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BARDEN

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CPA President and Vice Presidents, Past Presidents, Council Members, Liam Donnelly winners and CPA Staff come together to celebrate CPA Ireland and the final edition of the Accountancy Plus journal.



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Thank you to Gary!

Gary, on behalf of CPA Ireland we want to extend our heartfelt thanks for your unwavering dedication and invaluable contributions to Accountancy Plus over the past 25 years. Your commitment has enriched our journal and enabled us to create a valuable contribution to the accountancy community.

Your journey with us has been marked by numerous milestones, the most notable being the seamless transition of Accountancy Plus to a fully digital publication. This transformation was no small feat and required vision, innovation, and resilience. Your support and engagement during this period was instrumental in ensuring that we stayed ahead of the curve, providing our readers with timely, insightful, and accessible content in a rapidly evolving digital landscape.

As we publish this final edition of Accountancy Plus we want to thank and acknowledge Gary for being an integral part of our journey and for helping shape Accountancy Plus into the excellent publication it is today.

Many thanks

Róisín McEntee, Trish O’Neill,
Eamonn Siggins and CPA Staff &
Council

Editorial

Accountancy Plus
September 2024

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President's Message

Welcome to the September 2024
edition of Accountancy Plus.



It is with mixed feelings that I write this President's message for the final edition of the CPA Ireland journal, Accountancy Plus. First and foremost, I am incredibly proud of everyone who has been involved in ensuring the amalgamation with Chartered Accountants Ireland would go ahead. My thanks to the members of Council who have led from the front along with our Chief Executive, Eamonn Siggins, the staff at CPA Ireland and you, the members, who voted overwhelmingly in favour of this course of action. The phrase that has been used most often over the past few months is, "it is very much a head versus heart decision" and while we acknowledge this as a positive move for the Accountancy Profession, both in Ireland and globally, we are also mindful of the very real emotional attachment we have to CPA Ireland.

Council is now focused on delivering the members' decision to amalgamate with Chartered Accountants Ireland on the 1st of September 2024. Significant work is in progress to bring both organisations together at member, student and staff levels so that we can move forward as the sole Irish based professional accountancy body on the island of Ireland. From the 1st of September 2024 members of the association will be entitled to use the dual designation of CPA/FCPA and/or ACA/FCA.

The accountancy profession is facing a generational challenge in terms of its attractiveness to new entrants, the rapid development of emerging technologies, the ongoing climate crisis and increased engagement with regulators, standard setters and policy makers. It is the stated ambition of both CPA Ireland & Chartered Accountants Ireland that combining the strengths of each organisation will lead to a stronger voice and better representation for members

and offer an enhanced member proposition which would attract new candidates for the qualification and provide more contemporary and accessible service.

Accountants are fundamental to business success, to supporting sustainability and to creating value, in Ireland and around the globe. Opportunities and employment options for qualified accountants are equally wide ranging and inspiring. The roles for accountants persist during periods of boom and downturn. The profession has however been somewhat underrated by school leavers in recent years as schools, colleges and universities awaited a review and update to the Leaving Certificate accountancy curriculum. This is now underway and it will be important to engage and influence the curriculum so that students can see the purpose and opportunity in a career as an accountant.

As a champion of SMEs and the accountants who work in and advise these companies we will continue to ensure the needs of the SME sector are fully supported. SMEs are the bedrock of the Irish economy, and they rely on our expertise and knowledge to support growth and influence national policies.

Finally, I would like to take this opportunity to thank all members and students of CPA Ireland for supporting your Institute and showing pride in your qualification. I have no doubt that you will continue to represent the accountancy profession to the highest of standards.

Clodagh Henahan
President CPA Ireland

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CPA Profile

John Galligan



Title: Finance & IS Manager

Company: CPA Ireland

Qualifications: CPA



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

It was never a conscious decision to pursue a career in accountancy. When I finished college, I wanted a recognisable business qualification that would stand to me, and an accounting qualification seemed a logical fit, as well as equipping me with a set of skills useful in any business.

Looking back now, we had a small family business in Cavan, and from an early age I was involved in the daily cashing up, ordering of supplies and pricing, so obviously something struck a chord.

Why did you choose CPA Ireland as your qualification route?

I hadn't studied accountancy at secondary school, so I wanted to start from scratch without any exemptions. The first-year accountancy exams for CPA Ireland almost exactly mirrored my university subjects.

At the time I was working as a trainee with a Chartered practice in Dublin, but I knew that emigration was likely, and CPA offered a more flexible learning and exam route. I did emigrate to the UK for a period and CPA proved flexible, even to the point of sitting most of my exams in London.

Please provide a brief history of your career.

As mentioned, I started in a practice firm for about 12 months in Dublin after university which was an incredible learning experience and started my interest in pursuing a career in finance.

I moved to London in 1989 when unemployment was high in Ireland

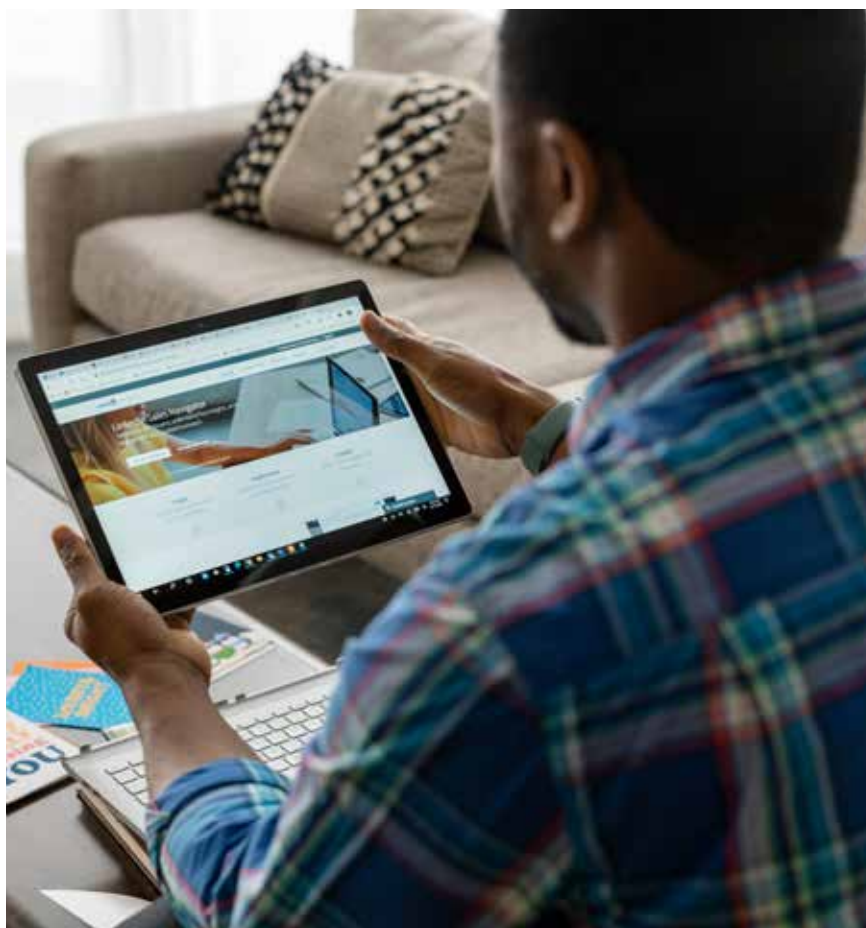
and secured a position within the finance department of Johnson Matthey (a leading producer and refiner of precious metals such as gold, silver, platinum, and palladium), based on North London, after working there for a period as a temp. I spent 11 years there in various finance roles and eventually relocating to their facility in Hertfordshire.

During the last years at Johnson Matthey and subsequent roles, I have become more involved in finance projects and system implementations as I have a preference for this area of finance and have developed an aptitude for problem solving finance processes. Continuous improvements

and development of finance systems to drive automation is a passion.

By the time I had qualified and met my wife to be, we decided to return to Ireland. I immediately was offered a job working in Fermanagh for the Quinn Group as Group Systems Accountant at a time of unprecedented growth within the company. This role led me to Quinn Direct Insurance and Liberty Insurance in what proved to be a real learning experience as a finance system specialist.

When I moved to CPA Ireland in 2015, I was aiming for more of a Finance role with less systems and out of hours work. It's fair to say I now have



the perfect balance of lots of variety and lots of work.

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

My first thought was capability: the ability to cope in any situation and the grounding to understand that everything is solvable. I feel as a CPA I can deal with most situations or challenges, and then there's always Google!

What has been your biggest career achievement?

I'll start with passing my CPA exams, as it gave me the passport to my career and was a significant achievement while I worked a full-time job concurrently.

However, during my career, there were many times in Quinn Insurance when my team and I developed and implemented ingenious design solutions. We liked to simplify the process, rather than complicate it, and there were always new challenges. There's nothing like working in a high performing team that operates as one cohesive unit. As a team we were agile, forward thinking and given the freedom to implement the best solutions. Those times were the highlight, as even a small systems improvement had a big impact due to the quantity of daily transactions.

What or who inspires you most in business?

My wife, as she is a firm believer that success cannot be measured on a

spreadsheet. There are intangibles that accrue just by looking after your staff properly. Building a strong team is challenging, but patience is key – she has shown me that it is important to choose colleagues who will benefit the team, not just the role. I see her work smart, encourage innovation and celebrate success within a business where trust is a given. She encourages me to push myself out of my comfort zone, always has my back, is my best mentor and ensures my moral compass is always working!

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

If currently studying, it is really hard work, especially if you are also working full time or active in sports or other outside interests, but very much worth it in the end. Stay strong!

For recently qualified, there are many different avenues to pursue and many not confined to finance. I've had some great experiences and opportunities, so look around at what's out there, be picky, choose the company that feels right for you, don't be afraid to travel or work outside your comfort area, as the experience you gain is worth it.

How do you unwind?

When I was younger, I played football at the weekends, and then always a weekly 5-a-side game or two. Now it's travelling with the family as much as possible, reading, music and home time as my wife travels a lot with work. I completely switch off at the weekends, a pleasant change from a prior life doing weekend system implementations. Living in rural Ireland is a nice contrast to working in Dublin, and hybrid working allows for a better balance without the commute, the downside is that I always have jobs in the garden!

What traits do you admire in others?

People who do the right thing, rather than the easy thing, honesty and respect. It's nice to be important, but more important to be nice.



CPA Profile

Judith Condell



Title: Business Development Director

Company: CPA Ireland

Qualifications: CPA, IFRS Diploma, AITI, Certificates in asset-based finance and distressed companies.



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

After completing my Leaving Certificate I worked in Bank of Ireland as I was unsure at the time what I wanted to do in the future and had worked here during the summer. I moved to New York in late 2001/early 2002 and worked in various roles such as bar manager and within accounts functions.

I decided to pursue a career in accountancy because I realised that without an official qualification or professional designation, my career progress in the financial services industry was limited. My initial work experience at Bank of Ireland and in the USA highlighted the importance of having formal qualifications to advance in my career.

Why did you choose CPA Ireland as your qualification route?

I chose CPA Ireland because, while in America, I observed that the CPA designation was highly respected and sought after while also offering excellent job security and opportunity for career progression. The support and flexibility around the study and exam options offered by CPA Ireland made the decision easy. I was confident that by qualifying as a CPA I would significantly enhance my career opportunities.

Please provide a brief history of your career.

As mentioned earlier, I wasn't sure what I wanted to do after secondary school and therefore deferred college places to work in the Bank of Ireland. Upon moving to the USA, I continued to work in the financial services industry however I felt continually frustrated as I was restricted in my progress because I didn't have an official qualification or letters after my name.

Upon returning to Ireland, I worked in the accounts department in the car dealership, Murphy & Gunn, Milltown, and then moved on to a company called Quality Ceramics in Wicklow however after 4 years here I was made redundant and decided then was a good time to commence the Accounts Technician course in the evenings while working during the day with the Asset Based Finance company, Bibby Financial Services. Upon completing the Accounts Technician qualification, I continued with the CPA qualification at Griffith College and worked during the day at Bibby Financial Services.

I worked in Bibby for 10 years in various roles from take on co-ordinator, Relationship Manager, Audit Manager for Europe and Asia, and finally, Business Development Manager. I then moved to another asset-based finance company, FinanceFair, where I worked as the Business Development Director for 2 years prior to coming to work in CPA Ireland.

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

Confidence is the word that springs to mind when I think of the CPA qualification. Having the CPA Ireland qualification and CPA designation gave me the confidence to apply for the roles I did within Bibby Financial Services and these roles then gave me the experience, knowledge, and network to change roles and industry as and when I wanted.

What has been your biggest career achievement?

After qualifying as an Accountant in 2012, I worked globally for a large multinational company which I enjoyed. Working in Bibby Financial Services allowed for opportunities to work within Europe and Asia and to

understand how companies within the same organisation differ from country to country.

What or who inspires you most in business?

I am most inspired by professionals who continuously seek to improve and innovate within their fields, demonstrating resilience and adaptability. I admire those who balance professional success with strong ethical values and contribute positively to their communities.

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

Take every opportunity that comes your way, even if it doesn't align perfectly with your initial expectations or goals. Every experience is valuable and will help shape your career path. Use your CPA qualification to establish credibility and trust, which will open doors and enhance your career prospects.

How do you unwind?

I unwind by spending time with my family and friends, going to the gym, and by trying new things.

What traits do you admire in others?

I admire traits such as integrity, resilience, adaptability, and a strong work ethic in others. Additionally, I value those who demonstrate empathy and a commitment to continuous learning and improvement.

SME considerations in accounting for Scope 3 GHG emissions

by Sheila Stanley

With the Corporate Sustainability Reporting Directive (CSRD) now in force, companies falling in-scope will be required to provide disclosures on greenhouse gas (GHG) emissions in their value chain both from actors in the upstream and downstream value chain of a company.

It covers a wide range of emissions such as those associated with the production of purchased goods and services, business travel, employee commuting, waste disposal, use of sold products and end-of-life treatment of sold products.

For organisations in the financial services sector, such as insurance firms, banks and asset managers, these will include financed emissions, namely GHG emissions associated with their lending, insurance and investment activities. By providing financial support to businesses, financial service organisations can enable a wide range of activities that contribute to GHG emissions. These include activities such as fossil fuel extraction, power generation, agriculture and transportation, among others.

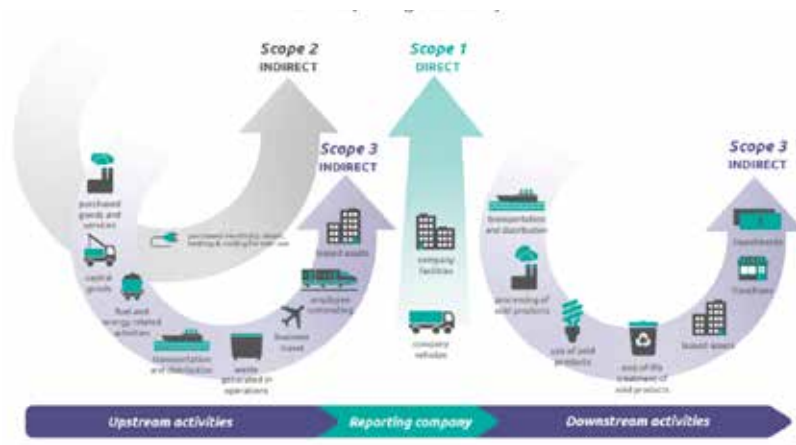
The requirement for Scope 3 GHG reporting will impact SMEs in the value chain of larger companies in scope for the CSRD, as well as those which rely on financial service organisations such as banks and insurance firms for financial products and services. SMEs will therefore need to familiarise themselves with Scope 3 GHG emissions reporting requirements and keep abreast of regulatory requirements.

ESRS regulatory requirements for Scope 3 GHG emissions

Under the European Sustainability Reporting Standards (ESRS) which are mandated by the CSRD, Scope 3 GHG emissions reporting requirements are captured in the topical standard of ESRS E1 Climate Change. Specifically, under Disclosure Requirement (DR) E1-6, companies are required to provide disclosures on gross Scope 3 GHG emissions to provide an understanding

of the GHG emissions that occur in its upstream and downstream value chain. As noted in DR E1-6, for many companies, it may very well be the case that Scope 3 GHG emissions form the main component of their GHG inventory.

Figure 1: GHG emission categories [Source: GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard]





required to provide a list of Scope 3 GHG emissions categories included in and excluded from their GHG inventory, along with a justification for excluded Scope 3 categories.

Figure 2: List of Scope 3 GHG categories in the value chain [Source: GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard]

Applying the principles of the GHG Protocol

The accounting principles that underpin GHG accounting are similar to financial accounting and reporting. GHG accounting and reporting have to represent a faithful, true, and fair account of a company's GHG emissions. The five principles which guide GHG accounting and reporting of the Scope 3 inventory are as follows:

- **Relevance** – the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of report users.
- **Completeness** – the reporting accounts for all GHG emission sources and activities within the inventory boundary and justifies any exclusions.
- **Consistency** – consistent methodologies are used to track performance over time.
- **Transparency** – relevant issues are addressed in a factual and coherent manner, with a clear audit trail.
- **Accuracy** – the quantification of GHG emissions is accurately conducted, and uncertainties are reduced as far as practicable.
- **Equity share** - accounts for GHG emissions from operations according to its share of equity in the operation.

Table [5.3] List of scope 3 categories

Upstream or downstream	Scope 3 category
Upstream scope 3 emissions	<ol style="list-style-type: none"> 1. Purchased goods and services 2. Capital goods 3. Fuel- and energy-related activities (not included in scope 1 or scope 2) 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel 7. Employee commuting 8. Upstream leased assets
Downstream scope 3 emissions	<ol style="list-style-type: none"> 9. Downstream transportation and distribution 10. Processing of sold products 11. Use of sold products 12. End-of-life treatment of sold products 13. Downstream leased assets 14. Franchises 15. Investments

Even if SMEs are not captured as suppliers in the value chain of large companies, they will need to consider how their GHG emissions will impact their access to finance.

Financed emissions are considered a form of Scope 3 GHG emissions under the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Financial institutions have begun reevaluating their financial activities in sectors that are high GHG emitters.

For example, in May this year, BNP Paribas and Credit Agricole – the second and third largest banks in Europe –

decided that they would no longer underwrite bond issues for the oil and gas sector.

In relation to Scope 3 emissions, the ESRS requires companies to disclose the reporting boundaries considered, the calculation methods for estimating the GHG emissions and which calculation tools were applied. The GHG Protocol lists 15 categories in total, which can be distinguished as either upstream or downstream (See Figure 2) Scope 3 emissions. Companies do not have to report on all Scope 3 GHG categories, rather they are required to provide disclosures for each "significant Scope 3 GHG category". Companies are also

- **Financial control** - accounts for 100 percent of the GHG emissions over which it has financial control.
- **Operational control** - accounts for 100 percent of the GHG emissions over which it has operational control.

The GHG Protocol provides guidance on activities associated with each of these categories which are useful to provide more clarity. Further insight can be obtained from the European Financial Reporting Advisory Group (EFRAG) Value Chain Implementation Guidance released in May 2024 which provides an illustrative example in FAQ 6 on how calculations should be made for ESRS reporting purposes.

Challenges and benefits

With CSRD now live, there is significant demand for services related to Scope 3 GHG accounting and reporting. EY's Climate Change and Sustainability Services (CCaSS) line have been working with clients – both large companies and SMEs – to help them decarbonise their operations and value chains and to reduce costs. We are also working with companies in-scope for CSRD, to prepare for their sustainability reporting under the ESRS.

SMEs can expect challenges as they begin putting in place processes to collect accurate and quality data for reporting purposes in line with the expectations of clients providing Scope 3 emissions reporting under the CSRD. Considering that sustainability reports require limited assurance, this needs to be factored into processes and systems that capture activity data required for the calculation of Scope 3 GHG emissions.

Notwithstanding the challenges, SMEs can also benefit from the exercise. SMEs that begin recording their GHG emissions will be able to use the information they obtain to find ways to reduce their emissions which in turn could result in reduced energy use and costs. There is also the potential for innovation as SMEs reassess their product and service portfolio to develop more environmentally friendly alternatives. All in all, while there may be some pain points as SMEs begin the process of recording their GHG emissions, in the longer term, they will

benefit from the improvements they implement in their bid to reduce their carbon footprint.

Sources:

1. Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
2. Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions, Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard
3. ESRS Delegated Act
4. EUR-Lex - 32021H2279 - EN - EUR-Lex (europa.eu)
5. ey-global-carbon-accounting-standard-consultation.pdf
6. PCAF launches the 2nd version of the Global GHG Accounting and Reporting Standard for the Financial Industry (carbonaccountingfinancials.com)
7. Pair of major European banks backs away from oil and gas bond deals (ft.com)



Sheila Stanley

Sheila Stanley is a Manager with EY Ireland's Climate Change and Sustainability Services (CCaSS) team. She is an experienced ACCA certified Integrated Reporting Practitioner who has developed numerous award-winning Integrated Reports, Sustainability Reports and Task Force on Climate-Related Financial Disclosures (TCFD) Reports based on the Integrated Reporting Framework, Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) and the TCFD Recommendations.

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As part of her engagement with CPA Ireland, she has conducted sustainability webinars, presented at the Irish Accountancy Conference and developed content for the Sustainability Standards and ESG Challenges modules of CPA's Sustainability Micro-credentials programme. You can view her LinkedIn profile on <https://www.linkedin.com/in/sheila-stanley-b5447625/>



Sustainability reporting for Irish SMEs - A challenge and an opportunity

by Louise Gorman, Seán O'Reilly, Prof. Niamh Brennan and Dr. Ciarán Mac an Bhaird

The Corporate Sustainability Directive has been transposed into Irish Law

Having been signed into legislation on 5 July 2024, Irish large listed and public interest entities will face meeting the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) for the current financial year. However, listed SMEs will not come within the scope of the CSRD until 2027 (with respect to the 2026 financial year), with an opt-out in place for two further years to 2029 (for the 2028 financial year).

A key feature of the European Sustainability Reporting Standards (ESRS), provided for within the CSRD, is their focus on value chain reporting. In an economy characterised by SME activity, large Irish firms now face the task of collecting sustainability information from SME suppliers and customers, while SME management face the issue of aggregating and reporting this information.

