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Accountancy Plus

The Official Journal of CPA Ireland

An Economic Strategy for Ireland

CPA IRELAND

Editorial

Accountancy Plus
June 2021

CPA Ireland

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President's Message

Welcome to the June 2021 edition of Accountancy Plus.

It gives me great pleasure to be writing my first President's Message for the June edition of Accountancy Plus. It is a privilege to serve the Institute at this level and to give something back to CPA Ireland as my CPA qualification has served me so well. I look forward to meeting with you, hopefully in person, and working with many of you over the coming months. I'd like to thank John Devaney for leading CPA Ireland through such a turbulent time and I want to continue building on the excellent work that John and the many Presidents before him have done.

I am conscious of the unique contribution made by each and every Past President of CPA Ireland and I was sad to hear that Norman Adams (Malahide) passed away last month. May Norman rest in peace.

There are a number of core issues that I would like to highlight during my term of office as President of CPA Ireland. Technology, sustainability, the world of work and recovery readiness are all the major themes which the Council and executive team are taking account of in terms of service delivery and providing value for members in 2021 and beyond.

The accountancy profession is, in every respect, not going to do things differently but will do entirely different things. Already, technology is augmenting the role of the accountancy profession. The enforced shift to remote working in 2020 has accelerated the requirement for digital skills, and for CPAs and the businesses we serve to take best advantage of technology. We are well placed in CPA Ireland, with great support from Skillnet Ireland, to offer our members a suite of services in 2021 to facilitate digital skills enhancement to whatever extent an individual CPA requires.

Sustainability, including environmental, social and governance issues, has moved to the top of the global agenda. In April we saw the European Union launch a Directive on Corporate Sustainability Reporting and this will change the landscape for business reporting in Europe. The move from voluntary reporting by multinationals is swiftly changing to global standards on sustainability reporting, which will be proportionate and scalable for the SME sector.

We are already seeing shifts in the marketplace where lending institutions and multinationals are asking SMEs to demonstrate their commitment to sustainability, before either lending or transacting business. The developments in sustainability reporting are progressing at pace and the demands for non-financial information about business performance will, certainly, become the norm. Who better to give assurance on every aspect of business performance than CPAs?

Technology and sustainability often go hand in hand as advances in technology can remove processes and minimise the impact on the environment. For example, just over 12 months ago, CPA Ireland was deferring its April examinations due to the impact of the pandemic. Fast forward to now, and we have pivoted to online examinations which are invigilated through artificial intelligence. No travel requirements for students, no couriers, no paper, and a much leaner process map which can see examiners marking scripts within hours of exam completion.

The benefits of this change in process are measurable, are customer centric and are sustainable in terms of the positive impact on the environment. When we speak about agility and adaptability, we do not have to look further than CPA Ireland for some excellent examples!

Turning to the world of work and taking account of the acceleration in remote working due to the pandemic, we now appreciate that remote working is here to stay. CPA Ireland will provide, and is already providing in many respects, the supports for members and students to thrive in the new world of work. We look forward to a greater emphasis on support for CPAs as individuals who are facing the challenge of separating work from life in this new world of work. Social isolation, motivation, engagement, and the power to switch off, to disengage and to be mindful of self are all themes that will be supported strongly by CPA Ireland.

Recovery readiness will be informed by the insightful perspectives of CPAs who hold a unique position as advisers, to over 100,000 businesses across Ireland. The economic forecasts, post pandemic, are positive but we know from experience that economic recovery can be an unequal experience. As CPAs we will advocate for measures that spread that economic recovery across every sector and into every area.

Like everybody, I look forward to brighter days ahead when we can convene physically and interact socially. John described himself as our first virtual President and it would be nice to think that John will be our only virtual President!

For my own part, I hope to be a hybrid President combining the best of what we have learned from operating virtually with the dynamic benefits of meeting, engaging, listening, and learning in each other's company.

Áine Collins
President CPA Ireland

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An Economic Strategy for Ireland
An Ansoff Matrix Review

by Susan Hayes Culleton, "The Positive Economist"

Many of us are accustomed to strategic thinking, strategic reviews and critiquing strategy within our organisations. However, what if we were to frame the Irish economy through a strategic lens? During this article, I encourage you to come with me on a journey around the Ansoff Matrix whilst positioning yourself as the CEO of Ireland Inc. Let's focus entirely on what might be possible with a view to dedicating resources where they could be most effectively invested for the economic betterment of all.

The Ansoff Matrix is used to determine a product and market growth strategy. There are four quadrants:

- market penetration (what you're doing well and should keep doing)
- market development (take an existing product and sell it to a new market)
- product development (take an existing market and develop a new product to sell to it)
- diversification (build a new product and sell it to a new market)

Market Penetration

Let's begin by examining what Ireland is good at doing and the evidence of same. According to the "Annual Review and Outlook for Agriculture, Food and the Marine 2020", the Agri-food sector provides between 10% and 14% of employment outside of Dublin and the mid-east region. Furthermore, the sector purchased the majority or 78.6% of its materials in Ireland in 2018 and almost 90% of the food produced in the country is exported to international markets. Ireland is a global hub for pharma and medtech, playing host to 24 of the top 25 biggest players, including Johnson & Johnson, Roche, Pfizer, Novartis and AbbVie. According to the CSO, "Exports of Medical and pharmaceutical products increased by €1,183 million (+35%) to €4,572 million in February 2021 compared with February 2020.

This represents 37% of the value of total exports".

The reach of the Global Irish extends into every nook and cranny of the world. The Department of Foreign Affairs, Enterprise Ireland, Bord Bia, Tourism Ireland, Irish Development Authority and others collectively have an extensive geographic footprint. There are many other Irish business networks, international GAA teams and Irish cultural societies dotted all over the globe that offers a powerful, well-networked and welcoming springboard for cultivating international relationships. Our foreign direct investment approach is the envy of many other nations. According to the latest IDA figures, the average salary in new investments is €59,384 (in comparison to the average Irish salary of €40k as per Jobted) and for every ten jobs created by FDI in Ireland, 8 more jobs are generated in the wider economy.

In the "Significance of the SME Sector in the Irish Economy" report prepared by Jim Power, Small and Medium Enterprises across Ireland employ 1.06 million people in Ireland and the latest Global Entrepreneurship Monitor quotes "Over 3,000 people started a new business every month in Ireland in 2019 and the rate of early-stage entrepreneurial activity observed was the highest it has ever been since we began to track rates."

Therefore, agriculture, export-led industries, the Global Irish, foreign direct investment, and the SME sector have all contributed to the bedrock of our economy since the turn of the century and throughout the "Covid" year of 2020. So, where do we look now to build the next economic chapter of the Irish story?

Product Development

There has been a massive shift towards buying online and Irish online revenue followed suit. According to Wolfgang Digital, "E-commerce revenue for retailers grew by a seismic 159% in 2020. To give this context, average annual growth from 2017 until 2019 had been 32%." Unfortunately, Irish businesses haven't had the capability in place to fully capitalise upon that growth and serve customers in the local market. A recent study from PayPal pointed out that "88% of Irish consumers who shopped online bought from websites outside of Ireland during the last year and that better pricing, more choice and greater availability is driving this international shopping trend." Even worse, consumers in Ireland want to buy online from Irish retailers. The Google search term "shop local Ireland" increased by 540% in just one week in October, according to the search engine itself.

The Trading Online Voucher has made a significant impact on smaller businesses right around the country, but we need to not just enable payment on our website and optimise them for keywords but look at the bigger trends around the world. Voice eCommerce is now in many, many homes around Ireland today (and how many of you can now say you've asked Google Home or Alexa's opinion on where to spend your money?). Integration is now a primary question for many online businesses – imagine a smart fridge could order its own online shopping when it recognises that you're running out of milk ... and imagine if it's linked to your AirBnB account so that when you arrive to your new accommodation, the fridge contents is a replica of that at home. If we look to China, which this year eMarketer predicts, will be the first country ever where eCommerce spend will outpace that of in-store, we can see these trends aren't futuristic but of the present. Ireland needs to develop its product so that it can sell to its own market.

Market Development

The Irish economy has been characterised as open for decades as exports have brought us a release valve of economic woes in the past and offered a platform to domestic businesses to thrive. However, the Covid-19 lockdown pushed Ireland and the rest of the world into a great social experiment. Could we really, en masse, work from home? If so, could we work from anywhere? This is rural Ireland's opportunity. Lots of people can have urban jobs and rural lifestyles. According to the Bank of Ireland 2020 first-time buyers survey more and more first-time buyers were considering a wider range of properties and areas than ever before with the number of first-time buyers wanting to buy outside Dublin hitting a 5-year high of 73%.