The European Financial Reporting Advisory Group (EFRAG) has recently released an exposure draft of voluntary sustainability reporting standards for non-listed SMEs as part of the European Commission's SME Relief Package to support SMEs in accessing sustainable finance. Notwithstanding this, sustainability reporting is apt to present a major challenge for the Irish SME sector. Our research has examined the challenges of sustainability reporting for accounting practitioners of 400 SMEs. We find that accounting practitioners can provide substantive assistance to SMEs in meeting their value chain commitments as the CSRD takes effect.

Currently, the European Commission has not expressed an intention to impose an umbrella mandate on SMEs to publish sustainability reports.

Despite this, it is inevitable that SMEs will need to report to their larger suppliers and customers which must satisfy value chain disclosure requirements. The design of the ESRSs has been largely informed by the well-established Global Reporting Initiative (GRI) sustainability reporting guidelines. Indeed, SMEs can voluntarily use these guidelines to produce sustainability reports. While European SMEs will likely use EFRAG's voluntary sustainability reporting standards for non-listed SMEs once finalised, the GRI has provided a good testing ground for examining SMEs readiness for sustainability reporting.

Value Chain Pressures

The ESRSs provide some transitional provisions for larger companies which cannot gather value chain data for the first two to three years of reporting, which may bring some relief to SMEs, yet certain areas are treated with a sense of urgency. As the climate crisis continues to threaten the planet and its people, the greatest demands will be for Green House Gas (GHG) emissions' information as larger undertakings will be required to report their Scope 3 GHG emissions under ESRS E1 'Climate Change'. While large organisations may be somewhat familiar with using tools such as the GHG protocol to measure and monitor emissions, this may be an unfamiliar development for many SMEs.

Workforce is another area where data is likely to be required in the coming years under ESRS S2 'Workers in the Value Chain'. The only standard devoted to the value chain, companies which determine workforce as a material topic will require data from value chain entities sufficient to enable an understanding of impacts on value chain workers particularly in respect of working conditions, equal treatment and other human rights.

While there are no other standards specifically referring to 'the value chain' in their title, the extent to which disclosures on Consumers and End Users (ESRS- S4), Biodiversity and Ecosystems (ESRS E4) and the Circular Economy (ESRS E5) are just some areas where value chain-related impacts, risks and opportunities will require disclosures. For instance, concerning ESRS E4 on biodiversity, SME suppliers may well be expected to inform their customers of their use of, and dependency on, natural resources and natural resources such as crops and animals. In a country with a buoyant agri-food sector, such requirements should not be underestimated in an Irish SME context.

Research Findings from the Irish SME context

Commenced prior to the publication of the ESRS standards, our research used the GRI framework to examine related reporting challenges and support requirements for SMEs. Given the pace at which EU sustainability disclosure requirements are expanding, we also employed the EU Green Taxonomy, a regulation closely related to the ESRS standards, to examine SMEs reporting readiness.

Guided by prior research and commentary, which strongly indicates that SMEs accounting practitioners are apt to be a reliable source of insight on SMEs' sustainability reporting needs, we engaged with Irish accounting practitioners to fully understand these issues. When one considers the roles accounting practitioners currently perform for SMEs advising on financial reporting, they are perhaps the natural choice to support SMEs on their sustainability reporting challenges.

With respect to challenges, the research data we collected from accounting practitioners enabled us to identify a number of issues, including:

- **Cost.** Initial setup costs, ongoing data management expenses and potential operational changes are financially challenging, and respondents identified these as the greatest barrier to implementing sustainability reporting.
- **Resources.** Limited human and financial resources make it difficult to allocate the necessary staff and budget towards developing and maintaining comprehensive sustainability reporting practices.
- **Education/knowledge.** There is a significant knowledge gap within SMEs on the importance, processes and required metrics for sustainability reporting.
- **Data capture.** It can be difficult to track progress and report accurately on sustainability metrics because inadequate technology and systems make the collection, management and analysis of sustainability data challenging.

Concerning supports required, we consider both financial and non-financial supports that could reduce the financial costs and challenges for SMEs in implementing a system of sustainability reporting.

Accounting practitioners identified two financial supports that would help SMEs adopt sustainability reporting and the associated operational changes: government or EU grants/tax incentives or carbon credits; and subsidised education and training programmes, which would build long-term capacity within the SME sector.

Accounting practitioners also cited non-financial supports, most notably simplified disclosure requirements, which could significantly reduce the complexity and resource demands placed on SMEs. Given the intricacy of the data and reporting requirements of the ESRS, this sets something of a challenge for standard setters.

Nonetheless, the voluntary sustainability reporting standards for non-listed SMEs suggest that the modular approach taken will accommodate SMEs in adopting sustainability reporting in an incremental manner.

Particularly desirable for our accounting practitioner respondents is the creation of a specialised agency, or equivalent, to provide SMEs with tailored support, including consultancy, resources and tools for sustainability reporting. Such an agency could act as a bridge, simplifying the process and making sustainability reporting more accessible for SMEs. With the recent launch of the National Enterprise Hub, the opportunity exists for the Department of Enterprise Trade and Employment to further support Irish SMEs in fulfilling their sustainability reporting requirements.

Our research suggests that while the journey towards sustainability reporting is fraught with hurdles for SMEs – from financial constraints to technological gaps – the collective will and support from the broader ecosystem can turn these challenges into opportunities.

As greenwashing concerns continue to grow, the need for complete, accurate and reliable data to be supplied by SMEs is central. While larger entities in value chains have a role to play in facilitating smaller organisations by requesting data in a structured and specific manner, and by using their own internal controls to assure the adequacy of such data, it is important to bear in mind that such systems are in their infancy and lack the sophistication of those used in financial reporting. Financial support and subsidised education for SMEs is fundamental. These measures not only demystify the process of sustainability reporting but also ensure that SMEs are not left behind.



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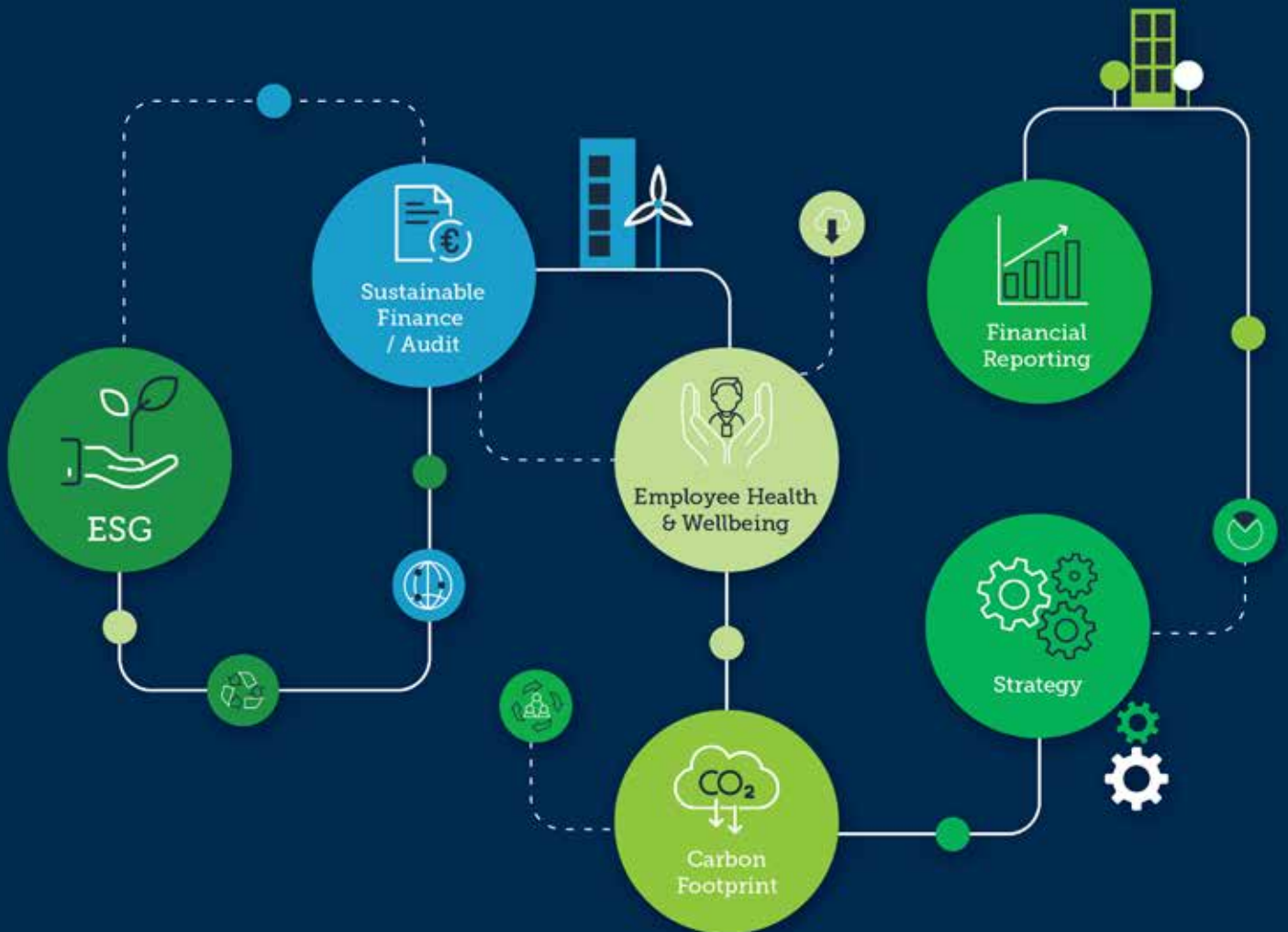
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Law & Regulation News

Corporate Enforcement Authority Publishes First Annual Report

The Corporate Enforcement Authority (CEA) recently published its first Annual Report. The Report, which covers the initial period July 2022 to 31 December 2023, provides a comprehensive account of the steps taken to establish the CEA's presence, and of the work undertaken to build the organisation's operational capability.

The Report includes 17 case studies that illustrate the breadth of the CEA's impact and demonstrate a considered and graduated approach towards the deployment of enforcement powers. In adopting this approach, the CEA:

- Ensures compliance, and the rectification of non-compliance, with the procedural, governance, and transparency requirements of company law.
- Assists stakeholders in vindicating their rights under company law
- Protects the public through the operation of a restriction and disqualification undertakings regime in respect of directors of insolvent companies.
- Protects the public through robustly testing and challenging applications for relief from director restriction and disqualification, and
- Investigates indications of potentially serious wrongdoing under company law and, as appropriate, takes both civil and criminal enforcement action.
- Published 9 information Books and 5 Information Notes for Stakeholders' benefit.
- Received over 470 complaints from members of the public, as well as over 300 statutory reports from auditors, examiners, and process advisors.
- Received over 1,000 statutory reports from liquidators in respect of insolvent companies and the behaviour of those companies' directors.
- Secured the restriction of 80 company directors and the disqualification of a further 27 company directors.
- Secured 107 court orders and 5 search warrants, took 213 witness statements, and effected 12 arrests, and
- Submitted 12 files to the Director of Public Prosecutions and secured criminal convictions in respect of failing to keep proper books of account and providing false information.

[Find out more](#)

Parent's Leave to Increase from Seven to Nine Week

The Parent's Leave & Benefit Act 2019 provides for leave to those relevant parents eligible under the Act.

Parent's Leave Benefit is a payment for people in employment who meet the eligibility criteria to allow them to take time off work to care for their child.

- This leave may be taken any time in the first 24 months after they were born.
- Parent's Leave Benefit leave must be taken in minimum blocks of at least one week.
- These weeks can be combined up to a maximum of seven weeks depending on their circumstances
- You must apply for Parent's Benefit within six months of taking your Parent's leave.

From August 2024:

- Parent's Leave & Benefit will increase from 7 weeks to 9 weeks for children born or adopted after 1 August 2024.
- The additional two weeks of Parent's Leave applies to children who are under the age of 2 in August 2024, or adoptive children who have been placed with their parents for less than two years in August 2024.

Actions for Organisations to take:

- Update future employment contracts
- Update Organisation handbook and policy documents
- Notify all Employees on update in legislation

[Find out more](#)

New legislation to enhance protection of employees in collective redundancies

Minister of State for Business, Employment and Retail, Emer Higgins TD and Minister of State for Trade Promotion, Digital and Company Regulation, Dara Calleary TD, have welcomed the Employment (Collective Redundancies and Miscellaneous Provisions) and Companies (Amendment) Act 2024 which became effective on 1 July 2024.

The legislation further enhances the protection of employees in a collective redundancy situation following their employer's insolvency and also provides for the establishment of a new statutory Employment Law Review Group which will advise the Minister on all aspects of employment and redundancy law.

[Find out more](#)

Gender Pay Gap Reporting Applies to Organisations with 150 Employees

The Gender Pay Gap Information Act 2021 was signed into law on 13th July 2021. The Act amends the Employment Equality Acts 1998 to 2015 in the form of the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (the "Regulations").

In Ireland, 2022 marked the inaugural year of Gender Pay Gap Reporting. Organisations that had seen a growth in their workforce since the previous year, and surpass the threshold of 250+ Employees, were required to prepare a Gender Pay Gap Report for the first time in 2023 as mandated by the

Gender Pay Gap Act 2021.

Companies with 150+ employees are now required to select their snapshot date for Gender Pay Gap Reporting, and these companies must submit their first report by December 2024.

[Find out more](#)

The EU AI Act: How to Adapt Quickly and Safely for Profit

by Maryrose Lyons

In an era where artificial intelligence (AI) is rapidly transforming the business landscape, accountants find themselves at the intersection of financial expertise and technological innovation. The European Union's Artificial Intelligence Act (EAA) represents a landmark shift in AI regulation, with significant implications for accountants and business owners.

To help guide your first steps and adapt to the new environment, this article looks at the key aspects of the EAA that are relevant to accountants. It also provides guidance on how to integrate AI within your practice. Quickly. And safely. For the pursuit of more profit.

The Five Basic Facts of the Act

As with any new law, there are devils in the details. But this is enough to get you started:

1. The EU AI Act is designed to create a comprehensive legal framework for the development, deployment and use of AI systems.
2. Its full text, expected to be published in late July 2024, becomes law in mid-August.
3. Rules on prohibited AI systems and AI literacy will come into force in February next year, giving you (just) enough time to adjust and adapt.
4. Implementation will be overseen by an European Artificial Intelligence Board, with national supervisory authorities in each member state.
5. Non-compliance penalties can reach up to €30 million or 6% of global annual turnover, whichever is higher.

The Act's Scope & Purpose

Much has already been made of one of the Act's primary objectives - protecting democracy and the other fundamental rights of EU citizens. It outright bans applications which are likely to alienate these important freedoms.

However, legislators are also very clear they do not want to leave EU nations at a competitive disadvantage. Which is why they have attempted to write the Act, so it still fosters innovation and investment, as well as enhancing the governance and legal certainty around the tech.

To achieve this balance, the Act adopts a risk-based approach, placing AI use into four risk categories: (i) Unacceptable; (ii) High; (iii) Limited; and (iv) Minimal.

Each category requires a different approach from owners and users of the systems. It ranges from a complete ban on some activities to others which remain entirely unaffected. The new complexity means it is important for everyone, not least accountants, to understand which activities are categorised where, and the broad implications of each.

i. Unacceptable risks

These will be prohibited in the Act and, it is hoped, will help reassure us that our legal rights remain intact. The following activities will be illegal next year:

- Using AI for subliminal, manipulative or deceptive techniques to distort human behaviour in ways that cause, or are likely to cause, significant harm.
- Exploiting vulnerabilities of specific groups - such as children, disabled people or those in economic distress - to negatively distort their behaviour with AI.
- Scoring people's behaviours

or personal characteristics as a public body to evaluate or classify individuals.

- Remotely identifying individuals in 'real-time' using remote biometric information, such as facial recognition, in public for law enforcement, although narrow exceptions do apply.

ii. High risks

Despite being deemed high risk, these activities will continue to be permitted. However, they will be subject to strict legal obligations. Systems which fall into this area include those used for:

- Recruitment, promotion, task allocation and other worker management tasks,
- Safety components of products covered by existing legislation, such as medical devices, toys and machinery,
- Access to credit scores, healthcare and emergency services; and
- Permitted forms of biometric identification and categorisation.

If you or your clients use AI which falls into the high-risk category, the duties include:

- The ability to demonstrate a high level of robustness, accuracy and security,
- Application of appropriate human oversight to ensure the system is operating as intended,
- Clear and adequate information for the system user, such that they know how to operate it successfully,

- Risk assessment and mitigation systems, which must be implemented ahead of time,
- High quality datasets to train the AI,
- The logging of all activity, to ensure traceability of each output; and
- Creation and maintenance of detailed documentation, ahead of any request from authorities.

iii. Limited risks

In order to avoid unnecessary burden and allow for competition, activities thought by legislators to be of 'limited' risk will continue unabated. With one caveat - users must be aware they are interacting with AI.

ChatGPT, Copilot, other LLM's and generative AI fall into this category. As do emotion recognition systems. And content creators will have to disclose when text, audio, images or videos have been generated or manipulated by AI. This is particularly the case when the content relates to matters of public interest.

iv. Minimal risks

Some tools, by contrast, will have no need to declare their use of AI and so, in practical terms, are unaffected by the Act. They tend to be narrower-purpose applications which, for instance, are embedded into video games, spam filters, writing apps to check spelling or websites for shopping recommendations.

5 Steps To Stay On The Right Side for certified Accountants

So, given all that, what are the implications for you? And what do you need to do now?

1. Risk Assessment and Compliance:

As a certified accountant and business owner, you'll need to assess whether any AI systems you use, or plan to implement, fall under the high-risk category. This is particularly relevant if you're using AI for:

- Credit scoring or loan approval processes,

- HR management and recruitment,
- Fraud detection and prevention; and
- Automated financial reporting and analysis.

If your AI systems are classified as high-risk, you'll need to ensure compliance with the stringent requirements outlined in the Act.

2. Data Quality and Management:

The new law places significant emphasis on the quality of data used to train AI systems. As certified accountants often deal with sensitive financial data, you'll need to:

- Implement robust data collection and preprocessing methods,
- Ensure all data is accurate, complete and representative,
- Regularly audit and update your datasets; and
- Implement strong data protection

and privacy measures in line with GDPR requirements.

3. Transparency and Client Communication:

When using AI systems in your practice, particularly those that interact directly with clients, you'll need to:

- Clearly disclose the use of AI to your clients,
- Explain how AI-driven decisions are made, especially in high-stakes situations like credit assessments; and
- Provide options for human intervention when requested.

The AI Institute has created an AI Policy template which includes all of the areas that need to be addressed in order to stay on-side with the Law. To skip ahead of the crowd, you can download it here.

[Find out more](#)



4. Professional Development:

In order to stay compliant with the Act, all businesses should invest in AI literacy training for themselves and their staff, which is something the AI Institute can help with. In addition, as it's a fast-paced environment which is continually evolving, everyone must stay updated on AI regulations and best practices. Get in touch with us to chat in more detail.

5. Ethical Considerations:

The EU AI Act emphasises the importance of ethical AI deployment. As trusted financial advisors, certified accountants have a responsibility to ensure that AI systems are used ethically in their practice. In practical terms this means developing an AI Policy that aligns with your professional values and the requirements of the Act. The policy should address:

- Transparency and explainability
- Fairness and non-discrimination
- Privacy and data protection
- Accountability and liability
- Human oversight and intervention

Here Lies Opportunity

The EU AI Act is not a trivial thing. For the first time it provides the tramlines for AI use and development in the EU. The implications for all of us, business owners and certified accountants, are hugely significant. The Act does present challenges. But it also offers opportunity.

By proactively addressing the regulations and the wider ethical considerations of AI, you can safely leverage the technology to enhance your practice. All the while maintaining the trust and confidence of your team and clients. This is important because the competitive benefits for those who adopt early are likely to be significant.

But early adoption will not be enough. The AI landscape will continue to evolve. Rapidly. Which means staying informed, remaining flexible and always being committed to best-practice will be essential. Your practice's methods are likely to iterate faster tomorrow than they do today.

Which is almost certainly far quicker than they did yesterday.

And that rate of change will likely only get faster. And it is this that makes your commitment to the principles of ethical AI, as well as the letter of the EU AI Act, vital to future profitability. You will have to adapt not only quickly but also safely.

If certified accountants can collectively position themselves as leaders in the responsible use of AI, they may well end up setting the standard for ethical innovation across the entire financial sector.



Maryrose Lyons

Founder of the AI Institute.

<https://www.instituteofaistudies.com>



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60-Second AML Health Check

by Kevin Kerrigan

In Q1 2024, CPA Ireland conducted an AML thematic review of non-audit firms that identified 47% of participants as non-compliant. In this article, we provide you with a 60-second AML Compliance checklist to help you stay compliant and safeguard your practice.

This quick guide helps you ensure that your accounting practice meets critical Anti-Money Laundering (AML) requirements.

An Interactive 60-second AML compliance checklist is available for download.

60-second AML Compliance Checklist



	MLRO or equivalent → Is there an individual within your practice who is assigned the role of Money Laundering Reporting Officer (MLRO)? → Are they aware of their obligations and trained appropriately?	Yes <input type="radio"/> No <input type="radio"/>
	AML Policies Controls and Procedures (PCPs) → Do you have a set of up-to-date AML Policies, controls and procedures (PCPs) in place? → Are your staff aware of, have access to, and operate within the PCPs?	Yes <input type="radio"/> No <input type="radio"/>
	Business Risk Assessment → Have you got an up-to-date firm-wide Business Risk Assessment? → Can you evidence that you have conducted a firm-wide risk assessment annually (since November 2018)?	Yes <input type="radio"/> No <input type="radio"/>
	AML Client Files → Do you have well maintained AML records for your clients? → Do you have a documented client risk assessment that determines the level of due diligence to be applied for each client? → Do you have robust procedures for the identification and verification of corporate clients (incl. RBO checks) and private individuals? → Do you screen for Politically Exposed Persons (PEPs) and sanctioned entities or individuals?	Yes <input type="radio"/> No <input type="radio"/>
	AML Training → Do your staff receive appropriate and ongoing AML training? → Do you have well maintained training logs? → Do you document an annual declaration from staff, confirming that they are aware of their obligations and have access to the firm's PCPs and training?	Yes <input type="radio"/> No <input type="radio"/>
	AML Reporting → Do you have an appropriate reporting structure in place to raise Suspicious Transaction Reports? → Do you document an annual compliance review? → Are you registered with GoAML / ROS?	Yes <input type="radio"/> No <input type="radio"/>

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BOOK A CALL

Download here

Addressing Non-Compliance

The checklist will help identify areas of non-compliance or items that require attention. We will now consider some of the most common non-compliance issues and suggest a path to compliance.