It's incumbent now on the private sector to create services, experiences and employment opportunities to support its "new" population. We've seen this happen before. The "Wild Atlantic Way" was a concept formed in 2014 and the most recent Failte Ireland Annual report identifies that one in five jobs in the region is dedicated to tourism before the hospitality sector was shut down in the country (... and a whole other article could be dedicated to an Ansoff Matrix review of this sector). The Rural Regeneration and Development Fund and the National Remote Work Strategy is putting public money, energy and attention into this social and economic change and it's a unique chance that the country has to get this right.

Diversification

Anybody that has studied the Ansoff Matrix literature will tell you that the "diversification" quadrant is the riskiest of all. Taking a new product to a new market is the one fraught with uncertainty, but it's also the one where a rich reservoir of untapped, or unseen by others, opportunity may lie. Innovation is a word that we like, but we really only want innovation that works out. As an entrepreneur that has pursued innovative ideas in over a decade in business, I can tell you that it can be both expensive and disheartening when the market says no to your innovative idea... or else tells you to "come back when you can prove success through other clients".

There is an excellent stakeholder alignment that exists in the entrepreneurial ecosystem called the "Innovative Partnership". A company can apply to Enterprise Ireland to supply 60 – 80% of funding for an innovative idea where the company itself provides the rest of the money. The money is given to a research centre in an Irish university to execute the idea. If a successful outcome happens (i.e. the company licenses the Intellectual Property or the tech developed), then a revenue stream is agreed between the company and the university. The beauty of this connection is the government bears the upfront cost that could be too high risk for the company and yet triggers the innovative activity needed to pipeline jobs and exports. On the part of the commercial partner, this initiative activates financial investment, commercial acumen and the company's treasured client book. The university can offer good, interesting, and solid jobs to its own graduates and see cutting edge research turn into a product or service. Each stakeholder puts in what they're best placed to do and gets out what they're most interested in. If it doesn't work out, then the financial burden is shared but jobs have been created, taxes will have been paid and lessons have been learned along the way.

In our own business, we participated in a two-year Innovation Partnership which resulted in us licensing a proprietary algorithm for active peer learning that enables us to run highly engaging training and event facilitation online in a world of digital fatigue. Little did we know it at the time, but it was the best preparation we could have imagined for what was to come.

Moving from our micro example to the macro economy, where can Ireland look for the mega trends? In very broad terms, the answers are technology and sustainability. In narrow terms, there are two roadmaps laid out for the world.

The first is the United Nations "Secretary General's Roadmap for Digital Co-operation". There are nine key areas including "Supporting global cooperation on artificial intelligence that is trustworthy, human rights based, safe and sustainable and promotes peace" and "promoting digital public goods to unlock a more equitable world—the internet's open source, public origins should be embraced and supported". Could Ireland be a global leader in machine learning, Natural Language Processing or the Internet of Things? Alternatively, could we turbo boost our digital literacy right across all ages, spearhead open-source development for learning or bridge inequality through scalable tech reach?

The Disruptive Technologies Innovation Fund has awarded €235m into a variety of sectors with the most recently announced tranche directed towards disruptive technologies in areas such as healthcare, food, factory safety, construction, industrial heating systems and maritime.

The second roadmap is that of the Sustainable Development Goals. I've co-authored both editions of "Positive Economics", the market leading economics textbook for Leaving Cert where sustainability and specifically the SDGs, are at the heart of the syllabus for our budding economists. This theme is now woven into all aspects of politics, society and the environment today. "Ireland's Sustainable Development Goals (SDGs) data hub" details an array of targets, champions, outputs and interactive tools to act as an interface in front of a plethora of data. However, when the SDGs are on the agenda of every board meeting, considered by every event organiser and require the consideration of every construction project, then we will know that Ireland truly is a sustainability leader. If we look around us – for example the European Commission has proposed that at least 25% of EU expenditure will contribute to climate action during 2021-27, the attention that Greta Thunberg's message has received or the pledges of large companies to reach carbon neutrality by an accountable date, it's clear the desire is tangible. Could Ireland think, act and showcase differently and truly stand up to stand out?

In summary, as the Irish public, private and third level sectors together with the women, men and children of the country shape a new way of living, working, entertaining and learning, let's apply our critical thinking skills to our economic strategy. We need to take care of our existing productive capacity, enable new business models to happen, develop new products to sell, inspire new economic activity, take care of those who don't have the education or resources they need to succeed as measured by their own version of success and look with enthusiasm to the future where Ireland can illuminate and lead the way forward. We've done it before, and we'll do it again.