No MLRO (or equivalent) appointed

If a Money Laundering Reporting

Officer (MLRO), or equivalent person, has not been appointed within your business then you will need to identify the appropriate individual to fulfil this function. They will require appropriate training and you must communicate their appointment to all staff.



Figure 1 MLRO Responsibilities

Missing or inadequate AML Policies

The AML Policies, Controls and Procedures (PCP) manual needs to be comprehensive and should reflect your approach to AML from a policy and operational basis. The Consultative Committee of Accountancy Bodies – Ireland (CCAB-I) has developed detailed guidance to help Accountants understand their AML obligations within the Irish legal framework. This is a good resource when documenting your AML PCP manual.

There are many AML policy templates available for purchase online. Often AML software providers will provide a free PCP manual.

It is perfectly acceptable to use a template; however, it must be

appropriate and tailored for your practice. Policies need to be reviewed, at minimum annually or if there is a material change to your business.

PCP related findings from the CPA Ireland Thematic Review (Q1 2024) are summarised as:

- Policies and procedures were not tailored for the firm
- In some cases, no or minimal policies or procedures in place
- Out of date policies and procedures
- No consideration for identification or verification of Beneficial Owners
- CDD did not consider high risk country factors
- No procedures defined to identify PEPs
- No independent and anonymous reporting channel for employees to report contraventions of AML legislation
- No evidence of PCPs being communicated formally to staff.

Missing Business Risk Assessments

If you have not conducted a business risk assessment there are many templates available online. If you have digital processes or AML software, it is possible to provide smart business risk assessments that update your business risk profile based on the individual Client Risk Assessments in your Client AML files.

Business Risk Assessment templates need to be tailored to your practice and reviewed periodically (at minimum annually). The structure of the Business Risk Assessment is

effectively set out in legislation and must consider the following risk factors:

1. Types of customers that you have
2. Products and services that you provide
3. Countries or geographical areas in which you operate
4. Type of transactions you conduct
5. Delivery channels you use

Check out this CPA Ireland article for more information on Navigating AML Risk Assessments.

Incomplete AML Client Files

Customer Due Diligence (CDD) needs to be completed before taking on a new client. Ongoing monitoring needs to be completed throughout the engagement. In many cases, client AML files may have incomplete or out of date information.

Capturing their ID and proof of address is a small part of the puzzle. To properly complete your CDD obligations, you need to adopt a risk-based approach and really know your client.

A client risk assessment needs to be documented and refreshed (at minimum annually) to highlight any changes in the circumstances, behaviour or risk profile of each client. This can be a manual task or there are efficient ways to record your CDD and ongoing monitoring actions.

Key Customer Due Diligence shortcomings identified by the CPA Ireland Thematic Review included:

- ID and Proof of address not certified as a true copy of the original
- ID out of date, therefore no evidence of active monitoring
- Proof of address not appropriate i.e. a document not fixed to an address of the individual (Mobile phone bill etc.)
- No RBO check evidenced on file for corporate entities



- No certificate of incorporation or other verification of a corporate entity

A simple plan for Success

Reviewing or refreshing your AML compliance procedures and client files does not have to be an all-consuming or large-scale project. Establishing a simple plan with an approach that works for your business will help achieve a successful outcome.

A simple plan could include:

1. Conducting a gap analysis to identify compliance shortcomings and prioritise your response. The 60-second checklist is a great starting point.
2. Establishing a resolution plan to address shortcomings. Identify if any external resource or collateral is required. Allocate tasks and set target dates for completion.
3. Considering different strategies for some of the bigger tasks, especially if they require interaction with your clients.
4. Tracking progress and planning for ongoing periodic reviews

Before starting any project, the approach has to be appropriate for your individual business. For example, if you need to refresh your client ID / proof of address documents, it might work better if this task is spread across the year when you are naturally engaging with each client (e.g. VAT return, Payroll, Annual Return).

Alternatively, you could adopt a big bang approach and undertake a full

client refresh campaign when support is available from seasonal staff, or during a rare occasion when there is time for administrative actions.

AML obligations are onerous and can often appear disproportionate. Processes contain repetitive and resource-intensive tasks that can result in a box-ticking exercise. AML software solutions deliver automation opportunities; however, the first step in any organisation is to make sure you understand the obligations and assess your current performance.

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Kevin Kerrigan

Founder and COO of AML HQ

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Get in touch if you would like a free AML-health check or to learn more about how technology can help you meet your AML obligations.



Members Voluntary Liquidations in Ireland: A Comprehensive Overview

by Tom Murray

Members Voluntary Liquidation (MVL) is a process in Ireland through which solvent companies can be wound up voluntarily. Unlike other forms of liquidation, a MVL is initiated by the company's members (shareholders) rather than creditors. This process allows the company to distribute its assets to its shareholders in an orderly manner, ensuring all debts and liabilities are fully settled prior to finalising the liquidation.

Understanding the Members Voluntary Liquidation Process

The MVL process in Ireland is governed by the Companies Act 2014. To initiate a MVL, a company must meet specific legal requirements, primarily ensuring that it is solvent and capable of paying its debts in full within a specified period, not exceeding 12 months from the commencement of liquidation.

1. Declaration of Solvency:

The process begins with the directors of the company making a Declaration of Solvency. This declaration must state that the directors have conducted a thorough review of the company's financial position and believe that it can pay its debts in full within the specified period. The declaration must include a statement of the company's assets and liabilities dated within 3 months of the date of declaration and be made no more than 30 days before the resolution to wind up is passed.

2. Resolution to Wind Up:

Following the Declaration of Solvency, the shareholders must pass a special resolution to wind up the company voluntarily. This resolution typically requires a 75% majority of the votes cast by shareholders at a general meeting. The resolution must then be filed with the Companies Registration Office (CRO) within 15 days.

3. Appointment of a Liquidator:

Once the resolution is passed, a liquidator is appointed. The liquidator's primary role is to wind up the company's affairs, including collecting and realising assets, settling any outstanding liabilities, and distributing the remaining assets to the shareholders. The liquidator must be a licensed insolvency practitioner.

4. Notification and Publication:

The company must notify the CRO and advertise the resolution passed in *Iris Oifigiúil* (the official gazette). This step ensures transparency and notifies any potential creditors or interested parties of the liquidation.

5. Realisation of Assets and Settlement of Liabilities:

The liquidator takes control of the company's assets, sells them if necessary, and uses the proceeds to pay off any debts. All outstanding debts and liabilities must be settled before any distributions are made to shareholders.

6. Distribution of Surplus Assets:

After settling all liabilities, the liquidator distributes any remaining assets to the shareholders according to their entitlements. This distribution marks the final stage of the liquidation process.

7. Final Meeting and Dissolution:

Once the liquidation process is complete, the liquidator must call a final meeting of the company's shareholders. At this meeting, the liquidator presents an account of the winding-up process, detailing

how the assets were realised and distributed. Following the final meeting, the liquidator files their forms E5 - Liquidator's Final Statement of Accounts and E6 - Return of final winding up meeting with the CRO, and the company is officially dissolved three months later.

Advantages of Members Voluntary Liquidation

1. Orderly Wind-Up:

MVL allows for an orderly and controlled winding-up process. By appointing a liquidator, the company ensures that all assets are realised, and liabilities settled in a structured manner.

2. Cost Efficiency:

Compared to other liquidation methods, MVL is generally more cost-effective. Since the company is solvent, there are typically fewer complexities involved, reducing administrative and legal costs.

3. Tax Efficiency:

MVL can be tax-efficient for shareholders, especially if capital gains tax rates are lower than income tax rates. Distributions made during an MVL are often treated as capital distributions, which may attract a lower tax rate. In certain cases, shareholders may avail of further reliefs such as Retirement Relief or Entrepreneur Relief should the relevant criteria be met.

4. Preservation of Reputation:

Winding up a company voluntarily through MVL helps maintain its reputation. It shows that the company is acting responsibly, fulfilling its obligations to creditors, and not waiting until insolvency forces a compulsory liquidation. Furthermore, a major difference from a Members Voluntary Liquidation to an insolvent liquidation is that in a MVL the Liquidator does not have to submit a report to the Corporate Enforcement Agency.

5. Flexibility:

The MVL process offers flexibility to shareholders and directors, allowing them to decide the timing and method of winding up the company. This control can be beneficial in planning the distribution of assets and managing the financial implications.

6. Key Advantage over Strike Off:

With a MVL a creditor or a member can only apply for restoration of the company within two years of the dissolution whilst with voluntary strike off, the company can be restored up to 20 years.

Distribution in Specie

A popular way to distribute certain assets to shareholders in a member's voluntary liquidation is to distribute them in specie i.e. in kind. Thus, freehold property may be transferred to shareholders directly. A significant advantage of in specie distributions is that no stamp duty is payable if the asset is unencumbered (i.e., there is no mortgage attached)

Challenges and Considerations**1. Declaration of Solvency:**

The directors must be confident in the company's financial position to make a Declaration of Solvency. If it later emerges that the company cannot pay its debts, the directors could face legal consequences, including personal liability.

2. Cost of Liquidation:

Although generally cost-effective,

MVL still involves costs related to appointing a liquidator, legal fees, and administrative expenses. Companies must ensure they have sufficient funds to cover these costs.

3. Tax Implications:

While MVL can be tax-efficient, it is crucial to seek professional tax advice to understand the implications fully. Misunderstanding the tax consequences can lead to unexpected liabilities for shareholders.

4. Timelines:

The MVL process can be time-consuming, particularly in realising assets and settling liabilities. Companies should plan accordingly and be prepared for potential delays.

Value for Money!

The best value way to carry out a member's voluntary liquidation of a company is to realise all assets, pay all creditors and just hand over a bank account with the remaining monies to the liquidator. To minimize the costs - between the date of the decision to liquidate and the appointment of the Liquidator, the Directors should undertake the following steps.

- The position of the employees needs to be carefully considered. If there is a Trade Union involved, then it should be consulted. The employee's redundancy entitlements may be calculated using the online redundancy calculator at the Department of Employment Affairs and Social Protection.
- Any staff mobile phones should be cancelled on the day they leave to avoid recurring rental and phone charges. Keys to the Company's premises should also be collected and alarm codes changed. Employees should be allowed to collect personal possessions from their desks and lockers.
- All property leases should be carefully reviewed to check for dilapidation clauses etc.

- The Company Pension Plan should be wound up before the Company is placed into a Members Voluntary Liquidation.
- All assets of the Company should be sold. If selling IT equipment all data should be backed up first before the data on the equipment is erased.
- VAT and PAYE returns should be brought up to date. The last pre-liquidation Corporation Tax return is generally submitted shortly after the Company is placed into a Members Voluntary Liquidation.

Conclusion

Members Voluntary Liquidation is a valuable tool for solvent companies in Ireland looking to wind up their affairs in an orderly and efficient manner. By following the structured process set out in the Companies Act 2014, companies can ensure all obligations are met, assets are distributed fairly, and the company's closure is handled responsibly. However, it is essential to approach MVL with careful planning and professional advice to navigate the legal, financial, and tax complexities involved.

**Tom Murray**

Member Tom Murray is one of Ireland's leading Corporate Restructuring and Insolvency Practitioners. He can be contacted by email at tom.murray@frielstafford.ie



Employers Beware: TUPE Risks on the Transfer of a Business

by Michelle McDonagh

TUPE is a commonly used acronym for the legislation that covers a situation when one organisation transfers a business from one Employer to another. This usually happens during an acquisition or merger. Transfer of Undertakings are designed to protect the rights of Employees in the event of such a transfer of ownership and establish the responsibilities of both parties.

The legislation covering this area is known as European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003. In this article we take an in-depth look at TUPE and answer some questions that Employers might have.

What is Transfer of Undertakings?

A Transfer of Undertakings is when a business or part of a business transfers from one owner to another. A transfer means the transfer of an economic entity that continues to retain its identity.

TUPE is applicable to Employees, apprentices, agency workers and public servants and is designed so that Employees are not treated unfairly or taken advantage of during the transfer of business.

Aims of TUPE

The aims of the legislation are to protect the conditions of employment and contracts of employment of Employees involved in the transfer and under some limited circumstances, the protection of employment in a transfer.

The legislation prevents the dismissal of an Employee by reason of transfer of undertakings and ensuring an Employee's rights are passed from one Employer to the other. It also requires that Employees and their representatives are informed of the legal, social and economic implications of the transfer and consult with them as well as protecting continuity of representative rights.

What issues underpin whether a Transfer of Undertaking applies or not?

In order to determine whether or not there is a transfer of undertaking, or part of, an examination of whether there is a transfer of an "economic entity" that retains its identity should be undertaken.

An economic identity is defined in the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 as "an organised grouping of resources which has the objective of pursuing an economic activity".

Generally speaking, this requires consideration of the type of undertaking or business concerned; whether assets, tangible or intangible, are transferring; whether Employees are taken over; whether customers are transferring; and the degree of similarity between activities carried on before and after the transfer, and the period, if any, for which those activities are suspended.

As part of this assessment, the courts will typically examine whether the entity is a stable economic entity and if so, whether its essential characteristics will be maintained. Essentially, the economic entity must continue the same or similar economic activities post transfer.

Are all Employees within the scope of TUPE?

The TUPE Regulations define an Employee as a person of any age, who has entered into, or works under a contract of employment which

includes a contract of apprenticeship and a contract whereby an individual agrees with an employment agency to do work for a third party. In the case of agency workers, the Employer is the entity that pays the agency workers' wages.

Apprentices, agency workers, civil servants and anyone working under a contract of employment are all therefore protected by the TUPE Regulations.

Information and consultation obligations

In a transfer situation, both the original Employer and the new Employer must inform the representatives of their Employees affected by the transfer, of -

- i. the date or proposed date of the transfer;
- ii. the reasons for the transfer;
- iii. the legal implications of the transfer for the Employees and a summary of any relevant economic and social implications of the transfer for them, and any measures envisaged in relation to the Employees.

The original Employer must give this information to the Employees' representatives not later than 30 days before the transfer, in good time before the transfer occurs and in good time before the Employees are directly affected by the transfer as regards their conditions of work and employment.

If either Employer envisage measures in relation to their Employees, the

Employees' representatives must be consulted not later than 30 days before the transfer is carried out or, in good time before the transfer is carried out (taking into account any relevant timing of the Employee measures) with a view to reaching an agreement. Where there are no Employee representatives, the Employers must arrange for the Employees to choose (including by means of an election) representatives for this purpose.

However, if there are still no Employees' representatives in the undertaking through no fault of the Employees, the Employees concerned must be notified in writing, where reasonably practicable, not later than 30 days before the transfer and, in any event, in good time before the transfer, with the particulars described at (i), (ii) and (iii) above.

Does TUPE apply to outsourcing arrangements?

If arrangements that outsource, insource or change a service provider involve the transfer of an economic entity which retains its identity post transfer, it will be necessary to determine if the TUPE Regulations apply.

Certain functions within an Organisation may be deemed to be an economic entity for the purposes of TUPE. If these functions are outsourced, insourced or the existing service provider is changed, the TUPE Regulations may apply. Business functions like IT, distribution, cleaning, and security may fall within the scope of the TUPE Regulations.

Where a business function like cleaning or maintenance for example is outsourced to a third party, the nature of the work is likely to be the same regardless of whether it is completed by Employees or outsourced to a third party. For the TUPE Regulations to apply however, an outsourcing event must also involve the transfer of significant tangible or intangible assets or the transfer of a major part of the workforce carrying out the outsourced function.

What Employee rights are protected by TUPE?

The TUPE Regulations effectively require the new Employer to honour the terms and conditions of employment set out in the contracts of employment between the transferor Employer and its Employees. The new Employer must also respect any terms and conditions of the employment contract that were inserted by way of a collective agreement and any entitlements the Employees enjoy by virtue of their accrued service with the transferor. Non-contractual terms, such as policies and procedures, do not automatically transfer, provided that there are no non-contractual terms that can be implied through custom and practice.

The new Employer must not terminate the employment of Employees on the basis of the transfer alone. The new Employer may however make dismissals for economic, technical or organisational reasons, or in other words make redundancies.

If an employment is terminated because a transfer involves a substantial deterioration in the working conditions of the Employee, the Employer concerned is regarded as having been responsible for the termination and is exposed to the risk of an unfair dismissal claim or a claim under the TUPE Regulations.

Pension rights

Employees' pension rights in relation to old age, invalidity or survivors benefits under supplementary company or inter-company pension schemes do not transfer to the new employment.

However, where there is a pension scheme in operation in the original Employer's business at the time of the transfer, the TUPE Regulations provide that:

- if the scheme is an occupational pension scheme within the meaning of the Pensions Act, 1990, then the protections afforded by the Pensions Act apply to any such scheme,

and

- in respect of the pension schemes which do not come within the remit of the Pensions Act, the new Employer must ensure that rights conferring immediate or prospective entitlement to old age benefits, including survivor's benefits, are protected.

Conclusion

TUPE is one of the most technical areas of Irish employment law. As a breach of the TUPE Regulations represents a breach of an EU Directive, it can have serious financial consequences as the Workplace Relations Commission has authority to award significant compensation awards as a deterrent.

Organisations that are considering either the sale or purchase of a business that involves a change in Employer must therefore carefully consider their legal obligations under the TUPE Regulations.



Michelle McDonagh

Head of HR Consulting

Michelle McDonagh, MSc. HR Strategies, Chartered MCIPD, PGDip Employment Law is an experienced Human Resources and Employment Law practitioner. Advising and supporting a wide variety of organisations across the private, not for profit and public sector, Michelle uses her expertise and strategic focus to analyse organisations and build a tailored HR model to support achievement of the organisational goals. Key areas of focus are organisational design, enhancing critical skills, leadership development, day to day practical Human Resources and Employment Law advice underpinned by a positive employee experience.



Finance & Management News

Minister Burke publishes paper on using finance as a catalyst to develop a scaling ecosystem

Minister Burke recently published a report authored by the cross departmental Finance for Scale Ups Working Group, chaired by his department, on the use of finance as a catalyst to develop a scaling ecosystem in Ireland.

The Group's aim, in line with the White Paper on Enterprise, was to develop actionable recommendations to support high potential firms to access scaling finance, which would in turn allow them to internationalise and increase exports.

Following a domestic consultation of the Irish scaling ecosystem and a review of peer countries, the Working Group provided three policy recommendations to help foster and develop the Irish scaling ecosystem:

- Ensure that scaling finance is available by introducing and

promoting funds that will provide scaling finance options to founders and startups

- Investigate options for pension fund and institutional investor participation in scaling equity funds and encourage corporate venturing in Ireland
- Review the State's tax model and design instruments that incentivize investment into scaling companies

The report of the Finance for Scale-ups Working Group also calls for the establishment of an implementation committee to develop practical actions. That work will begin immediately, under the remit of the Department of Enterprise, Trade and Employment.

[Find out more](#)

Minister Burke meets with pillar banks to discuss the SME sector

Minister for Enterprise, Trade and Employment, Peter Burke TD, recently met with the heads of each of the three pillar banks, AIB, Bank of Ireland and Permanent TSB to discuss their engagement with the SME sector.

Minister Burke said:

"Since my appointment I have made it my top priority to support the small and medium sized businesses that are the backbone of Ireland's economy. I was therefore please to meet with CEOs from the three main banks in order to get their assessment of the challenges that are facing small business owners given their everyday engagement with those owners and their knowledge of trends across various sectors and regions. I also urged them to continue to support our SME sector"

[Find out more](#)

Construction commences on Ireland's first purpose – built carbon neutral brewery in Kildare

The sod has been turned on Diageo's new €200 million state-of-the-art carbon neutral brewery in Littleconnell, Newbridge, Co. Kildare. The new facility will brew lagers and ales including Rockshore, Harp, Hop House 13, Smithwick's, Kilkenny and Carlsberg. With a capacity of 2 million hectolitres, it will be the second largest brewing operation in Ireland after St. James's Gate and support the future growth of Diageo Ireland's beer brands.

The state-of-the-art brewery will be powered with 100% renewable energy and will harness the latest process technology to minimize overall energy and water consumption. The target date for the brewery to begin production is 2026 and it will facilitate the growth

of overall beer exports from Ireland. It will also facilitate enhanced capacity for the production of the fast-growing Guinness 0.0 at the traditional home of Guinness at St. James's Gate in Dublin.

The Minister of State for Agriculture and TD for Kildare South, Martin Heydon, joined senior leaders for the turning of the sod event in Littleconnell, to express the Government's full support for the brewery that will support up to 1000 jobs both onsite and offsite during the construction phase of the brewery. The new brewery has also received crucial support from the IDA and Enterprise Ireland.

[Find out more](#)

Enterprise Ireland announces client exports of €34.57bn in 2023

Enterprise Ireland, the Irish government's trade and innovation agency recently announced that client exports reached a record €34.57bn in 2023, a new record for Irish exporters, supported by the Agency. Overall non-food exports increased by 8%.

The Agency reported that by the end of 2023, it had surpassed its 2024 target of achieving a 10% increase in the number of companies achieving sales greater than €10m, €20m and €50m. At the end of 2023, a year ahead of target, over 20% growth in each category had been achieved.

[Find out more](#)

Leadership Insights

Agile leadership emphasizes flexibility, adaptability, and rapid response to change, focusing on empowering teams and fostering innovation this was very evident in CPA during Covid and post Covid. Collaborative leadership involves engaging all members in decision-making, encouraging open communication, and leveraging diverse perspectives to solve problems this again is very evident in our amalgamation with CPA Ireland. Together, these approaches create a dynamic environment.

Aine Collins,
Past President, CPA Ireland

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There's an old saying that "the best way to keep in with your neighbours, is to keep away from them!". In my experience, the opposite applies to business. Keep all stakeholders properly informed and then "the road ahead should rise to meet your feet..."

John White,
Past President, CPA Ireland

An Institute that knew its members and a membership who trusted their Institute.

Alan Farrelly,
Past President,
CPA Ireland

“

Leadership for me isn't just about giving directions; it's about understanding and guiding people towards a common goal. Creating a supportive environment where innovation thrives and everyone feels valued demonstrates true empathetic leadership.

Gillian Cregan,
Vice President, CPA Ireland

One of the goals of a leader is to move an organisation forward. In today's fast paced and complex business world, leaders need to be able to make strategic decisions quickly and without wavering. This has been especially true over the past number of years where we faced unprecedented situations which were evolving sometimes on a daily basis. Acting decisively, pivoting quickly, continuing to monitor and evaluate and exercising resiliency helps to lead a business and organisation through the ever changing business environment.

Carla Manning, Council, CPA Ireland

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 be able to see issues from different perspectives, and be proactive in seeking and using feedback.

Geraldine Ruane,
Council, CPA Ireland

”

Always do the right thing, even when nobody is looking. Living with integrity is easier than not.

Brendan Allen,
Past President,
CPA Ireland

One of the most persistent misperceptions is that people in leadership positions are always leaders. But people who make it to the top may have done so because of political acumen, not necessarily because of true leadership quality. What's more, real leaders are found all over the organization, from the executive suite to the shop floor. By definition, leaders are simply people who have followers, and rank doesn't have much to do with that, (Goffee & Jones).

Trish O'Neill,
Director of Services to Members, CPA Ireland

CPA and has only come about from the top down culture and leadership of Eamonn & his team. It is the end of an era but perhaps the start of a new journey! I will certainly use the leadership leanings in other areas of my life and the great things we have learned in that journey. The CPA executive, council, past Presidents and members have all benefited from this education and leadership which will and is being used by so many in their organisations and business.

Cormac Fitzgerald,
Past President, CPA Ireland

Good outcomes happen when we plan diligently and lead well but long-term success arises when we also mentor and encourage all of the team.

Clodagh Heneghan,
President, CPA Ireland

Real leaders inspire and motivate others by empowering their team to achieve the collective goals that they have set and realise the vision that they advocate.

Michael Kavanagh,
Vice President, CPA Ireland

CPA is a model of seamless leadership in which every participant is made feel as if they themselves are leaders.

Gearoid O'Driscoll,
Past President, CPA Ireland

Being authentic is fundamental to leadership. So, first of all, be yourself. Secondly, be the best version of yourself that you can possibly be and never stop learning.

Eamonn Siggins,
Chief Executive, CPA Ireland

Business ownership is challenging, engage with reliable, reputable Firms/ Individuals. Focus on the job ahead, break it down into small components, never look too far ahead.

Michael Dolan,
Past President,
CPA Ireland

Looking back as President of CPA Ireland during the covid pandemic, it is clear to me that nothing could have been achieved without the collaborative effort of all at CPA in achieving our common goal for all our members and students – in short, we thrived because of our teamwork. My favourite motto in difficult times "Ever tried. Ever failed. No matter. Try again. Fail again. Fail better", (Samuel Beckett).

John Devaney, Past President, CPA Ireland

I am a great believer in treating Leadership as a process like any other business process. My view is that leaders are information nodes to a multitude of processes; their working day involves receiving, processing and transferring information to their immediate staff, managers and external stakeholders. Leaders are responsible for the health of an organisation and its results, both financial and non-financial!

Joe Aherne, Past President, CPA Ireland

Effective Leadership encouraging a culture of innovation to stay ahead in a competitive landscape is critical to the trust placed in the Accountancy profession.

Cormac Mohan, Past
President, CPA Ireland

We have a huge input to the SME community offering a very professional service and excellent back up advice small businesses.

Richard O'Hanrahan,
Council, CPA Ireland

For anyone entering the accountancy profession, a common misconception is focusing solely on financial prospects.

In reality, whether it's accountancy, law, bricklaying, or plumbing, I always advise prioritising mastery in your field. When you excel in your craft, success naturally follows as there's always demand for exceptional people. Once you find great people, they don't need to be managed because the best people already know what to do. That's where leadership comes in: empower them by providing clear goals and objectives. Leadership is about stepping back to let talented individuals thrive while guiding them towards shared goals.

Brendan Brady, Council, CPA Ireland

"Leadership is not just about having a vision; it's about taking actionable steps to turn that vision into reality and inspiring others to join you on that journey."

Judith Condell, Director Business
Development, CPA Ireland

Managing Cashflow

by AIB

Cashflow management is the monitoring, surveillance, and active management of the actual money coming in and going out of your business. It's more than what you currently have in the bank, as it also considers the money you are owed by others, any unpaid debts, or scheduled payments you may have.

Additionally, it involves taking actions to maintain the financial health of your business, both now and in the future.

Cashflow management is important all year round, but at this time of the year with annual tax filing deadlines in mind, cash flow management is critical to all businesses. This can be a busy and potentially stressful time for many business owners, however effective financial forecasting, cash flow management, and early tax planning can help reduce and relieve the stress.

By managing cashflow effectively, you will be able to keep your business secure and profitable, while providing the opportunity to forecast investment opportunities, establish company spending and build up an emergency cash fund. Being prepared for all scenarios that may occur throughout the year for your business is vital.

AIB's Cashflow Solution for your Business: PromptPay Finance

Paying significant annual bills requires planning, and AIB's cash flow solution, PromptPay supports your company to conserve cash for expected and unexpected expenses. With PromptPay, your business can spread large one-off expenses, such as your annual tax bill or pension payments across six to 11 months.

To gain a better understanding of PromptPay, we posed a few questions to Alan O' Regan, Head of Finance & Leasing in Area South at AIB, on why he recommends PromptPay to his Business customers.

Can you tell us a little bit about PromptPay?

PromptPay is a short-term working capital finance product which enables businesses to finance significant annual payments over an 11-month term, easing cash flow pressures and are a key part of our product offering to many business customers.

Why do you recommend PromptPay to your customers?

PromptPay is a great product for businesses to manage their cashflow as it facilitates spreading annual payments such as corporation tax or business insurance over a max 11-month term in manageable monthly repayments.

All business customers have an insurance requirement and through knowing our customers and their businesses we ask them how they fund same and advise them of the PromptPay solution which may suit spreading their annual costs over an 11-month period.

What are the benefits of using PromptPay?

It is a short-term working capital finance product which enables businesses to manage their annual cashflow as it facilitates spreading annual bills over an 11-month period which in turn can ease cashflow pressures.

AIB Business Banking Customer NMP Architecture & Landscape speaks on their experience managing Cash Flow with PromptPay

NMP

NMP (Niall Montgomery & Partners) is an award-winning architectural practice with over 70 years of experience across a wide range of projects, creating unique designs in tune with their context and cultural influences whilst re-imagining their client's vision.



The firm specialises in landscape architectural services, which are managed by John Montgomery, and the more traditional architectural services are overseen by James Montgomery.

Niall and his son James founded the family practice in 1974, and it has since grown tremendously. The business started off in architecture before branching out into landscaping. Running a family business involves many duties and responsibilities especially in the constantly changing environment we live in today, from managing daily tasks to managing finances.

Effective cash flow management can aid family businesses in surviving, expanding, and passing on their legacy to the following generation.

We spoke to NMP about cashflow management and how they grew their family business throughout the years. One factor that has played a role in their business success is the fact that they were able to effectively manage their cash flow with the assistance of PromptPay. Maeve Walsh, Finance & Leasing Representative at AIB first introduced them to the product.

NMP told us how PromptPay allows their business to meet their tax obligations in a timely manner by spreading their payments over a course of 11 months.

They have used PromptPay for many years now and plan to continue using it for their business as they see the positive impacts that come with it. NMP added they would recommend it for other businesses for the following reasons

"PromptPay allows a business to meet a relatively large outlay either in professional fees or tax obligations in a timely manner whilst aiding cash flow to ensure the smooth running of a business. The process for applying and obtaining the funds is very easy and hassle free with the help of AIB."

We spoke to Head of AIB Finance & Leasing, Brendan Crowley about cashflow management.

"AIB Finance & Leasing remain committed to supporting the growth and expansion of businesses within the SME and Agricultural sectors. As well as offering our standard Hire Purchase and Leasing products, we understand businesses also have short-term working capital finance requirements and recognise how these significant one-off payments can negatively impact on the day-to-day cash flow. Our Working Capital Finance solutions of PromptPay and Insurance Premium Finance are short term finance products which enable businesses to finance significant annual payments easing cash flow pressures and are a key part of our product offering to many business customers".



"CPA Ireland and AIB have had a strong partnership over the last six years" said John Brennan, Head of Retail SME in AIB. **"To have been given the opportunity to meet and speak to so many CPA members in that time has been a real pleasure. These members live all over Ireland and come from various backgrounds and practices, and it has been a privilege connecting with them. I would like to wish both CPA staff and members the very best of luck with the upcoming amalgamation with Chartered Accountants Ireland. I would especially like to thank CPA Ireland CEO, Eamonn Siggins and Director of Member Services, Patricia O' Neill for all their support".**



AIB will continue to support CPA Ireland members as they transition to ACA and beyond. We would be delighted to talk to you about how we can help you and your business in the future, at smeinfo@aib.ie or you can contact your local branch.



AIB and CPA Ireland

AIB has been delighted to support CPA Ireland and is proud of our strong partnership over the last six years.



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Cart to Checkout: Harnessing Payments Technology to Drive Sales

by Donal McGuinness

"Today's customers want hassle-free checkout, consistent brand interactions online and offline, payment flexibility, and fast, secure transactions with strong fraud protection," writes Donal McGuinness, CEO of Prommt

Did you know that 70 percent of shoppers look for their preferred payment method when deciding where to buy? For Millennials, it's even more crucial - 80 percent will ditch an online checkout if their favourite payment option isn't available.

The secret to reducing abandoned carts may well be in offering the right payment choices. Many brand websites fall short on this, leading to 20 percent more abandoned carts than online marketplaces.

The payment journey isn't just a transaction, it's an extension of your brand and often the final touchpoint that creates a lasting impression. Today's customers want hassle-free checkout, consistent brand interactions online and offline, payment flexibility, and fast, secure transactions with strong fraud protection.

To deliver on these expectations, keep the checkout really simple and streamlined, the fewer steps from product discovery to purchase, the better. Complicated and lengthy checkout processes can deter buyers. Instead, focus on a design that mirrors your brand, ensures a logical payment flow, and minimises unnecessary clicks for a smoother payment experience.

Explore payment solutions that help you seamlessly orchestrate between card and open banking, with automation and smart features like personalised payment plans, reminders, group send, convenient card-on-file for personal shopping, and real-time tracking and reporting.

Let's delve deeper into how payments technology can transform abandoned carts into successful purchases:

1. Reduce Fraud, Chargebacks and Data Breaches

In 2023, global retail lost a staggering \$429 billion to payments fraud, with nearly half of all businesses worldwide encountering cyber-attacks or data breaches, a 32% increase from 2022. Businesses eyeing substantial revenue growth in 2024 faced the highest fraud losses, totaling \$196.4 billion.

These statistics underscore the urgency for fast-growing businesses to invest in advanced payment technologies. This involves implementing robust measures like data encryption, tokenization, stringent data governance, access controls, robust authentication, and compliance with global standards. Open banking as an alternative to card payments significantly reduces exposure to chargebacks. Recent studies indicate a 61 percent decrease in fraud this year, credited to advanced encryption and real-time authentication through open banking APIs.

Security concerns often drive cart abandonment, influenced by factors like outdated websites or unfamiliar payment gateways. To enhance trust and reassure customers about the security and reliability of your payment process, prominently display 3D security and PCI compliance badges during checkout. Additionally, include customer testimonials, transparent return policies, and

multiple contact options. Leveraging chatbots and virtual assistants also ensures a seamless payment journey.

2. Eliminate Scheme/ Interchange Fees and Boost Security for High-Value Transactions with Open Banking Payments

Open banking payments reduce costs and protect margins by reducing transaction fees, payment operations costs, card fraud, and chargebacks. For example, Prommt's open banking payments solution has helped a UK-based leading car retailer, Motorpoint, save over £100,000 in less than eight months by reducing merchant fees and simplifying payment collection.

PSD3, the EU's updated Payment Services Directive, represents a significant leap forward in open banking, building on lessons learned from PSD2. Effective from 2026, it aims to bolster open banking APIs and promote broader adoption of related services, with key priorities including enhancing fraud prevention, safeguarding consumer rights, and ensuring equitable access to payment systems.

Moreover, PSD3 improves fraud prevention by expanding IBAN and name checks. Payment providers now must verify payment details' accuracy, driving increased adoption of Confirmation of Payee services among PSPs to curb misdirected payments and fraud. PSD3 also mandates Strong Customer Authentication across multiple devices, empowering customers with greater control and enhancing

data security through diverse authentication methods.

3. Capitalise on Social Commerce

Social media-driven shopping generated \$571 billion USD in 2023 alone. Projections indicate that this figure will exceed one trillion dollars by 2028. As online shopping, live selling, and social commerce continue to grow, the shopping experience must evolve to be more immersive, customised, and secure. Businesses can tap into this trend by embedding pay-by-link features within social media and messaging apps, allowing customers to purchase directly from live videos hosted by influencers and brand representatives on Instagram and TikTok.

4. Streamline Payment Operations

Smart payment orchestration allows businesses to automate the presentation of card or bank payment methods to the customer, based on criteria such as transaction value, location, product type, or specific transaction details.

For example, they might accept card payments for initial deposits and use open banking for final balances, ensuring customers benefit from card protection while minimising fees on larger transactions. They can create personalised payment plans and automate workflows to handle failed payments, offering alternative methods via bank or card to complete transactions.

Advanced payment technology platforms simplify team management and access control, enhancing operational efficiency across various locations and departments. Both online and in-store transactions generate valuable data captured through the payment infrastructure. Features like live tracking, reporting, and comprehensive analytics offer precise insights into purchasing behaviours and preferences, enabling businesses to better address customer needs, decrease cart abandonment rates, and foster customer loyalty.

Businesses can pivot from abandoned carts to payment success by adopting secure and versatile paytech solutions. By offering multiple payment options and

simplifying checkout processes, they can drive sales and build brand loyalty.

About Prommt

Founded in 2017, Prommt is a payments platform that is revolutionising payments for enterprises and their clients. Its innovative solutions enable fast, frictionless card and open banking payments anytime, anywhere. Prommt is an enterprise-grade solution that is built for teams, supporting multiple locations, and provides powerful reporting and alerting capabilities. It is trusted by industry leaders across the automotive, luxury retail, hospitality, builders merchants, and insurance sectors. Headquartered in Dublin, Ireland, Prommt is used by businesses today across Europe and North America. It is the winner of the Best Open Banking Service Initiative awarded by Global Payments Innovation Awards 2023, as well as a finalist for the Best Open Banking/A2A Initiative at The Payments Association's Pay360 Awards 2024.

Curious to learn more about how Prommt can help you? Get in touch - www.prommt.com



Donal McGuinness

Serial paytech entrepreneur Donal McGuinness is CEO of Prommt. He studied Information Technology at DCU and Telecommunications Engineering at DIT and spent the early years of his career in the telecommunications industry. His experience in mobile payments dates to 1999 when he founded his first mobile payments company, ItsMobile and since then has been working areas covering payments, money remittances and digital identity.



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Financial Reporting News

IASB publishes its review of impairment requirements relating to financial instruments

The International Accounting Standards Board (IASB) has concluded its Post-implementation

review (PIR) of the impairment requirements in IFRS 9 Financial Instruments – Impairment.

The objective of the PIR was to assess whether the effects of applying the impairment requirements are as the IASB intended when it developed these requirements.

Overall, feedback and research carried out during the PIR show that the impairment requirements in IFRS 9 are working as intended and provide useful information to users of financial instruments. Specifically, the requirements:

- Have led to more timely recognition of credit losses;
- Provide useful information to investors about expected

credit losses, although targeted improvements to credit risk disclosures were suggested; and

- Can generally be applied consistently with some areas requiring further clarification and guidance.

In response to the feedback, the IASB will explore whether requirements for modification, derecognition and write-off of financial instruments, and the consequential effects on recognition of expected credit losses, can be clarified as part of its project on Amortised Cost Measurement. Furthermore, the IASB has added a new project to its pipeline to investigate targeted improvements to the credit risk disclosure requirements in IFRS 7 Financial Instruments: Disclosures.

[Find out more](#)

IAASA welcomes signing into law of CSRD Statutory Instrument

On July 5th 2024, Minister for Enterprise, Trade and Employment, Peter Burke TD signed into law the Statutory Instrument giving effect to the provisions of the Corporate Sustainability Reporting Directive (CSRD). The SI provides for the following key elements:

- Power for IAASA to regulate the sustainability reporting of entities under IAASA's remit as accounting enforcer.
- Power for IAASA to adopt a sustainability assurance standard pending the adoption of an EU wide standard by the European Commission.
- Power for recognized accountancy bodies ('RAB's') to approve and register sustainability assurance service providers.
- Power to regulate the provision of sustainability assurance to companies in scope, which will be split between IAASA for PIE's and RABs for other companies.

The EU has already approved the European Sustainability Reporting Standards which will apply to companies in scope for reporting at the end of this year (2024).

While in Ireland this is a relatively small population, for the 2025 reporting year all large companies will come in scope for these extensive reporting requirements.

If they have not done so already, directors and audit committees of companies in scope need to start preparing immediately.

[Find out more](#)

ESG Governance: Six ways for Boards to lead the sustainability transition

Accountancy Europe in cooperation with Chapter Zero Brussels, ECIIA and ecoDA published ESG Governance: Six ways for boards to lead the sustainability transition (2024).

Board members and sustainability experts were interviewed to learn from their experience in implementing the sustainability transition in their organization.

The paper draws on these conversations and provides advice and examples to support and inspire other board members.

The six ways for Boards to lead the sustainability transition are:

1. Assert your leadership on sustainability
2. Break down silos
3. Make most of the executive and senior management
4. Consider stakeholders as strategic partners
5. Approach the materiality assessment as a strategic tool
6. Prepare for challenges, trade-offs, and difficult discussions

[Find out more](#)

IAASA publishes Feedback Paper on its Consultation on the Adoption of a Sustainability Assurance Standard in Ireland

Following public consultation to obtain stakeholders' views on the appropriate standard for sustainability assurance in Ireland, IAASA has published its Feedback Paper and Responses Received.

IAASA intends to adopt the International Standard on Assurance Engagements 3000 Revised (ISAE 3000), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Adoption will take place when the European Corporate Sustainability Reporting Directive (CSRD) is transposed into Irish law giving IAASA the statutory power to adopt sustainability assurance standards in Ireland.

[Find out more](#)

International Standard on Related Services 4410 (Revised) Compilation Engagements

by Phyllis Willoughby

The International Standard on Related Services 4410 (Revised) Compilation Engagements superseded CPA Ireland's Miscellaneous Technical Statements – M14 (Revised) Compiling and Reporting on Financial Statements of Entities not subject to Audit with effect from 1 June 2024.

The adoption of this standard will assist members in compiling and reporting on financial statements of entities not subject to audit and thus provides a more robust framework for members to implement.

Both CPA Ireland and Chartered Accountants Ireland have issued guidance on the use of ISRS 4410 (Revised).

What is a Compilation Engagement?

A compilation is a non-assurance engagement.

The standard defines a compilation as *"an engagement in which a practitioner applies accounting and financial reporting expertise to assist management in the preparation and presentation of financial information of an entity in accordance with an applicable financial reporting framework and reports as required by this ISRS"*.

There are three main parties in a compilation engagement:

- 1. Management and Those Charged with Governance (TCWG)** – responsibility for preparation and presentation of the financial statements in accordance with the applicable financial reporting framework (such as FRS 102, S1.A FRS 102, FRS 105).
- 2. Practitioner** – compiles the financial statements using the records, documents, explanations, and other information, including significant judgments, provided by management.
- 3. Intended Users** – Investors, lenders, government agencies, suppliers and

the public are likely to associate the practitioner with the financial statements.

A compilation engagement would typically be provided by a firm for audit exempt entities and unincorporated entities.

Top twenty key considerations in accepting, performing and reporting on a compilation engagement

1. Understanding of the ISRS 4410 (Revised) Standard

Ensure every member of the engagement team has a sufficient understanding of the standard and its requirements appropriate to their role within the engagement.

2. Ethical Requirements

When performing any professional service, members are required to comply with ethical requirements as set out within both CPA Ireland and Chartered Accountants Ireland regulations.

3. Professional Judgment, including Objectivity and Independence

In exercising professional judgment practitioners are required to apply their training, knowledge, and experience to the known facts and circumstances of the particular engagement.

Objectivity and Independence should be maintained in all engagements. There are certain factors, which by their nature are a threat to objectivity in any professional role and appropriate safeguards should be considered. Areas of risk include:

- Family & other relationships
- Loans
- Goods and services
- Beneficial interests in shares and other investments
- Acting as a business advisor and investing in or sponsoring or promoting shares

4. Competence

A compilation engagement may only be accepted by (or assigned by the firm to) an engagement partner who has the professional competence to perform the work required.

Competency in financial reporting is necessary to ensure the requirements of the applicable financial reporting framework (FRS 102, S1.A FRS 102, FRS 105) are understood in sufficient detail to understand the reporting requirements.

5. Quality Control Policies and Procedures for Compilation Engagements

The engagement partner takes the overall responsibility for the quality of each compilation engagement being performed in accordance with the firm's quality control policies and procedures.

It is important that the engagement team collectively has the appropriate competence and capabilities to perform compilation engagements in accordance with firm's quality control policies and procedures.

6. Appropriateness of Engagement

In exercising professional judgment, the practitioner must consider whether accepting such an engagement would

be appropriate. The practitioner must also determine the nature of the engagement so that the appropriate service is provided. Once engagement has been accepted the practitioner issues Letter of Engagement.

7. Understand the Entity & Governance Structure

The practitioner shall obtain an understanding on the entity's business and operations, including the entity's accounting system and accounting records, this provides a frame of reference for planning and performing the compilation engagement.

8. Applicable Financial Reporting Framework

Management shall determine the relevant financial reporting framework to apply to the compilation engagement namely FRS 102, S1.A FRS 102, FRS 105. The companies Act 2014 prescribes the criteria for application of relevant financial reporting including appropriate company size thresholds.