Susan Hayes Culleton

CFA, "The Positive Economist" is the managing director at Hayes Culleton Group. Her latest book "Money Matters" is a Transition Year financial literacy partnership project with CFA Ireland and will be gifted to every school in Ireland. Follow Susan on Twitter @SusanHayes_

CPA Profile
Carla Manning

Title:
Owner
Company:
CACM Accountants and Tax Advisors
Qualifications:
ADCA, CPA, CTax

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

In school I always enjoyed my business and accounting classes, so when it came to CAO time, I decided to explore accountancy as a career. I discovered there were lots of routes to entry and it provided a huge spectrum of career opportunities. It seemed like an ideal way to turn something I enjoyed into a career.

Why did you choose CPA Ireland as your qualification route?

A CPA qualification is a widely recognised qualification throughout the world, so it provides opportunities to work and travel abroad. There were a variety of CPA study options so after finishing college, it was possible for me to start my training and continue with my studies on a part time basis using a variety of methods that suited me best.

Please provide a brief history of your career.

After college, I took up my first training role in practice and just loved it. The variety, the clients and the real people behind the figures. I qualified as a CPA in 2000. I always wanted to be my own boss and in 2009, I felt I was at a now or never stage, so I took the leap and set up my own firm, CACM Accountants and Tax Advisors. As a new practice, it afforded me a huge opportunity to do things a little differently. By embracing technology, I was able to grow our client base and to service clients located not only locally, but nationally and internationally too.

I always loved working in the area of tax and in 2013, I qualified as a Certified Tax Adviser (CTax). As I work with a lot of FDI companies, having a tax qualification really adds value to the services I provide to these clients as well as individuals. I have a great team here and that really allows me space to grow and develop the business. In 2018, I joined the CPA taxation committee and I also represent the CPA Institute at CCAB-I – Taxation South and the TALC Collections sub-committee. The learning never stops.

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

Opportunities.

What has been your biggest career achievement?

Career achievements for me change over time. Surviving the first year of business was a big achievement way back when, as was when we celebrated 10 years in business in 2019. Working with clients on projects and seeing them come to fruition over time gives me a big sense of achievement on a day-to-day basis. Most recently, I was appointed to the Council of CPA Ireland and I'm very proud to have the opportunity to contribute to the continuing growth and development of the Institute. The opportunity to keep pushing and challenging myself is a joy and I'm looking forward to achieving a few more milestones in the years ahead.

What or who inspires you most in business?

The resilience of business owners. There are some really tough days, weeks and months, but they pick themselves up, dust themselves off and start again.

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

A CPA qualification provides tremendous opportunities for your career. Stick with it as you'll gain a wide range of skillsets and expertise that are valuable and transferrable across many industry sectors, opening up a wealth of opportunities for you.

How do you unwind?

My husband, 3-year-old daughter and I spend a lot of time in West Cork. During the summer, we love to head out on the water and spend the day exploring the islands and beaches. I love the arts and I've really missed live theatre. Cork Midsummer Festival kicks off in June and has a great mix of theatre, dance and music, so I'm really looking forward to that.

What traits do you admire in others?

Hard work and a positive attitude.

CPA Profile
Áine Kiely O'Donnell

Title: Managing Director

Company: Accountable Advisors

Qualifications: FCPA, MBA, MIATI, AM

Currently doing a Diploma in Data Analytics and Diploma in Forensic Accounting

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

The simple answer is that business entrepreneurship is in my DNA, it goes back generations. Growing up we saw first-hand national and international business research my parents conducted into the influencers of change on how to improve and develop business. With a flair for business and accountancy during my formative education years and with finance being at the heart of business, it was an easy decision to choose this career journey.

Why did you choose CPA Ireland as your qualification route?

The Accounting Technicians qualification provided a pathway to progression in accountancy. How could I do it while working? I needed the right formula to achieve success. The formula being course content, a two-structure approach so I was not limited to either industry or practice focussed and recognition of the qualification. CPA had international recognition over all of the courses at the time especially in industry and so I could travel with it. The course location was the next issue and if I moved roles how was the course facilitation, and Griffith College provided both urban and rural locations, superb lecturers and course structure.

Please provide a brief history of your career.

I started my accountancy career in the treasury department for Dairygold. I then spent time in Hays DX in Dublin in Finance & Logistics, which ignited my interest in Management and Technology.

The really progressive role was with Guinness Store House (HopStore), a role that had everything, ERP systems, Y2K, business analysis, online payments, retail, restaurant, tourism and financial operations. A company so far ahead in tech and management systems, it was a leader in innovation and standards.