9. Agree Terms of Engagement via Letter of Engagement

To avoid misunderstandings when

carrying out a compilation engagement it is in the interests of all parties (TCWG, management and the practitioner) that the terms of the engagement are clearly documented in an engagement letter signed by management or TCWG, as appropriate prior to performing the engagement.

10. Obtain appropriate work programme

For completeness when carrying out the compilation engagements it is recommended to have an appropriate work programme in use for audit exempt and unincorporated entities. This will aid in ensuring all areas of compliance are actioned and appropriate work is documented. These can be obtained from via CPA Ireland, Chartered Accountants Ireland or a Third-Party Training Provider.

11. Develop an action plan for carrying out the compilation engagement

The development and documentation of an action plan when carrying out the compilation engagement will ensure overall completeness of the compilation engagement. Members should plan the work so that the engagement is

conducted in an effective, efficient and timely manner. Plans should be based on knowledge of the client's entity and the complexity of the company's books of account and the accountants' experience of the business. A record of this planning should be retained on the engagement file.

12. Communications with Those Charged with Governance (TCWG)

Constructive working relationships with TCWG and the practitioner is vital for every compilation engagement. Modes of communication include oral, written, zoom, Microsoft teams etc. The practitioner communicates with TCWG on findings and other matters in relation to the compilation engagement.

13. Consider Materiality in the context of the Applicable Financial Reporting Framework

In general, misstatements, including omissions are considered material if they individually or in aggregate, could reasonably be expected to influence the economic decision of users on the basis of the information. Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of the misstatement, or a combination of both. The practitioner's perception of the needs of users of the financial information affects the practitioner's view of materiality. Amendments to the compiled financial statements may be required for the financial statements not to be materially misstated.

14. Type and nature of procedures in carrying out the compilation engagement in tailored circumstances

The practitioner has discussions with TCWG to obtain an understanding of the business and operations as well as to gain familiarity with the accounting principles and practices of the sector in which the entity operates. The practitioner will make requests from management for further information in response to incomplete, inaccurate or otherwise unsatisfactory information. If the practitioner becomes aware during the course of the engagement that:



- The compiled financial statements do not adequately refer to or describe the applicable financial reporting framework
- Amendments to the compiled financial statements are required for the financial statements not to be materially misstated; or
- The compiled financial statements are otherwise misleading, amendments will be proposed to management.

15. Misleading Financial Statements

If, in the course of the compilation engagement, the practitioner becomes aware that the records, documents, explanations or other information, including significant judgments, provided by management for the compilation engagement are incomplete, inaccurate or otherwise unsatisfactory, the practitioner shall bring that to the attention of management and request the additional or corrected information.

16. Supervision and Review

The firm through their quality control procedures for compilation engagements should develop policies and procedures to ensure that the work of less experienced engagement team members be supervised and reviewed by a more experienced engagement team member.

17. Documentation & File Assembly

The basic principles to consider when preparing file documentation is to ensure it is:

- Well organized illustrating the work performed and who performed the work
- Adequate file structure, including referencing and cross-referencing
- The results of the work, as well as any significant matters that arose and how they were addressed during the compilation engagement.
- Copies of supporting and/or other third-party documentation on file for significant items. For example, asset additions could be supported by copies of invoices and/or finance documentation.

A work program for each compilation

engagement is recommended.

The practitioner is required to document all completed work. This is to ensure, where the quality of the accountant's work is challenged or subject to a review by CPA Ireland or Chartered Accountants Ireland, documentation is available to provide evidence that the engagement was carried out in accordance with the basic principles for such an engagement.

The file assembly should be in line with the firm's quality control policies and procedures. For example, the timeline for final assembly could be 60 days after the date of the engagement report.

18. Forming and wording of the Compilation Report

Guidelines for the form and wording of the Compilation Report can be found on both the CPA Ireland and Chartered Accountants Ireland websites.

19. File Completion Checklist

For completeness a file completion checklist should be filled out and evident on file. This can be found primarily within the Work Programs purchased via CPA Ireland, Chartered Accountants Ireland or alternatively a Third-Party Training Provider.

20. Issuing of Final Agreed and Signed Financial Statements

The directors of companies have a statutory responsibility for the financial statements which give a true and fair view of the assets, liabilities and financial position of the company at the end of its financial year and of its profit or loss for such a year as well as entitlement of the company to audit exemption and these should be approved and signed by the directors before the Accountant's Report is signed.

The practitioner should obtain a declaration of the client's responsibility for the appropriate presentation and adequacy of information disclosed within the financial statements. Care should be taken to ensure that the date of the Accountant's Report is the same as the date of the client's declaration.

The compiled financial statements should contain a reference such as

"Unaudited", or "Refer to Compilation Report", on each page of the financial statements or at the front of the complete set of financial statements.

Unincorporated entities

Unlike the statutory financial statements of companies, there is no statutory requirement for the financial information of unincorporated entities to give a true and fair view.

The basis of preparation for the information should be clearly defined in order that the accountant can compile the information for presentation. The basis should be clearly disclosed in the financial statements in a basis of preparation note. For example, the basis used to compile the financial statements may be agreed as being one which provides sufficient and relevant information to enable the completion of a tax return.

Conclusion

Compilation engagements conducted by firms should be carried out with these considerations in mind to assist with the completion of compliant and good quality engagement files which support the financial statements prepared in accordance with applicable Financial Reporting Framework.

Appropriate Work programs tailored to each client supported by clear quality management policies and procedures for completing compilation will also assist in top quality compilation engagements.



Phyllis Willoughby

*Learning & Development Accountant
Member Services, CPA Ireland*



Taxation News

Central Bank publishes pre-Budget letter to Minister for Finance

The Central Bank of Ireland recently published the annual pre-budget letter from Governor Gabriel Makhoul to the Minister for Finance. Governor Makhoul said: The Irish economy has rebounded well from the economic effects of the pandemic and Russia's invasion of Ukraine. Swift domestic policy action as a major contributor to this rebound, with little sign of scarring.

The economy has moved to a new phase as activity is expected to be broadly in line with its medium-term potential. These generally favourable conditions provide a good backdrop for attention to turn more decisively towards strengthening that economic growth potential.

[Find out more](#)

Returns by Employers in Relation to Reportable Benefits – Enhanced Reporting Requirements (ERR)

The Tax and Duty Manual – Returns by Employers in Relation to Reportable Benefits – Enhanced Reporting Requirements (ERR) has been updated to confirm that in relation to the period 1 July 2024 – 31 December 2024, Revenue will continue to support employers in relation to ERR obligations and will not seek to apply penalties for non-compliance.

The update also outlines what is expected from employers in relation to ERR during this period.

Revenue publishes key findings from public consultation on modernising Ireland's administration of VAT

Revenue recently published a report setting out the key findings from the initial stage of its public consultation on modernising Ireland's administration of VAT.

The consultation considers the possibility, through advancements in digital technology, of redesigning the way in which VAT is administered in Ireland, to align compliance obligations more closely with normal business processes. The initial stage of consultation, which launched in October 2023, focused on the modernization of Business to Business (B2B) and Business to Government (B2G) VAT reporting, supported by eInvoicing.

Over 1,100 responses were received, the vast majority of which came from businesses within the VAT net. A number of tax advisory and accountancy firms, professional representative groups, software providers and business associations also made submissions.

Revenue acknowledges and thanks all those who took the time to contribute to the process.

A well-designed programme of VAT modernization is a priority on Revenue's path to support VAT compliance for businesses and enhance the effectiveness of tax administration. Input received from businesses and other stakeholders will, therefore, play an instrumental role in shaping the discussion surrounding VAT modernization and all suggestions, concerns and recommendations submitted will be reviewed and considered as the programme advances.

This early-stage consultation was the first step in our engagement with the VAT community on VAT modernisation. Further consultations and other public engagement will follow, as reform proposals take a clearer shape, are tested, refined and put into operation.

[Find out more](#)

Research and Development (R&D) Corporation Tax Credit

The Tax and Duty Manual – Research and Development (R&D) Corporation Tax Credit – has been updated to incorporate the changes to the R&D credit introduced by Finance (No. 2) Act 2023.

Finance (No.2) Act 2023 changes are reflected throughout the manual, with new examples included where appropriate.

Key changes introduced to Part 29 by Finance (No.2) Act 2023 include:

- Increase in the rate of the R&D credit to 30%
- Increase in the first instalment threshold from €25,000 to €30,000
- The introduction of a pre-filing notification requirement

These changes apply in respect of accounting periods commencing on or after 1 January 2024.

[Find out more](#)

Guidelines for charging interest on late payment through Revenue Debt Management Systems DMS and Fixed Direct Debit Systems

The Tax and Duty Manual – Guidelines for charging interest on late payment through Revenue Debt Management Systems (DMS) and Fixed Direct Debit Systems has been updated. The manual provides guidance on when and how Revenue charges interest and the rates that apply.

[Find out more](#)

Revenue Guidelines for Determining Employment Status

The Tax and Duty Manual – Revenue Guidelines for Determining Employment Status for Taxation Purposes – was recently published to provide information in relation to the Karshan Supreme Court judgment.

[Find out more](#)

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Allowable and Non-Allowable Expenditures for VAT Refunds

by Marty Murphy

The concept of flat-rate farmers in Ireland was introduced as a simplified VAT system to ease the administrative burden on small farmers. The system is rooted in European Union VAT directives, particularly Council Directive 2006/112/EC, which allows member states to implement a flat-rate compensation scheme for farmers who opt not to register for VAT. The Irish implementation aims to ensure that farmers receive adequate compensation for VAT paid on inputs without having to engage in complex VAT accounting and reporting procedures.

Background on Flat Rate Farmers

Farmers are not required to register for VAT even when they exceed the VAT thresholds per section 6 of the Value-Added Tax Consolidation Act 2010 (VATCA 2010). The flat rate basis is also applied to companies, partnerships, etc. Where a farmer is required to register for VAT for imports from outside the state, the VAT registration is ringfenced so that the farm only needs to account for VAT on imports, and the rest of their business remains outside the VAT net. Where either a company or an individual is obliged to register for VAT outside of the farm trade, the flat rate basis for VAT is not available.

The flat rate addition appears within the Value-Added Tax Consolidation Act 2010 (VATCA 2010), specifically under Section 86. The current rate set by the Minister for Finance for the flat rate addition is 4.8% (effective from 2024, down from 5.6% in January 2021). This rate is reviewed periodically to ensure it compensates for the VAT incurred on inputs. It should not be confused with the livestock VAT rate which currently also happens to be 4.8%.

A flat-rate farmer does not issue an invoice with a VAT rate on it. Instead, for instance, when a cow has been sold for €1,500, the buyer/mart will add 4.8% to the price paid to the farmer and pay the farmer €1,572. The buyer will issue the farmer with a self-issued invoice, and the buyer

will then claim the €72 back from Revenue as an input cost in the buyer's VAT return. The purpose of the flat rate addition is to compensate the farmer for inputs that the farmer would have been entitled to if they registered for VAT but instead chose to be a flat rate farmer.

VAT58B Refunds Overview

Value-Added Tax (Refund of Tax) (Flat-rate Farmers) Order 2012 (S.I. No. 201/2012) allows farmers to claim certain expenditures. This is funded by the Irish exchequer and originates from when Ireland joined the European Union. These refunds are called VAT58s. Starting in 2022, the number of refunds being subject to review by Revenue substantially increased. In the same period, the number of claims being rejected substantially increased, including for items that had previously been allowed. Practitioners became uncertain of what would qualify and could not advise clients. This led to huge uncertainty on capital projects being undertaken by farmers as this could significantly alter the cost of a build if the expenses did not qualify for a refund.

In 2014, the number of claims amounted to 21,227 for €50.9 million. In 2023, a total of 35,896 claims were made for €88 million. The peak of claims was in 2020, with a total of 37,176, and the peak cost was in 2022, with €89.3 million. Obviously, 2022 coincided with a significant increase in the cost of building.

In response to the number of queries and various requests by TDs and lobbying organisations, Revenue has published their guidance based on the explanatory notes from Council Implementing Regulation (EU) No 1042/2013, also known as VAT13B.

The EU guidance is clear in its reference to fixed or in the ground. "The VAT Implementing Regulation refers to buildings and constructions while the VAT Directive only refers to structures fixed to or in the ground. Therefore, irrespective of whether the structure qualifies as a building or construction, what will be decisive to qualify as immovable property is whether the concerned structure is fixed to or in the ground."

Revenue Guidelines on Allowable and Non-Allowable Expenditures

Below, I have provided a general overview of what Revenue has allowed and has not allowed.

Construction of Farm Buildings

Refundable Items:

1. Building Materials:

- Concrete, bricks, steel, and other materials directly used in constructing barns, silos, or other agricultural buildings.
- Insulation materials to ensure the building meets required standards.

- Roofing materials such as metal sheets, tiles, or thatch.

2. Construction Services:

- Labour costs for construction workers and contractors directly involved in building the structure.
- Architect and engineering fees for designing the building.

3. Essential Fixtures:

- Electrical systems for lighting and powering farm equipment within the building.
- Plumbing systems necessary for the operation of the farm building.
- Ventilation systems to maintain air quality within livestock buildings.

4. Site Preparation:

- Costs associated with clearing and levelling the land where the farm building will be constructed.
- Costs for laying the foundation.

Non-Refundable Items:

1. General Farm Equipment:

- Tractors, ploughs, harvesters, and other machinery not directly incorporated into the building.
- Tools and small equipment used by construction workers that are not permanently fixed to the building.

2. Maintenance and Repair Costs:

- Routine maintenance and minor repairs for existing buildings, such as repainting or fixing leaks.
- Costs for servicing and maintaining construction machinery.

3. Non-Essential Fixtures:

- Furniture and office equipment placed within the farm building such as desks, chairs, and computers.
- Decorative elements that do not serve a functional purpose in the operation of the farm.

4. Personal Expenses:

- Any costs related to personal use, such as residential space within the farm building.

- Personal vehicles or items not used exclusively for farm operations.

Fencing, Draining, or Reclamation of Farmland

Refundable Items:

1. Fencing Materials and Installation:

- Materials: Wooden posts, wire mesh, electric fencing components, gates.
- Installation: Labour costs for setting up the fencing, including digging post holes, setting posts, and attaching fencing material.
- Accessories: Fence energizers, insulators, and other essential accessories for electric fencing.

2. Draining Materials and Services:

- Drainage Pipes: Perforated pipes, tiles, and other materials used for field drainage systems.
- Installation: Labour costs for installing drainage systems, including digging trenches and laying pipes.
- Pumps and Accessories: Submersible pumps and necessary accessories for efficient drainage.

3. Reclamation Activities:

- Land Clearing: Costs for removing trees, rocks, and other obstructions from the land.
- Soil Improvement: Materials like topsoil, compost, and lime to improve soil quality.
- Levelling and Grading: Machinery hire and labour costs for levelling and grading the land.
- Seeding: Initial seeding of reclaimed land.

Non-Refundable Items:

1. General Maintenance:

- Repairs: Routine repairs to existing fencing or drainage systems, such as fixing broken fence wires or clearing blocked drains.
- Upkeep: Regular upkeep costs such as painting fence posts or replacing worn-out parts.

2. Non-Essential Additions:

- Aesthetic Enhancements: Decorative elements like ornamental gates or landscaping around the fencing.
- Non-Essential Machinery: Equipment not directly related to fencing, draining, or reclamation, like lawnmowers for maintaining grass around the fence.

3. Personal Expenses:

- Residential Landscaping: Costs related to landscaping around personal residences on the farm.
- Personal Use Items: Any items or services not directly tied to farm operations, like decorative plants or garden ornaments.

Installation of Qualifying Equipment for Micro-Generation of Electricity

Refundable Items:

1. Solar Power Systems:

- Materials: Solar panels, inverters, mounting systems, wiring, and batteries for energy storage.
- Installation: Labour costs for installing solar panels on farm buildings, setting up inverters, and connecting the system to the farm's electrical grid.
- Accessories: Charge controllers, monitoring systems, and essential safety equipment like fuses and disconnects.

2. Wind Turbines:

- Materials: Wind turbine units, poles, mounting hardware, and electrical components.
- Installation: Labour costs for erecting wind turbines, including foundation work, pole installation, and electrical hookups.
- Accessories: Control systems, batteries for energy storage, and monitoring equipment.

3. Biogas Plants:

- Materials: Biogas digesters, gas storage tanks, piping, and combustion equipment.

- Installation: Labour costs for constructing biogas plants, including digging pits, setting up digesters, and installing gas handling systems.
- Accessories: Gas scrubbers, pressure regulators, and safety devices.

4. Hydroelectric Systems:

- Materials: Small-scale hydro turbines, water intake structures, pipes, and electrical components.
- Installation: Labour costs for setting up hydroelectric systems, including constructing water channels, installing turbines, and connecting to the farm's grid.
- Accessories: Control systems, batteries, and monitoring equipment.

Non-Refundable Items:

1. General Equipment:

- Non-Essential Machinery: Equipment not directly related to the generation of electricity, such as general farm tools or personal use items.
- Maintenance Tools: Tools used for routine maintenance of the micro-generation equipment.

2. Maintenance and Repair Costs:

- Routine Maintenance: Costs for regular servicing and minor repairs to existing micro-generation systems, such as cleaning solar panels or oiling wind turbines.
- Spare Parts: Replacement parts for routine upkeep.

3. Non-Essential Additions:

- Aesthetic Enhancements: Decorative elements added to the micro-generation setup, like painting turbines or adding non-functional structures.
- Non-Essential Accessories: Items not critical to the operation of the system, such as non-essential monitoring devices or luxury upgrades.

4. Personal Expenses:

- Residential Use: Costs related to generating electricity for personal residences on the farm.
- Personal Items: Any items or services not directly tied to farm operations, such as personal electronic devices powered by the system.

Challenges and Revenue Concerns

Revenue has made some questionable decisions where items made, for instance, of concrete and bolted down are allowable, which is in the merit of the EU guidance, but the exact same thing made, for instance, of plastic or not bolted down, such as moveable cow mats, is not allowable.

Revenue is also concerned that several milk bulk tanks, for instance, are for sale on online auctions that had likely qualified for VAT58 refunds. If the bulk tanks could be sold, they could not be considered fixed and therefore not qualifying. The reality is that anything can be removed with the right tool. There is a mix between bulk tanks going for scrap and having been ripped apart to get them out of where they had been installed.

Additionally, a concern of Revenue is why the dairy industry was the source of so many query submissions, but even in the original concept for the scheme, dairy was mentioned.

Future of VAT on Farms:

Revenue is currently under a process to modernise VAT along the same lines as PAYE modernisation. No clear intention has been published by Revenue, but it is likely that all farmers will eventually fall into the VAT net. This will likely take a number of years to materialise and will likely be led by the current EU proceedings concerning broiler chickens resulting in individual sectors being analysed independently and slowly removed from the flat rate addition.

Conclusion

Traditionally, the flat rate addition

for farmers has been well-received by farmers along with reduced administrative costs. The complications and additional work being required, due to the complexity of VAT58 claims, are likely to be the first step in a long path to eventually bring all farmers within the VAT net.

iFac

Ifac is an expert team of accountants and financial advisors with specialist knowledge of the farming, food, and agribusiness sectors. For over 40 years, ifac supported those working on the land all over Ireland, growing and evolving to better deliver on the needs of their members and clients.

Their vision is to be recognised as the accountants and financial advisors of choice for forward-looking farmers, food, and agribusiness in Ireland. With over 30 locations nationwide, ifac's clients can access top-quality service from a location that is convenient for them.



Marty Murphy

Marty joined the ifac team in 2020, as the Partner of our Dublin Office before becoming the Head of Tax of ifac in 2023. Marty holds a Bachelor of Commerce from University of Galway, he is a fellow of ACCA, a member of the Irish tax institute CTA/AITI and a member of CPA Ireland. Marty trained in a firm in Galway and subsequently worked for a top 10 before leading the corporate division of one of Ireland's largest Private Clients Firms. Marty has both an audit and tax background, with expertise in corporate work, restructuring work and succession. Outside the office, Marty is an avid IT enthusiast and likes to have all the latest technologies and gadgets!



In Practice News

IAASA Annual Report 2023

IAASA's annual report has been laid by the Minister before the Houses of the Oireachtas. Commenting on the report, Chief Executive Keving Prendergast said:

"IAASA continues to support the highest standards of auditing and corporate reporting quality. This is achieved through our regulatory approach that sets a benchmark in terms of our expectations on quality, and where necessary a robust enforcement policy where there are significant departures from that benchmark. IAASA also maintains quality throughout the profession by the issue of high-quality auditing standards and through its oversight of the regulatory activities of the prescribed accountancy bodies. Looking to the future, IAASA is preparing for the impact of the Corporate Sustainability Reporting Directive and its corporate reporting and assurance requirements. While IAASA is focussing on its public interest entity population, these will in time impact on thousands of companies in Ireland."

[Find out more](#)

FRC restructure creates new Market Intelligence and Digital Reporting Functions

The FRC recently announced a strategic review of its economic analysis, data analysis, research and market monitoring functions, existing resources have been reorganized into two newly structured teams to enable delivery of better stakeholder outcomes across the FRC's remit and regulatory scope. These two new functions are Market Intelligence and Insights led by Laura Warren, and Digital Reporting and Taxonomies led by Phil Fitz-Gerald. The work previously undertaken by FRC Lab on reporting and market insights will be absorbed into these new functions.

The Market Intelligence & Insights function will focus on providing more comprehensive, evidence-based analysis and insights across the FRC's policy development, monitoring and regulatory activities. Separately, the new Digital Reporting & Taxonomies function has been established, reflecting the importance of these rapidly evolving areas. It will focus on building the FRC's knowledge and capability, improving the quality of digital reporting, and developing tools to support the reporting ecosystem.

[Find out more](#)

Company Size Thresholds Increased by 25%

The Minister for Enterprise Peter Burke signed into law the European Union (Adjustments of Size Criteria for Certain Companies and Groups) Regulations 2024 which increases the balance sheet and turnover thresholds for 'micro', 'small', 'medium', and 'large' companies in the Companies Act 2014 by 25 per cent.

The legislation comes into effect from 1st July

2024 and the measures apply for financial years beginning on or after 1 January 2024, enabling companies to benefit from the adjusted thresholds immediately. Companies may elect to apply the measures on or after 1 January 2023.

Category	Criterion	New Thresholds
Micro	Balance Sheet Total not exceeding	€450,000
	Net Turnover not exceeding	€900,000
	No. of employees not exceeding	10
Small	Balance Sheet Total not exceeding	€7.5m
	Net Turnover not exceeding	€15m
	No. of employees not exceeding	50
Small Group	Balance Sheet Total not exceeding	€7.5m (or €9m gross)
	Net Turnover not exceeding	€15m (or €18m gross)
	No. of employees not exceeding	50
Medium	Balance Sheet Total not exceeding	€25m
	Net Turnover not exceeding	€950m
	No. of employees not exceeding	250
Medium Group	Balance Sheet Total not exceeding	€25m (or €30m gross)
	Net Turnover not exceeding	€50m (or €60m gross)
	No. of employees not exceeding	250
Large	Balance Sheet Total not exceeding	€25m
	Net Turnover not exceeding	€50m
	No. of employees not exceeding	250

[Find out more](#)

Quality Assurance Reviews – Notification – frequency of reviews

IAASA wishes to highlight that the statutory requirement regarding quality assurance reviews conducted by the Recognised Accountancy Bodies (RABs) is not limited to every six years.

Key messages for statutory auditors and audit firms:

- 1. Legislation – Companies Act 2014 – Section 1496** - The legislation explicitly states that a quality assurance review should take place at least every six years.
- 2. Risk Assessment** - RABs risk assess statutory auditors and audit firms to determine content and frequency of quality assurance review.
- 3. Timing** - A visit may be conducted by the RABs earlier than a six-year interval if deemed necessary or appropriate. Failure to comply may result in regulatory action.

[Find out more](#)

ESMA publishes material supporting corporate sustainability reporting

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, has published:

- Final Report on the "Guidelines on Enforcement of Sustainability Information" (GLESII), and
- Public Statement on the first application of the European Sustainability Reporting Standards (ESRS).

These documents are designed to support the consistent application and supervision of sustainability reporting requirements across the EU.

The purpose of the GLESII is to provide guidance to build convergence on supervisory practices in the area of sustainability reporting.

Through the Public Statement on the first-time application of the ESRS, ESMA aims to support large issuers addressing the learning curve associated with the implementation of these new reporting requirements.

[Find out more](#)

New Horizons

by Ben Rawal

A business merger or acquisition can often cause nervousness amongst teams, yet the potential opportunities typically outweigh any scepticism, when implemented effectively. Ben Rawal highlights some of the key benefits of business mergers, together with the need for strong leadership and team dynamics at a critical time.

In 2023, there were almost 60,000 mergers and acquisitions (M&A) across the globe, worth approximately \$2,500bn. Although the volume of activity has fallen steadily since 2021, the value of M&A deals has remained broadly consistent since the second half of 2022. The first half of 2024 still witnessed more than 20,000 transactions, worth more than \$1,300bn.

It's probably safe to say that M&A activity will continue for some time yet, and this is unsurprising given the benefits that can be realised from a carefully selected merger or acquisition.

This article explores the importance of strong leadership when individuals and teams are attempting to navigate the challenges of a business merger or acquisition.

Recognising Change

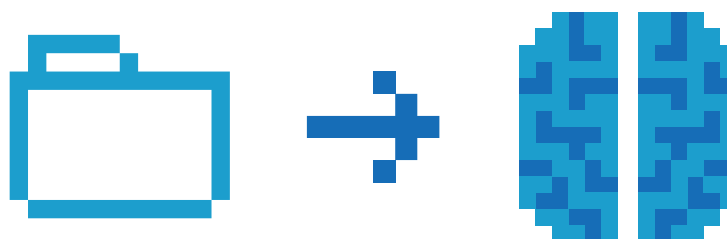
However hard leaders try to convince individuals and teams that a merger or acquisition will be 'seamless,' the more this tends to draw attention to the potential uncertainty of the situation. This is a natural response to change, which often feels difficult. After all, remaining in our comfort zone is reassuring, takes less effort and usually reduces stress to a more acceptable level.

As highlighted in one of my previous articles, we all process change and uncertainty in different ways and with a varying level of pace. Some of us reach a point of acceptance quickly, whereas others will need more time to move beyond a less productive state, such as Denial, Anger, or Depression.

Despite the negative connotations attached to dealing with change, many individuals benefit from experiencing

these difficulties, rather than simply attempting to avoid them. This is similar to grieving where reaching acceptance is tough, and other thoughts and feelings must be processed in the first instance.

With large scale M&A activity, it is important to remember that your teams will all (initially) be at different phases of change acceptance. As we will explore in the next part of this article, the importance of strong leadership during change increases exponentially.



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The Role of Leaders

As many of us already recognise, being a good leader is not restricted to those individuals in the most senior roles or positions. Leadership (unlike management) can be demonstrated by anyone, at any hierarchical level through how an individual behaves and communicates with others.

This means that during a business merger or acquisition, strong leadership at all levels of an organisation will help to implement sustained change in an effective manner. This will however suit some individuals better than others, and it is important to recognise who can (and will) offer critical leadership skills throughout the change process.

To determine who could be selected to help lead the team through change, multiple factors should be considered, as follows:

Communication skills

Good leaders are great communicators.

Although this may sound obvious, communication is a complex skill that incorporates a variety of facets: Verbal, written, body language, and emotional expression to name but a few areas.

When teams are involved in a M&A activity, leaders must communicate using a variety of methods, and provide clarity on exactly what is happening and when. As a leader, you will be judged on your ability to communicate with multiple audiences with varying needs and concerns.

How often do you check the effectiveness of your communication skills? Or, do you simply assume that others are 'on board' with the messages provided?

Urgency

A lack of urgency, particularly during times of change is one of the main reasons why efforts are unsuccessful or fail to fully realise the expected benefits.

Creating the right conditions for change and maintaining urgency is a key aspect of good leadership. When urgency is present, it helps to send the right message to individuals that the change journey WILL be completed in full. It



aims to overcome doubt, scepticism, and negativity by ensuring that teams experience pace and positive forward movement.

Selecting leaders with a sense of urgency for change can often be determined by understanding their behaviours in a working environment – do they regularly demonstrate proactive, positive, and energetic traits? If so, look for ways that you can use these team members to create urgency.

Emotional awareness

Although leadership involves leading others to a particular destination or objective, this shouldn't come at the

cost of emotional negligence.

The experience of change can be incredibly exciting for many individuals – an opportunity to experience new ways of working and meet new people. Conversely, change can also be terrifying for some and best 'avoided' if possible. In my experience of working with teams, individuals encounter a variety of emotions as they deal with change.

Leading a team through a M&A also involves an awareness of your own emotions, how they affect your behaviour, and the importance of emotional contagiousness. Think of ways that you can reflect on how

you are feeling, and whether your emotions and behaviours are helping or hindering your team.

Dealing with negativity and scepticism

Good leaders are authentically positive. This means that the way they communicate their views and express their own feelings is congruent with how they actually feel.

It is natural for some individuals and teams experiencing change to feel sceptical, or even negative about the benefits of a merger or acquisition. When this happens, it is common for groups to form that share similar views. Individuals that have different perspectives to the group are usually ignored.

For these reasons alone, leaders need to be aware of what happens across their teams, and how the dynamics of different conversations can either motivate and inspire or drag others down. A critical responsibility for leaders includes consistently setting a positive example to others and ensuring that doubts are listened to. This enables the sceptics to have their say, be heard and responded to in a way that shows empathy and understanding.

The role of the leader is to ensure that doubts are converted into opportunities.

Seize the day

Strong leadership enables individuals and teams to be directed and supported in the right way, ultimately giving the merger or acquisition the best chance for long term success. Notwithstanding this point, mergers and acquisitions offer multiple opportunities for teams, if they are leveraged in the right way.

The table Above highlights some of the main team-related opportunities that exist when organisations come together

Opportunities that arise...

1. Team-based efficiency: Mergers and acquisitions usually provide leaders with an opportunity to reassess how their teams operate. This frequently includes the ability to utilise people in a different, often more efficient and effective manner. A good example includes how individual weaknesses can be counteracted by new strengths that are now available to the team. Any unhelpful conflict within or across teams can also be reassessed and dealt with now that a different group of individuals is being introduced.

2. New perspectives:

Teams frequently benefit from a plethora of new ideas and alternative ways of working. This is particularly relevant for those teams that become quite insular and choose to ignore external 'noise' that can actually be incredibly valuable. A merger or acquisition offers the chance to introduce new people and ideas into the team environment and learn from the experience of others.

3. Relationship building

New people = new relationships – if you want it to. Arguably one of the most engaging and motivating factors about the work environment is the people we work with. This creates enjoyment in our lives,

reduces stress, and tends to be the things we remember most about our job history. Although some of us may initially feel quite anxious about meeting new people, we generally move beyond these concerns and determine with whom we can build relationships, and ultimately, trust.

4. A clean slate:

Difficulties that sometimes arise both within, and between, teams can be demoralising and inevitably form part of the business culture that exists. A merger or acquisition will inevitably 'shake things up' in this regard. It offers a great opportunity for leaders to assess their business challenges and how their teams can be reshaped to improve the culture, and ultimately organisational performance.

5. Development opportunities:

A new team environment can also shed light on learning opportunities, and how individuals and teams can be developed further. Some individuals could find themselves in different roles or teams, which may offer the chance to develop new skills. It is highly likely that development strategies will be revisited because of a merger or acquisition.



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In the competitive accounting and advisory services landscape, thought leadership has become a critical growth strategy. By establishing themselves as industry experts, firms can differentiate their services, build trust, and attract high-value clients. This article explores the multifaceted role of thought leadership in professional services marketing, particularly for accountancy and advisory firms, and provides practical steps for implementing an effective strategy.

Establishing Authority and Building Trust

One of the primary benefits of thought leadership is the establishment of authority. In a crowded market, prospective clients seek out firms with high expertise and reliability. By consistently sharing insights, research, and expert opinions, professionals within firms position themselves as knowledgeable leaders in their field. For instance, publishing whitepapers on the latest tax legislation changes or producing reports on emerging trends showcases a firm's in-depth understanding and analytical capabilities. This authoritative presence attracts not only prospective clients but brings the added benefit of building profile with future team members too.

Trust is paramount in the professional services sector. Clients are more likely to engage with firms that provide valuable, insightful content. Thought leadership fosters long-term relationships by deeply understanding industry challenges and solutions. When firms consistently address client pain points and offer actionable advice, they demonstrate their commitment to client success. This trust-building process, though gradual, is invaluable, leading to stronger client loyalty and more referrals.

Enhancing Brand Visibility

Regular publication of thought-provoking content helps firms stay top-of-mind among potential clients, industry peers, and future team members. Increased visibility through blogs, articles, and social media posts significantly boosts brand

recognition. When firms contribute to industry discussions and provide valuable insights, they become go-to sources for information and analysis. This heightened visibility can lead to invitations to speak at conferences, participate in panel discussions, or contribute to prestigious industry publications, further amplifying the firm's reach and credibility.

Driving Growth

Thought leadership content can be a powerful driver of business growth. High-quality content attracts professionals seeking expert advice, generating valuable leads. These leads are often more qualified as they have already engaged with the firm's content and recognise its expertise. Prospects can be more readily converted into clients by showcasing the firm's ability to solve complex problems through case studies, blogs, and reports. Additionally, thought leadership content supports business development by providing valuable resources that teams can use to address client questions and concerns.

Differentiation in a Crowded Market

In a crowded market, thought leadership sets firms apart. By sharing unique perspectives and innovative solutions, firms can differentiate themselves from competitors. This differentiation is crucial in attracting clients looking for partners with a forward-thinking approach. For example, a firm that focuses on a sector segment or has deep service expertise will stand out in the marketplace.

This unique positioning can be a significant competitive advantage, helping the firm attract high-value clients seeking cutting-edge solutions.

Implementing a Thought Leadership Strategy

Implementing a successful thought leadership strategy requires a multifaceted approach. Here are some key tactics:

1. Content Creation:

Regularly publish content such as whitepapers, blogs, and research reports. Industry-specific content that addresses current trends and challenges will have the most impact. For example, an analysis of an industry segment can attract significant attention from clients in that sector.

2. Speaking Engagements:

Participate in industry conferences and webinars. These platforms provide an opportunity to share insights with a larger audience and establish the firm as a thought leader. Speaking engagements also offer networking opportunities that can lead to new business relationships and partnerships.

3. Social Media:

Leverage platforms like LinkedIn to share insights and engage with the audience. Social media allows firms to reach a broad audience and engage with industry peers, clients, and prospects in real time. Regular posts, updates, and discussions can keep the firm top-of-mind and drive engagement.

4. Client Education:

Host or engage with CPD events to educate clients on industry trends. These events can be webinars, workshops, or seminars that provide valuable learning opportunities for clients. By educating clients, firms demonstrate their expertise and commitment to client success, fostering stronger relationships.

Leveraging AI Tools for Enhanced Thought Leadership

AI tools have become invaluable in enhancing thought leadership efforts. Here are some AI-driven tools that can support your strategy:

1. Content Creation and Curation:

Tools like Jasper (formerly Jarvis) and Copy.ai assist in generating high-quality content quickly. These tools use advanced algorithms to produce well-structured articles, social media posts, and more. Platforms like Curata help curate relevant content from various sources, ensuring you stay updated with industry trends.

2. Data Analytics and Insights:

AI-powered analytics tools like HubSpot and Google Analytics provide deep insights into audience behaviour and content performance. By analysing metrics such as page views, engagement rates, and conversion metrics, you can refine your content strategy to better meet your audience's needs.

3. SEO Optimisation:

Tools like SEMrush and Moz use AI to enhance your SEO efforts. They provide keyword suggestions, track rankings, and analyse backlinks, helping you optimise your content for search engines and increase visibility.

4. Personalisation and Automation:

AI-driven personalisation tools like HubSpot and Marketo enable you to deliver personalised content to different audience segments. Automation tools can schedule and distribute content across multiple channels, ensuring consistent engagement without manual effort.

5. Social Media Management:

Platforms like Hootsuite and Buffer use AI to manage social media posts, track performance, and engage

with your audience. These tools can analyse the best times to post, suggest content, and monitor social media trends relevant to your industry.

Building Validation Points for Business Development

Thought leadership is critical in creating validation points that support business development efforts. Validation points substantiate a firm's expertise and capability, making it easier for potential clients to trust and engage with the firm. Here are several ways thought leadership builds these validation points:

1. Case Studies and Testimonials:

Publishing detailed case studies highlighting successful client engagements is powerful validation. These stories provide tangible evidence of the firm's expertise and the results they can deliver. Testimonials from satisfied clients further reinforce this validation, offering third-party endorsements that can be particularly persuasive.

2. Awards and Recognitions:

Receiving industry awards and recognitions for thought leadership initiatives, such as best-in-class reports or innovative solutions, provides formal validation of a firm's capabilities. These accolades can be prominently featured in marketing materials and discussions with potential clients, demonstrating the firm's industry leadership.

3. Peer Reviews and Citations:

When thought leadership content is cited by other industry experts or used as a reference in peer publications, it enhances the firm's credibility. This external validation shows that other knowledgeable professionals in the field respect and value the firm's insights.

4. Media Coverage:

Thought leadership pieces that attract media attention and coverage can significantly boost a firm's credibility. Being featured in reputable industry publications or interviewed as an expert on relevant topics can validate the firm's expertise to a wider audience.

5. Client Engagement Metrics:

Tracking and sharing engagement

metrics from thought leadership content such as the number of downloads, shares, or direct inquiries, can also be validated. High engagement rates indicate the content is valuable and resonates with the target audience, reinforcing the firm's authority and relevance.

Conclusion

For accountancy and advisory firms, thought leadership is more than a marketing tactic; it is a strategic approach to building authority, fostering trust, and driving growth.

By consistently demonstrating expertise and providing value, firms can create lasting relationships and achieve sustainable success. Leveraging published content as validation on social media and for client communications amplifies its effectiveness, building credibility with prospective clients.

In the competitive professional services landscape, firms that embrace thought leadership will be well-positioned to stand out, attract high-value clients, and drive long-term business growth.

As clients increasingly seek partners who can provide services, insights, and guidance, thought leadership will continue to be a key differentiator and growth driver. By committing to a robust thought leadership strategy, accountancy and advisory firms can ensure they remain at the forefront of their industry, delivering exceptional value to their clients and achieving sustained success.



Mary Cloonan

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The Importance of Feedback

by Dawn Leane

Providing open and honest feedback is a key management responsibility, but it's the one managers avoid the most particularly when the feedback is developmental or likely to be challenged.

There are many reasons for this, most often managers will say that they are simply too busy. However, based on my experience, I believe that a more fundamental reason underlies this reluctance; we are uncomfortable with others discomfort.

When we have feedback conversations, this unease may manifest in different ways:

Trying to 'rescue' the person. For example, "you were late delivering that report, but I know you've been very busy."

Talking around the issue, never actually calling it out. For example, "we have a challenging quarter ahead, it will be important that we meet our key milestones".

Using the term 'we' when the feedback relates to an individual. For example, "we didn't get the report submitted on time."

Diluting the feedback. For example, "You were late delivering that report, but you did a really good job on the presentation, the feedback was great"

Being vague or cryptic. This often occurs with positive feedback. For, example "great work" without specifying what the person did well. Or, when offering developmental feedback, it may be a long, rambling introduction to the conversation.

Clear, honest communication is essential. There is a very real cost associated with failing to give appropriate feedback, including confused priorities, missed opportunities and disengaged team members.

Feedback from Gallup suggests that when team members receive regular meaningful feedback, they are four times more likely to be engaged as those who do not.

Feedback is also a component of another key management responsibility, developing talent in the business. How would you feel if your manager was unhappy with an aspect of your performance, but didn't tell you? Possibly causing you to miss out on a promotion or secondment. Would that be fair? Yet as managers we can put our own team members in this position. Are you really prepared to set someone up for a lifetime of failure, rather than experience a few minutes discomfort?

Difficult issues don't go away just because you ignore them, they will only escalate. At some point, as the persons manager, you will be called to account. Whether that's by your manager, Human Resources or in a legal forum. Somebody will ask you to demonstrate



how you made the person aware that their performance wasn't at the required standard. How and if you managed the performance issues will impact your professional brand and reputation.

Yet with the right approach, even difficult messages can be delivered with clarity and in a way that leaves the other person feeling respected and fairly treated while understanding the improvement required.

The best managers position feedback as a team norm, which supports and develops the team members growth while creating a culture of continuous improvement. It is part of regular dialogue with their team, not a once-a-year event.

The FAST feedback method, introduced by Bruce Tuglan, suggests that feedback should be:

- Frequent
- Accurate
- Specific
- Timely

The frequency will depend on the individual team member, their level of mastery and key competencies. But as a rule of thumb, it is as important to provide 'in the moment' feedback as it is to have an annual sit down. Feedback is at its most effective when given in real time or if that's not possible, at the earliest opportunity.

When preparing for a feedback conversation, challenge your motivation in offering the feedback, whether it is positive or developmental. Make sure that you are not motivated by a need for control, your own value judgements or bias.

When delivering feedback on failure to meet performance expectations, give the other person the benefit of the doubt by believing that they made a good effort and didn't fail to deliver intentionally.

Consider also whether you adequately communicated your expectations. That doesn't mean that you can't give the feedback, but it will make it more balanced.

Good communication is achieved through the careful use of language, avoiding judgemental words such as 'never' 'always' and 'should', while also avoiding negative tone and body language. It is important to keep the discussion professional, not personal and avoid any subjective judgements. Stick to the facts.

Since we all process information through our own filters, a key component of giving feedback is to establish a shared understanding of the issue. Having shown or told the person what they could have done differently, ask them to reflect back their understanding of what you have said and what needs to change.

Feedback is, of course, a two-way dynamic. It's important that we don't only offer feedback, we should also invite feedback.

Early in my career I would ask my team members 'how am I as a manager?' The result was fairly predictable – nobody wants to tell their manager what their shortcomings are! Usually, we find out too late when that talented team member is on their way out the door.

How team members are managed impacts significantly on how they perform. And for us as managers, the feedback we obtain from those who work mostly closely with us is an important part of our developmental journey.

As the saying goes if you don't know how to ask the right question, you discover nothing.

We are taught to ask open questions but, on this occasion, closed questions are more beneficial. Rather than asking 'how am I as a manager?' consider instead 'what one thing could I do that would make your role easier?' or 'if I were to change one behaviour, what would you find most helpful?'

This also works well when managing upwards. If you aren't getting useful and specific feedback, consider asking questions such as 'which of my competencies are of most value to the business?' or 'if you could give me one piece of developmental advice, what would that be?'

360-degree feedback is another useful way to both give and receive feedback. But a cautionary note here, if you are inviting feedback, select contributors who will give you an honest, unbiased appraisal. Often the feedback that we hope to receive, is not the feedback that we need to hear. Likewise, if you are invited to contribute to someone else's rating, observe the guidelines above. Just because your contribution may be anonymous, it doesn't mean that you should be unprofessional.

Remember that these days, career development is about much more than the 'day job'. There are other behaviours and competencies that must be cultivated to ensure career success. Addressing issues, communicating with clarity, identifying and developing talent and building high performing teams are just some of them.

'One of the greatest gifts you can give another human being is constructive feedback on a blind spot they never knew they had. It's a great disservice not to say what needs to be said because it isn't comfortable. Care enough to give honest, accurate feedback.'

Dr Stephen R. Covey.



Dawn Leane

Dawn Leane is Chief Learning and Development Officer with Advancia.ie



The Future of Accountancy Practice: Leading with Vision and Adaptability

by Paul Redmond

As the landscape of accountancy evolves, so too must the leadership at the helm of accounting practices. The future of accountancy is set to be shaped by a myriad of factors, from technological advancements to changing client expectations and regulatory shifts. I have navigated these waters for over 40 years, and I've come to understand that the key to thriving in this dynamic environment is visionary leadership and adaptability. This article will explore these elements and provide insights into leading a practice into the future.

Embracing Technological Innovation

The digital revolution has already transformed many aspects of accountancy, and its influence is only set to grow. Automation, artificial intelligence (AI), and data analytics are no longer optional; they are essential tools for any forward-thinking practice. Leaders must not only adopt these technologies but also integrate them seamlessly into their operations.

Automation and AI

Automation and AI can handle routine tasks such as data entry, reconciliation, and even some aspects of audit, freeing up time for accountants to focus on higher-value activities. This shift requires leaders to reimagine job roles and invest in training their teams to harness these technologies effectively. The efficiency gains from automation can lead to reduced operational costs and increased accuracy, which are crucial in maintaining a competitive edge.

Data Analytics

Data analytics offers unprecedented insights into client financials, enabling more informed decision-making and proactive advisory services. By leveraging advanced analytics, practices can provide clients with strategic insights that go beyond traditional accounting. This involves not only understanding historical data but also predicting future trends, which can be invaluable for clients planning their next business moves.

Cybersecurity

With the increased reliance on digital technologies comes the heightened risk of cyber threats. Leaders must prioritise cybersecurity, implementing robust measures to protect sensitive financial data.

This includes regular security audits, employee training on cyber hygiene, and investing in advanced security software to safeguard the practice and its clients.

GO ANYWHERE
WITH IMMERSIVE LEARNING

TAKE THE OPPORTUNITY
TO DISCOVER VIRTUAL REALITY

Key Details:

Method: In Person using VR Headsets

Location: Various

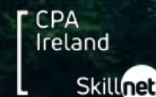
Length: 4 Hours

CPD: 4 Hours

Cost: €99



CPA METAVERSE
SCHOOL OF INNOVATION™





Client-Centric Services

The modern client expects more than just compliance and tax preparation. They seek holistic financial advice and strategic planning. Leadership in accountancy practices must pivot to a client-centric approach, ensuring services are tailored to meet these evolving demands.

Personalised Advisory

Understanding the unique needs of each client, whether they are businesses or individuals, allows for customised solutions. At RDA, we consider the client's entire financial landscape, including family and business dynamics, to craft strategies that align with their goals.

This personal touch can differentiate a practice in a crowded marketplace, fostering long-term client loyalty.

Enhanced Communication

Transparent and proactive communication is vital. Utilising digital platforms for regular updates and consultations can enhance client relationships. Leaders should foster a culture where clients feel valued and heard, ensuring their concerns are addressed promptly.

This might include regular newsletters, virtual meetings, and an accessible online portal for clients to track their financial progress and access relevant documents.

Value-Added Services

Beyond traditional accounting services, practices should consider offering value-added services such as financial planning, wealth management, and business consultancy. These services can provide clients with comprehensive financial support, positioning the practice as a one-stop solution for all their financial needs.

Navigating Regulatory Changes

The regulatory environment is continually evolving, with new standards and compliance requirements emerging regularly. Effective leadership entails staying ahead of these changes and ensuring the practice is always in compliance.

Continuous Education

Leaders must prioritise continuous education for themselves and their teams. This includes keeping abreast of new regulations, attending relevant training sessions, and engaging with professional bodies. A culture of lifelong learning ensures that the practice remains compliant and capable of providing the highest level of service to clients.

Compliance Technology

Investing in compliance technology can help streamline the process, reduce errors, and ensure that the practice remains up-to-date with the latest requirements. This not only mitigates risk but also builds trust with clients. Compliance software can automate many aspects of regulatory reporting, making it easier for practices to stay compliant and avoid costly penalties.

Global Standards

As businesses become more global, understanding and adhering to international accounting standards becomes increasingly important.

Leaders should ensure their teams are well-versed in global standards such as IFRS (International Financial Reporting Standards) to serve multinational clients effectively.

Cultivating a Forward-Thinking Culture

The culture within an accountancy practice plays a crucial role in its success. Leaders must cultivate an environment that embraces change, encourages innovation, and values continuous improvement.

Empowering Employees

Empowering employees through professional development opportunities and involving them in strategic decisions can drive engagement and innovation. At RDA, we believe in nurturing talent and providing our team with the resources they need to excel. This might include mentorship programmes, opportunities for further education, and creating an open environment where ideas are shared and valued.

Diversity and Inclusion

A diverse and inclusive workplace fosters a broader range of perspectives and ideas. Leaders should strive to build teams that reflect a variety of backgrounds and experiences, enhancing creativity and problem-solving capabilities. This diversity can also help the practice better understand and serve its diverse client base.

Work-Life Balance

Promoting a healthy work-life balance is essential in retaining top talent. Flexible working arrangements, mental health support, and a focus on employee well-being can create a more motivated and productive workforce. In turn, this leads to better client service and a more positive workplace culture.

Sustainability and Ethical Practices

The future of accountancy is also intertwined with broader societal trends towards sustainability and ethical business practices. Leaders must integrate these values into their strategic vision.

Sustainable Practices

Implementing sustainable practices, such as reducing paper usage and promoting remote work, can enhance the practice's reputation and appeal to clients who prioritise environmental responsibility. Sustainability initiatives can also include energy-efficient office spaces and encouraging clients to adopt green accounting practices.

Ethical Standards

Maintaining high ethical standards is

non-negotiable. Leaders must ensure that their practices operate with integrity, transparency, and accountability, fostering trust and long-term relationships with clients. This includes adhering to ethical guidelines set by professional bodies and ensuring that all team members understand and uphold these standards.

Corporate Social Responsibility

Engaging in corporate social responsibility (CSR) initiatives can further enhance a practice's reputation and connect it with the community. This might involve supporting local charities, offering pro bono services to non-profits, or participating in community events. CSR efforts demonstrate a commitment to giving back and can create a positive image for the practice.

Conclusion

Leading an accountancy practice into the future requires a delicate balance of embracing innovation, prioritising client needs, staying ahead of regulatory changes, and fostering a progressive workplace culture. At RDA Accountants, our approach has always been comprehensive, considering both the client's business and personal financial landscape. With visionary leadership and adaptability, accountancy practices can not only navigate but thrive in the evolving landscape, building a brighter financial future for their clients and their own firms.



Paul Redmond

Founder and CEO of RDA Accountants

Paul is a qualified CPA & QFA with 30 years of experience.



A Heartfelt Thank You

JDM Insurance Services want to express our deepest gratitude to our CPA clients and the Institute for all their support and friendships over the years.

We have worked with members and staff for over 25 years and it has been a pleasure and an honour to work with such a professional organisation and their fabulous members.

We wish all the members and the institute continued success and prosperity as the merger marks a new chapter of innovation, growth, and enhanced opportunities for everyone.

Thank you once again for your loyal support over the years and we look forward to continuing to support your Insurance needs.



HLB Ireland's Strategic Integration of Cybersecurity Services in Partnership with FutureRange

by Mark Butler

The digital revolution requires adaptation and foresight in the evolution of advisory services. Mark Butler, Managing Partner at HLB Ireland, emphasised this necessity during a recent discussion about enhancing the firm's advisory services to meet client needs as they evolve. He detailed his firm's strategic enhancements to its service portfolio, with a notable focus on cybersecurity, expressing enthusiasm about the progress and impact of these initiatives.

Evolving Advisory Services to Meet Dynamic Business Needs

Advisory services have undergone significant transformation over the years to keep pace with the dynamic needs of businesses. Mark reflected on the journey: "The sector has been traditionally focused on financial guidance." However, the rapid digitalisation of industries now compels advisory firms like HLB Ireland to broaden their services. The firm has invested heavily in technology to enhance service delivery—making processes faster, more accurate, and more efficient—thereby freeing up team members to engage more directly with clients.

This technological empowerment has led to a greater appreciation of the value of tech for clients and an understanding of the cyber risks they face. "The threat to advisory firms is real given the information we hold. So we as a firm strategically take cybersecurity very seriously," Mark emphasised, acknowledging the potential for a firm experiencing a cyberattack to act as a bridge to compromising client data.

In June, HLB Ireland was shortlisted for and received high commendation for the "AI Innovation Initiative of the Year" at the International Accounting Awards for using artificial intelligence to improve its analysis and advisory services. "By automating routine processes, we can engage actively and closely with our ambitious clients, maximising the value

of our advisory services through one-on-one interactions," said Mark.

HLB Ireland and FutureRange Collaboration

HLB Ireland has forged a strategic partnership with FutureRange to address these growing cybersecurity challenges effectively. "This collaboration allows us to provide top-tier cybersecurity services under the HLB brand, leveraging FutureRange's specialised expertise in a seamless, integrated manner," explained Mark. This partnership embodies a proactive approach to cybersecurity, enabling HLB Ireland to extend comprehensive cyber protection services to its clients while maintaining focus on their core advisory services.

The Challenge of Acquiring Cybersecurity Expertise

Securing top cybersecurity expertise is a significant challenge today due to the swift evolution of cyber threats and the growing demand for skilled professionals. As technologies such as artificial intelligence advance, cyber threats become more complex. This makes it difficult for organisations to rely solely on their internal capabilities. Hiring external cybersecurity experts is crucial. These experts bring specialised skills and keep organisations updated, helping them stay ahead of potential vulnerabilities and maintain strong defences in a rapidly changing digital world.

Benefits of the White-Label Cybersecurity Solution

HLB Ireland's white-label solution offers several strategic benefits:

1. Revenue Growth:

By incorporating FutureRange's cybersecurity solutions into its offerings, HLB Ireland opens new revenue streams. This integration allows the firm to tap into the growing demand for cybersecurity across various sectors, enhancing its overall market presence.

2. Client Retention and Protection:

Robust cybersecurity services ensure secure data and operations, protecting clients' operational integrity and enhancing client loyalty. This protection is crucial, as it helps maintain HLB Ireland's reputation as a guardian of client interests.

3. Brand Building:

Offering advanced cybersecurity solutions under the HLB brand enhances its standing in the market. It positions HLB Ireland as a forward-thinking firm, capable of addressing contemporary business challenges, thus attracting new clients and entering new market segments.

"This white-label solution means we can offer you expert cybersecurity services without the overheads of creating a separate department. It allows us to focus on what we do best—advisory—while ensuring top-level security for our clients' operations," Mark added,

highlighting the efficiency and strategic focus of the firm.

Board of Directors Responsibility in Cybersecurity

HLB Ireland is committed to supporting ambitious owner-managers and board directors, with cybersecurity forming a critical part of this support. The role of the board of directors in overseeing cybersecurity has become increasingly vital. Boards are tasked with ensuring that their organisations have robust cybersecurity measures to safeguard company assets, customer data, and operational capabilities. As part of our advisory role, we actively assist boards of directors in overseeing governance responsibilities encompassing various risk management measures.

This responsibility extends beyond simple oversight; it is a core component of broader corporate governance duties encompassing risk management and compliance with legal and regulatory standards. Consequently, directors must be well-informed about their companies' potential cyber risks and ensure that appropriate policies and procedures are established to mitigate these risks effectively.

Cybersecurity challenges today are marked by a level of sophistication that often surpasses the traditional capabilities found within many organisations.

The advent of AI and machine learning has equipped cybercriminals with tools that enable relentless attacks, necessitating equally relentless defences. As such, cybersecurity can no longer be seen as solely an IT director's responsibility. Instead, it requires a distinct skill set that blends technology, strategic risk management, and regulatory compliance.

External expertise is often necessary to keep pace with these demands. Cybersecurity experts like those at FutureRange provide the specialised knowledge and skills required to develop effective cyber defences. Their involvement ensures that cybersecurity strategies are comprehensive and adhere to the latest standards and practices, thus safeguarding sensitive information and corporate assets more effectively.



This level of expertise and vigilance must be mirrored at the board level, where strategic decisions about cybersecurity investments and policies can significantly impact the organisation's resilience against cyber threats. Boards that understand and prioritise cybersecurity protect their organisations from potential financial and reputational damage and position them as leaders in corporate responsibility and governance.

Real-World Cyber Attack Examples

Cyber-attacks can devastate, underscoring the critical need for proactive cybersecurity measures. The reality of these threats highlights how essential it is for businesses to strengthen their defences and prepare for potential incidents.

Recovering from a cyber-attack involves addressing the immediate damages and fortifying systems against future vulnerabilities. This ongoing vigilance is crucial for safeguarding against the

increasingly sophisticated nature of cyber threats.

Here are two examples of attacks that clients have experienced: a ransomware attack, which locks an organisation out of its systems, demanding a ransom to restore access and potentially leading to significant operational disruptions and financial losses, and a phishing attack, where sensitive information is stolen, leading to data breaches and compromising both customer trust and corporate integrity.

1. Law Firm Cyber Attack:

A law firm experienced a severe cyber-attack where hackers locked them out of their case management and document storage systems, demanding a ransom to restore access. In addition, sensitive client data was stolen. This attack led to substantial operational disruptions, including significant delays in legal proceedings, loss of billable hours, and a severely tarnished reputation. The theft of client data added



layers of risk, leading to potential breaches of confidentiality and legal consequences.

2. Logistics Business Phishing Attack:

In another instance, a mid-sized Dublin-based logistics company fell victim to a sophisticated phishing attack. The finance team was deceived into transferring funds to purchase five new vans to a fraudulent account, believing they were dealing with their regular vehicle supplier. This incident caused significant financial losses, impacting the company's operational budget and necessitating an urgent review and enhancement of its cybersecurity measures.

These examples illustrate the complex nature of cyber threats and the

extensive consequences they can have on businesses.

Cybersecurity as a Business Imperative

"Cybersecurity is not just an IT issue but a business imperative... to all businesses," Mark stated, underlining the integration of cybersecurity into HLB Ireland's service offerings. In today's landscape, cybersecurity transcends traditional IT concerns, becoming a critical component of national security and affecting businesses of all sizes. The increasing sophistication of cyber threats, propelled by advancements in artificial intelligence, demands robust defensive measures.

Conclusion

Integrating robust cybersecurity measures into business operations has become essential for the entire professional services industry as digital threats evolve. Advisory Firms' strategic response, including the adoption of partnerships with companies like FutureRange and an emphasis on board involvement, highlights the sector's adaptation to the changing landscape of advisory services.

This proactive approach is crucial for maintaining relevance and competitiveness, ensuring that firms stay at the forefront of client service and business resilience in an increasingly digital world.

Through technological advancements, strategic partnerships, and a commitment to cybersecurity at the highest levels of governance, the profession is demonstrating a modern approach to advisory services.

This comprehensive strategy safeguards clients' interests and underscores the importance of evolving with clients' needs. As the industry moves forward, firms must continue considering their clients' changing demands, positioning themselves as forward-thinking leaders in the professional services industry.

www.hlb.ie



Mark Butler

Managing Partner

Mark Butler, managing partner of HLB Ireland has led the firm through a number of mergers in recent years, most recently with John McCarrick & Associates, an accountancy firm founded in 1990 by former Irish international runner John McCarrick. The deal is the fifth transaction HLB Ireland has been involved in so many years as it continues to scale the firm.



Why are Immersive Technology Solutions So Impactful for training and where else are they adding value?

by Camille Donegan

Following on from the article detailing CPA Ireland's Metaverse use of Virtual Reality (VR) for accountancy training, we aim to illustrate the extensive length and breadth of the value immersive technologies bring to a variety of sectors.

Virtual Reality (VR) for Training

Utilising VR headsets for training offers numerous advantages over traditional 2D media or even in-person training, which often lack scalability. The immersive qualities of VR environments create unique training experiences by providing distraction-free settings, fostering emotional connections, and generating a sense of 'being there'. Additionally, VR transcends physical limitations, such as scaling body parts for medical training or allowing users to navigate and assess a built environment before its actual construction.

Research shows that VR training can result in three times more knowledge retention compared to other methods. One of the significant benefits of immersive training is providing a 'safe space to fail', which is crucial for high-risk, dangerous, or costly training scenarios. For instance, in VR, a trainee's mistakes during fire safety or wind turbine training don't result in real-world consequences like equipment damage or personal injury.

Organisations are leveraging VR to train employees in various areas: operating new machinery, improving

customer service, preparing for difficult conversations, building empathy, executing processes efficiently, communicating effectively, accelerating sales, negotiating confidently, handling emergencies, and developing leadership skills, among others.

Modern VR solutions are highly advanced, offering personalised training environments and detailed metrics tracking, such as gaze direction, duration, and stress levels during training. Some headsets even incorporate EEG technology to monitor brainwaves, which is particularly valuable in healthcare and mental health training applications.

Immersive video, delivered through VR, is another powerful training tool. These first-person, live-action, 360-degree experiences enable learners to embody a character in a scenario, providing a tangible 'feel' for a particular role or task. Multi-user platforms like Engage and Spatial enable global collaboration in virtual environments. For example, automotive engineers can co-design engines in a virtual space, benefiting from spatially positioned audio that enhances the sense of 'being with' colleagues.

Augmented Reality (AR) for Training

AR's strength lies in its ability to overlay relevant information onto the physical world, enhancing the training experience. AR headsets like Microsoft's HoloLens or Xreal's AR glasses display information directly in the user's field of vision, acting as a heads-up display for information previously contained in



a manual handbook. This feature can save trainees up to 40% of the time they would otherwise spend looking down to consult instructions.

AR is also effective in making the invisible visible, such as visualising pipe networks in buildings or cities. In healthcare, AR can reveal the location of veins, significantly improving the success rate of first-time needle insertions.

Industry Applications

Several Irish companies are pioneering VR and AR training solutions across various industries:

- VRAI create data driven VR simulation training for high hazard environments. Clients include the Irish Defence Forces, the United Nations in Somalia and IAG at Heathrow Airport.
- Innovision create high quality photomontages that can be used for a variety of use cases including visualising a wind farm to scale from various viewpoints.
- Mersus Technology specialise in VR training solutions that help businesses improve their employee training programs by creating immersive, interactive, and engaging training experiences. Clients include Boston Scientific, Siemens and Waterways Ireland.
- UtilityAR creates Augmented Reality solutions for industrial sectors like manufacturing, pharmaceutical, utilities, and data centres. Their clients include BT, Takeda and Dairygold.

A great example of the successful adoption of VR for training is PulseXR, which was designed and co-created with WWETB. Pulse XR is a cutting-edge teaching, learning and assessment virtual reality app for healthcare professionals in collaboration with Emagine, a leader in immersive virtual reality (VR) experiences. The application is set to transform how healthcare students in Ireland learn, practice and perfect their clinical skills in a risk-free, immersive environment.

Following the success of the PulseXR rollout, several other ETBs across Ireland are investigating how bespoke content,

as opposed to off-the-shelf apps can add value to their training programmes.

Tourism

In tourism, VR and AR add significant engagement value. Imagine standing at a ruined castle and using your smartphone to see the castle as it once stood, complete with historical characters and stories. VR can transport visitors to another time and place, offering an immersive, interactive experience.

Irish companies developing VR and AR tourism experiences include:

- Emagine are an award-winning Irish creative studio, Emagine are at the fore of the extended reality (XR) content industry. They have built VR and AR applications across

industry verticals such as tourism and healthcare.

- Invizar utilise augmented reality through next-generation immersive experiences, to craft narratives in a truly immersive and engaging way.
- Algorithm blends creativity and cutting-edge technology to create stunning visual experiences. Clients include Irish National Opera, Dingle Oceanworld and RTE.
- Volograms mission is to bring reality capture making content creation for AR and VR as simple as recording a video. Their algorithms can transform a 2d video of a person presenting to a 3d hologram (or vologram – volumetric hologram) mesh, just like Princess Leia in Star Wars!



Healthcare

Healthcare is leveraging AR and VR in profound ways. VR helps paraplegic patients regain bladder control through phantom limb simulations that stimulate neural pathways. AR devices can identify veins by detecting the infrared light absorption of haemoglobin, projecting a visual map of veins on the skin's surface. This technology makes clinicians 3.5 times more likely to successfully insert a needle on the first attempt.

Education

As you may imagine, of all the ways in which spatial technologies like VR and AR could prove to be transformative, the potential they have for education is one of the most exciting. Learning is about interaction and discussion as much as it is about absorbing facts. That's why the unique learning of presence and immersion these technologies create can be so impactful in education. Teachers and lecturers can present interactive 3d models of any object, from a jumbo jet airplane to a mitochondrion cell structure.

In 2024, Meta will launch a platform specifically for use by educators which will ease deployment of VR for education as well as increase adoption by schools and universities by easing friction.

Overcoming Barriers

Despite their benefits, immersive technologies face misconceptions that hinder their adoption:

1. 'VR makes people sick': Early VR technology had issues with refresh rates, lag, and latency, but these have been significantly improved. Developers now follow user experience design principles to mitigate motion sickness.
2. 'It's just for kids/games': This misconception leads to missed opportunities for organisations. While entertainment uses are well-known, VR and AR offer substantial business value.
3. 'VR is dead': VR has experienced adoption cycles, but its value is now well-documented. As development

costs decrease and AI adds efficiencies, more organizations will utilize AR and VR for training.

4. 'I tried it once and didn't like it': One poor experience should not deter further exploration, similar to how a single bad TV show wouldn't stop someone from watching television entirely.
5. 'VR is isolating': While VR headsets immerse users in different environments, they enhance training and entertainment. VR experiences often increase interest in real-world activities, such as visiting a vacation location.

In conclusion, immersive technologies like VR and AR are revolutionizing training across industries. They offer scalable, effective, and engaging solutions that overcome many traditional training limitations. By providing safe, interactive environments for learning, these technologies can enhance knowledge retention, improve performance, and reduce risks. As development costs continue to decrease and AI-driven efficiencies emerge, the adoption of VR and AR for training is likely to grow, driving significant benefits for organisations and individuals alike. At Eirmersive we are here to support and promote the growth of the sector in Ireland.

Eirmersive is the Voice of the Irish Immersive Technology Sector. Our vision is for Ireland to be a go-to destination for Immersive Technology solutions by 2028. Our mission is to Steer the evolution of Irish Immersive Technology sector to elevate it globally. We do this by Building Awareness of the transformative potential of immersive technology solutions, promoting adoption and spotlighting the talented players in the Irish Ecosystem as well as through developing the skills and talent pipeline along with our partners at Creative and Cultural Industries Skillnet. See eirmersive.com.

See Eirmersive's recent Irish Immersive Technology Strategy for Growth report, funded by Skillnet:

[Visit Here](#)

The benefits of Immersive Technology for training include:

- Makes training more innovative and engaging.
- Enables experiences that are impossible through any other digital medium.
- Teaches through doing, rather than theoretical concepts.
- Offers a safe practice space that encourages users to learn from their mistakes.
- Can transport you anywhere and even into the perspective of another human being.
- Encourages employees to explore at their own pace and in their own style.
- As colleagues can be together in virtual environments while physically remote, there is a reduction of travel and training costs as well as a decreased carbon footprint for the training.



Camille Donegan

Camille is a Virtual Reality consultant and content producer with 15-year parallel careers in both technology and the arts (theatre, film, radio). She is the interim CEO of Eirmersive, the voice of the Irish Immersive Technology sector.



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Institute News

Thank you!

Thank you for supporting CPA Ireland and in particular Accountancy Plus over the years. We look forward to collaborating with our new colleagues in Chartered Accountants Ireland to ensure we continue to bring you the insights, member news and technical information of relevance to you, your organisation and your clients.

Leinster CPA Society Closing Ceremony

On 27th June 2024, CPA Ireland President, Clodagh Henehan, hosted an event to celebrate the contribution of the Leinster CPA Society, since its formation in 1968, to the legacy of CPA Ireland.

This significant event is a milestone on the journey to amalgamation and the Chair of the Leinster CPA Society, Sahil Sarin, presented the Chain of Office of the Society to the President.

The event was attended by many of the Past Chairs of the Leinster CPA Society. Barry Doyle, President Chartered Accountants Ireland, and Damien Carr, Chair Leinster District Society, Chartered Accountants Ireland were also in attendance.



L to R: Eamonn Siggins, CEO CPA Ireland, Clodagh Henehan, President CPA Ireland, Sahil Sarin, Chair Leinster CPA Society



L to R: Sahil Sarin, Chair Leinster CPA Society, Damien Carr Chair CAI Leinster Society, Clodagh Henehan, President CPA Ireland, Eamonn Siggins, CEO CPA Ireland, Barry Doyle, President CAI.

CPA Ireland Annual Conference

The Annual Conference has long been a flagship event for CPA Ireland members, stakeholders, friends and staff so it was important to all of us that the last ever conference not only packed a (positive!) punch but that it celebrated those who have given their time over the years.

Our fantastic line up of speakers made the day one to remember and we would like to thank Dr Karen Weekes, Performance Psychologist and Endurance Adventurer, Marie Gleeson, Former Irish Navy Captain, Daniel McConnell, Editor in Chief, Business Post, Conor Carmody, Director, The Innovation Exchange and Lawrence Vesey, Partner, UK & Ireland, SIA Partners for their contribution to this closing event.

Thank you to Clodagh Henehan, President, CPA Ireland, Eamonn Siggins, Chief Executive, CPA Ireland, Barry Doyle, President, Chartered Accountants Ireland, and Barry Dempsey, Chief Executive, Chartered Accountants Ireland for inspiring us all with a discussion around what's to come for the accountancy profession in Ireland.

Thank you to AIB for their continued support for the CPA Ireland Annual Conference.



L to R: Eamonn Siggins, CEO CPA Ireland, Clodagh Henehan, President CPA Ireland, Barry Doyle, President Chartered Accountants Ireland, Barry Dempsey, CEO Chartered Accountants Ireland



Clodagh Henehan, President CPA Ireland speaking at the CPA Ireland Annual Conference



L to R: Peter Robbins PhD, Associate Professor of Innovation & Entrepreneurship at DCU, Mary McKenna, Co-founder of AwakenHub, tech entrepreneur and angel investor, John Brennan, Head of AIB Retail SME, Jonathan Healy, Healy Communications

British CPA Society Closing Ceremony

On 9th July 2024, we held the final event of the British CPA Society in the Strand Palace Hotel, London. This is the same venue at which the Society was formed on 26 January 1990. CPA Ireland President, Clodagh Henehan, was there to celebrate the contribution of the British CPA Society, since its formation in 1990, to the legacy of CPA Ireland.

This significant event is a milestone on the journey to amalgamation with Chartered Accountants Ireland, and the Chair of the British CPA Society, John Devaney, presented the Chain of Office of the Society to the President

The event was attended by many familiar faces of the British CPA Society, and several members of the Chartered Accountants Ireland London Society were also in attendance.



L to R: Eamonn Siggins, CEO CPA Ireland, Clodagh Henehan, President CPA Ireland, John Devaney, Chair British CPA Society



L to R: John Devaney, Chair British CPA Society, Clodagh Henehan, President CPA Ireland, Greg McAnenly, Chair CAI London Society



L to R: Alan Nelson, Founder & MD accountingpcd.net, Clodagh Henehan, President CPA Ireland, John Devaney, Chair British CPA Society, Jacqui Nelson, Marketing accountingpcd.net, Eamonn Siggins, CEO CPA Ireland

CPA Ireland and Specialisterne Ireland Partnership

CPA Ireland is delighted to be partnering with Specialisterne Ireland to promote and assist in the increase in employment of neurodivergent people in the accounting and finance space in Ireland.

Specialisterne Ireland was established over ten years ago and is a specialist consultancy for neurodivergent people (those on the autism spectrum, with ADHD, dyspraxia/DCD, dyslexia and similar neurodiversities), supporting them into employment.

They recruit across disciplines, typically for roles where attention to detail, pattern thinking or an ability to think outside of the box are important. Many autistic people are world-class analytical thinkers, and people with ADHD can work at a remarkable pace on a number of projects simultaneously when they are engaged by tasks.

People with dyspraxia can be creative and problem-solvers, and people with dyslexia have fantastic visual memory and spatial reasoning, as well as often being gifted with exceptional interpersonal skills.

They match the skills and characteristics of these individuals with roles that will suit their unique ways of working, while also harnessing their particular strengths.

Specialisterne Ireland also help and enable employers to build teams with diverse abilities and workplaces that are inclusive.

They provide a solutions-based focus, identifying where supports would be of benefit. They have found that most supports and accommodations are low or no cost, however a line manager/hiring manager might lack the knowledge of what they should be.

With having over 10 years' experience of creating inclusive workplaces that lead to both higher engagement and increased moral for employees, the Specialisterne Foundation, have a global aim of one million jobs for autistic people.

So far in the partnership CPA Ireland have hosted a webinar for members on diversity and inclusion in the workplace which had over 250 attendees, with very positive feedback from all.

CPA Ireland are now offering the chance for CPA Ireland members to avail of a **free 1-hour consultation** with Specialisterne's qualified staff to discuss your recruitment or retention needs for neurodivergent staff.

For example, if an employee discloses that they are dyslexic or ADHD and you aren't sure of the next steps, or if you would like to hire a neurodivergent finance graduate, then Specialisterne Ireland can help you. There are limited spaces, and the spaces are being offered on a first come, first served basis. To enquire about registering for the consultation sessions, please contact hello@cpaireland.ie

Education and assistance on neurodiversity in the workplace to CPA members and employers will also continue through our membership network.

For more information on the partnership between CPA Ireland and Specialisterne Ireland, and how Specialisterne Ireland can help you as an employer, head to the link:

[Visit Here](#)

Membership Changes:

Resignations			
Member ID	First Name	Last Name	Date
002039	Gerard T.	Ryan	31/03/2022
005266	Francis	Kearns	31/05/2022
024188	Aidan	Murnaghan	09/03/2023
000106	John Francis	Butler	29/05/2023
004724	Valerie	Murphy	19/09/2023
033760	Zahidur	Rahman	05/12/2023
007282	David	Lee	06/12/2023
037372	Suchitkumar Dashratbhai	Patel	06/12/2023
003597	Ronald J I	Beare	15/12/2023
016052	Pamela	Browne	31/12/2023
005887	Philip	Condon	31/12/2023
005535	Linda	Mellerick	18/01/2024
037351	Paras	Mittal	19/01/2024
001978	Eugene	O'Shea	01/02/2024
001995	Sheelagh	Crampton	20/02/2024
019412	Wayne Brian	Bartlett	26/02/2024
004937	Elaine	McCarthy	28/02/2024
024005	Garrett	McCarthy	03/05/2024
024014	Anthony John	O'Sullivan	09/05/2024
039000	Vivek	Gupta	28/05/2024
007117	Angela	O'Connell	05/06/2024
023978	Andy	Fogarty	11/06/2024
005223	Anne Marie	Walker	26/06/2024
000770	Margaret	Keogh	27/06/2024

Removals			
Member ID	First Name	Last Name	Date
000295	James Noel	Daly	10/06/2024
000780	James P.	Mahon	10/06/2024
001177	Michael	Quinlan	10/06/2024
003975	Deborah	McDaniel	10/06/2024
005288	Nora	Fitzgerald	10/06/2024
005612	Bernadette	Conroy	10/06/2024
008372	Elizabeth	King	10/06/2024
011683	Michelle	O'Reilly	10/06/2024
012413	Reynolds Tendai	Muza	10/06/2024
016107	Clodagh Marie	Dunne	10/06/2024
017218	Liam	Slattery	10/06/2024
017846	Catherine	Breen	10/06/2024
018082	Christopher	Corkery	10/06/2024
018507	Saliya Dhar-mawardane	Mudiyanse-lage	10/06/2024
023854	Olufemi	Dabo	10/06/2024
025082	Lawrence Michael	Ejiga	10/06/2024
030636	Andrew	Adeyemi	10/06/2024
030641	Noveed	Abbas	10/06/2024



Ireland
SPECIALISTERNE

Building Inclusive Workplaces



A progressive
**recruitment
service**

enabling neurodivergent
people to gain meaningful
employment

www.specialisterne.ie



ciste na
gcuntas díomhaoin
the dormant
accounts fund

 **pobal**
government supporting communities

CPD News

Accountingcpd.net

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

CPA Ireland has partnered with accountingcpd to help you get your year's CPD with their Pick & Mix offer.

Choose 20 structured CPD units now to complete at your own pace and save €100 on the usual price. Simply pick any five 4-hour courses from a wide range of topics covering both technical skills and professional development. Keep up to date with accounting trends and changes; develop new skills; or prepare yourself for the next career step, with the Pick & Mix.

120 DAYS' ACCESS: **CODE: CPA20**



was €425
€325
+VAT
SAVE €100

Buy Now

Finding it hard to choose?

You can select any five 4-hour courses to take advantage of this offer, but here are accountingcpd's most popular courses amongst CPA Ireland members to help you choose. Add five courses to your basket, then apply code CPA20 at checkout.

Excel Productivity Booster

Mental Wellbeing: Avoiding Burnout

AI for Accountants

Building a Spreadsheet Forecasting Model

Fast and Effective Monthly Reporting

2024 Update: Irish Tax

SEE MORE



Standalone Micro Credentials in Sustainability

With the new European Corporate Sustainability Reporting Directive (CSRD) which came into force in January 2024, it is crucial that you are able to stay ahead of the curve and help your organisation and clients navigate the new ESG reporting requirements.

CPA Ireland recently launched four sustainability modules to help you upskill in this area. Online Stackable Sustainability Micro Credentials are a flexible way to acquire specialised knowledge and skills in the field of sustainability.

They allow you to choose and stack multiple credentials together, creating a personalised learning pathway that aligns with your unique career goals and interests. Upon completion of each micro-credential, you will be awarded a Digital Badge which can be embedded into your LinkedIn profile or email signature.

Book Now

How will the Micro-Credentials benefit you?

- Acquire specialised, in-demand knowledge & skills in sustainability.
- Be well-prepared to navigate the new sustainability reporting requirements.
- Gain a competitive edge in the accountancy profession.
- Become a sustainability champion in your industry and drive sustainability initiatives in your organisation
- Contribute to a greener, more sustainable world.

What is covered in each of the modules?

1. Creating an ESG Strategy

Developing an ESG Strategy is a proactive step towards creating a more resilient, responsible, and profitable enterprise and overall economy. Implementing a sustainability plan can also help your organisation reduce costs and gain a competitive edge.

2. ESG Challenges

Addressing ESG challenges requires a holistic approach, strong leadership commitment and continuous improvement in ESG practices. Organisations need to invest in building the necessary capabilities to overcome ESG challenges & drive positive change.

3. Sustainability Assurance

Undertake an independent examination of an organisation's sustainability performance, processes, & reporting in order to provide credibility to sustainability information & assures stakeholders that the data is reliable and accurate.

4. Sustainability Standards

Navigate the evolving landscape of sustainability reporting frameworks and drive meaningful change within organisations. This module takes a broad look at the disclosures required under the ESRS and the IFRS Sustainability Disclosure Standards.

Each of the four modules is available on-demand and is delivered through short video recordings, case studies, and online reading materials.

You can purchase modules now and get started at any time, allowing you to fit your learning into any schedule.

Key Details:

Method: Online, self-paced learning

CPD Credit: 15 hours per micro-credential (on completion of content and assessment)

Cost: €625 per micro-credential

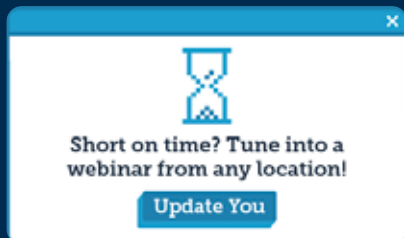
Assessment: Online assessment in each micro-credential (assessments are a mix of multiple-choice questions, case studies and reflections)

"I found both the courses very relevant, informative, course content is aligned and mapped to the latest developments in ESG Implementation and Compliance across the EU. The entire course is a blend of interesting bite sized videos, case studies, checklist, read to use ESG toolkit comprising templates for companies of all sizes and covering all domains. Amidst so much of Information overload in ESG from different sources, CPA Ireland esteemed faculty has distilled relevant and useful knowledge, data, information and put them into a easy to understand eLearning format suitable for professionals to develop their Green (ESG) skills and help companies, clients achieve ESRS and other ESG / GRI reporting compliance".

Anurag Mittal



Webinars & Online Courses



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

CPA Ireland continues to provide insightful and topical webinars on a wide range of interesting and relevant topics including, Brexit, succession planning, tax, the economy, audit and leadership.

Did you know that you can purchase and get instant access to the webinar recordings.

[Purchase Here](#)

If you have any queries on your CPD hours please visit our CPD section of the website or contact Niamh Sheehan on cpd@cpaireland.ie

Accounting for Now

CPA Ireland's self-paced online programme, Accounting for Now, provides updates on core topics delivered over 5 online modules giving you the flexibility to fit your learning into any schedule.

These online modules offer an exceptional learning experience on highly relevant topics, including Tax, Business Turnaround, Financial Reporting, Strategy, and Time Management for Remote Working.

What makes Accounting for Now different?

- **Learn More with Less Effort:** Content for each module is broken down into chunks rather than long blocks of text, making the course easier to complete and more enjoyable.
- **Relatable Content:** Case studies and practical examples are easy to follow and introduce concepts to real life situations. Practical exercises are customized for the learning outcomes of each module.
- **A Fun & Engaging Learning Experience:** Each course is highly interactive with fun activities such as "time thief" calculators, thought-provoking puzzles and engaging questions to keep you on your toes and your mind active!
- **10 Hours of Flexible, Self-Paced CPD:** Accounting for



Now provides updates on core topics for accountants as well as professional & business skills, offering you 10 hours of structured CPD that can be done whenever you have some space in your schedule.

Topics & Authors on the Accounting for Now course:

- Family Company Reorganisations & Tax Reliefs - Mairead Hennessey, TaxKey
- Business Turnaround - Tom Murray, Friel Stafford
- Financial Reporting - Alan Bailie, former Knowledge Manager, CPA Ireland
- Strategy Beyond Numbers - Conor Carmody, Strategic Solutions
- Getting the Right Things Done When Working from Home - Sean McLoughney, LearningCurve

Key Details:

Method: Online, self-paced learning on our award-winning learning management system, Canvas

Access Duration: 6 months

CPD Credit: 10 hours for the full course or 2 hours per module

Cost: €250 (or €60 for individual modules)

[Learn More](#)

CPA Ireland Digitalisation Hub

The CPA Ireland Digitalisation Hub continues to offer a variety of resources from digitalisation webinars, software showcases, member case studies and many other resources which will help you move to a digital environment whether you work in industry or practice.

The hub offers a bespoke software search functionality to help give clarity on what software is best for you and help you with the move to a digital environment.

This hub has been developed as a benefit to our members and students so be sure to log in and see how it can benefit you.



There are a number of recordings from software providers showcasing what their software can do and the benefits it will bring to your work, followed by a Q&A session with each software. All webinars and software showcases have been recorded to ensure you never miss a session.



The Hub also offers a number of webinar recordings on all things digital from a number of experts in Industry and Practice. These webinars will provide CPD hours at just €20 per webinar.



Visit the Digitalisation Hub to see how it can benefit you.

[Visit Here](#)

Student News

Application to Membership Notice

Students who are both "Exam Complete" and "Training Complete" after the results of the August 2024 examinations are released on 11 October will be invited to apply for membership of the amalgamated Institute after that date.

Educator Update – Strategic Level Examinations

For the next academic year our Approved Educators are Munster Technological University (MTU) and Griffith College.

Griffith College will be offering e-learning courses for all subjects (with the exception of Strategic Level Data Analytics for Finance). For information please visit their website

[View Here](#)

Classes will be livestreamed each week and are also available to view through their Moodle platform.

MTU will be offering blended learning courses for Strategic Level subjects. For information, please visit their website

[View Here](#)

Students wishing to prepare for the Data Analytics For Finance course should register directly with the Institute

[View Here](#)

Education for CAP1, CAP2 and FAE examinations will be provided directly by Chartered Accountants Ireland.

Annual Student Subscription – Strategic Level Students

Students who are completing the Strategic Level examinations will continue to pay the annual student subscription (€130).

Invoices will be sent by email and can be paid by logging in to your MY CPA Dashboard.

Examinations Notice – August 2024

The results of the August 2024 examinations, which were hosted on our Cirrus online examination platform and remotely invigilated using Proctorio Artificial Intelligence technology will be available online on Friday 11 October 2024.

Students can access their results by logging into their 'MyCPA' Dashboard.

Good luck to all students who sat examinations in August and are awaiting results. This was the final sitting of the Foundation and Professional examinations as students on those

levels now transition to the CAP1 and CAP2 examinations on the Chartered Accountants Ireland syllabus. The Strategic Level examinations will continue to be held in April and August each year with the final sitting in August 2027.

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, Kilmore 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.

Publication Notice

Disciplinary Tribunal

Invest/07/23

A Disciplinary Tribunal convened on 16 April 2024 found the following charges of misconduct proven against Francis Mc Carthy (Member) and Francis Mc Carthy & Co (Firm), of The Steeples, Duleek, Co. Meath:

1. Breach of Hot File Review condition

A hot file review condition in accordance with bye law 7 was accepted by Francis Mc Carthy & Co on 8 November 2021, following the scoring of Grade D on quality assurance review conducted in August 2021. Francis Mc Carthy and Francis Mc Carthy & Co breached the terms of this hot file review condition by failing to have a hot file review concluded in relation to three audits.

In addition, monthly confirmation requirements for March; April; May; June; July and August 2023 were not submitted in accordance with the terms of the hot file review condition.

Bye Law 7.17.3, bye law 6.5.1 (a) and Section 115 of the Code of Ethics refers.

2. Quality Assurance Complaint

Firm Francis Mc Carthy & Co failed to carry out its work in accordance with approved accounting standards, relevant auditing and ethical standards, quality control standards and the Code of Ethics – bye law 7.4, bye law 6.5.1 (a) and Section 113 of the Code of Ethics refers.

Firm, Francis Mc Carthy & Co, scored the following grades quality assurance reviews conducted in accordance with Section 1496 (h) of Companies Act 2014 and bye law 7 – Quality Assurance:

- August 2021 Grade D
- July 2023 Grade D

Breaches of Bye Law 7.4; 7.17.4; and 13.25.1; Sections 1539; 1542; 1496 (f) (iii) of the Companies Act 2014; ISA's (Ireland); IAASA Ethical standard for Auditors; and ISQM 1 are noted.

3. Continuing Professional Development (CPD)

Member failed to prepare a CPD plan or CPD evaluation in accordance with the requirements of bye law 8.3.5.

The Tribunal ordered the following:

- That the Firms Auditing Certificate be withdrawn with immediate effect, in advance of any appeal in

accordance with the provisions of bye law 6.36;

- That Member contribute €8,479 towards the Institute's costs in this case – (with an option to pay this over 12 months by equal monthly instalments).
- That Member be fined €1,000 (with an option to pay this over 12 months by equal monthly instalments).
- That a Severe Reprimand be imposed on the Member and the Firm.

The Tribunal imposed the following Orders in accordance with bye law 6.32.1 (f): -

1. That all audit clients be advised by the Member immediately of the withdrawal of his Auditing Certificate and all resignations be filed in accordance with legal obligations, with copies to be sent to the Institute.
2. That a Quality Assurance Review of the Firm's non-audit practice be undertaken before 31 August 2024.

And that details of these findings and orders be published in Accountancy Plus with reference to both Member and Firm by name.

Publication Notice

Disciplinary Tribunal

Invest/01/24

A disciplinary tribunal convened on 28 June 2024 found the following charges of misconduct proven against Mr. Yang Wang, also known as John Wang (Member) and The Little Root Company Ltd, t/a Business Green Line (Firm) of Unit 7A; Bridgecourt Office Park, Walkinstown Avenue, Dublin 12:

1. Quality Assurance Complaint

Member and firm failed to carry out their work in accordance with approved accounting standards, and ethical standards, quality control standards and the Code of Ethics – bye law 7.4, bye law 6.5.1 (a) and Section 113 of the Code of Ethics

refers.

Firm scored a Grade D on two successive quality assurance reviews conducted in November 2022 and October 2023. In addition, the firm scored a non-complaint grade on Anti-Money Laundering reviews conducted in conjunction with the two quality assurance reviews.

2. Continuing Professional Development (CPD)

Member failed to attain and maintain his professional knowledge in line with Code of Ethics – Section 110 A3 refers.

3. Resources

Member as the compliance principal did not ensure that employees received appropriate training and supervision as required by Code of

Ethics – Section R113.5

4. Fees

Fees charged by Firm professional services were not in compliance with Code of Ethics Section 330.3.

The Tribunal ordered the following: -

- That Member's Practising Certificate be withdrawn.
- That Member contribute €7,190 towards the Institute's costs in this case – payable within 60 days.
- That a Severe Reprimand be imposed on Member.

The Tribunal also ordered that details of these findings and orders be published in Accountancy Plus with reference to member and firm by name.



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