Moving back closer to home after 6 years in Dublin, I worked with LIT in Thurles in Procurement Management. In 2000/2001 I worked in Ronan Industries as Financial Controller and Management Information Systems and Business Structures and Process Efficiency.

I established Accountable Advisors (AAL) 2007 with a focus on the SME's. I completed an MBA Corporate with the University of Limerick in 2012/2013 and qualified with Friary Law as an Approved Mediator in 2016.

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

Flexibility.

The knowledge platform for flexibility. The options are endless. The CPA CPD Programme to develop and evolve meant that the qualification stayed relevant and up to date. The knowledge platform enabled my curiosity to exploit the knowledge in its development and continual learning to broaden my approach and technique.

What has been your biggest career achievement?

There are many but the biggest is in enabling change in every role I undertook over the 30 years. The change to structure and support systems for clients/employers which enabled informed decisions resulted in better business performance. The teaching and guiding of many business owners to successfully steer their business through the recession and pandemic. The achievement of teaching and developing students to successfully qualify as accountants with CPA and high earning industry roles.

What or who inspires you most in business?

My entrepreneurial parents and my kids, my forward-thinking father and business savvy mother who inspired my ambition and drive to achieve. Business management and partnership of equality was inspiring from an early age. The respect and integrity of their values, their advice and guidance over the years and their ability to manage life's curve balls with dignity and strength. The leadership shown at home from an early age of how to make decisions, be it good or bad, the ability to adapt and learn from those decisions and experiences and to stand up again and move forward. Also, it helps when you love what you do.

How do you unwind?

Sport and music are probably my two passions outside of my family and work. Raised in a GAA household, I coach club camogie underage and county underage teams with success. I am currently County Tipperary Camogie Board Treasurer. I firmly believe based on many years coaching and developing players, that sport is an integral part in the development of our business leaders of the future, it's that drive and passion to achieve and succeed in their chosen environment.

What traits do you admire in others?

The traits I most admire in others are respect, integrity, positivity and people who inspire and motivate others around them. Listening is an art, and with that curiosity, the why, what, where, and when questions. The ability to empathise is admirable and goes hand in hand with the emotional intelligence of people. This can inspire and motivate those around you and build trust.

Financial Reporting News

FRC consults on periodic review of FRS 102

UK and Ireland accounting standards are subject to periodic reviews, at least every five years, to ensure they remain up-to-date and continue to require high-quality and cost-effective financial reporting from entities within their scope.

The Financial Reporting Council (FRC) is starting the next periodic review of FRS 102, including other UK and Ireland accounting standards.

Part of this process is seeking views from stakeholders on areas that might be considered as part of the review. The FRC note that this might include new issues/transactions that should be addressed, or comments or suggestions in relation to the current requirements. In addition to stakeholder feedback the review will consider recent developments in financial reporting (such as changes in IFRS) and relevant developments in the wider reporting framework.

Any changes to accounting standards that are proposed as a result of the periodic review will be subject to public consultation at a later date, not expected to be before 2022. The effective date for any amendments is currently expected to be 1 January 2024.

Stakeholders can provide comments on any aspect of the standards to ukfrsperiodicreview@frc.org.uk by 31 October 2021.

Source: www.frc.org.uk

IASB extends the application period for Covid-19 related rent concessions

In May 2020, the International Accounting Standards Board (IASB) amended IFRS 16 Leases, by introducing a practical expedient, to make it easier for lessees to account for Covid-19 related rent concessions such as rent holidays and temporary rent reductions.

In response to calls from stakeholders and due to the ongoing impact of Covid-19, the IASB has recently extended the relief by one year to cover rent concessions that reduce only lease payments due on or before 30th June 2022.

The amendment is effective for financial reporting periods commencing on or after 1st April 2021.

Source: www.ifrs.org

FRC proposes extending application period for accounting requirements covering Covid-19-related rent concessions

The Financial Reporting Council (FRC) has recently issued an Exposure Draft that proposes to extend the application period of requirements that cover the accounting treatment of temporary rent concessions occurring as a direct consequence of the Covid-19 pandemic by one year.

FRED 78 proposes that requirements originally introduced into FRS 102 and FRS 105 in October 2020 apply to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the requirements are met.

The amendments are proposed to be effective for accounting periods beginning on or after 1 January 2021, with early application permitted.

Sustainability Reporting

In September 2020, The IFRS Foundation Trustees published a Consultation Paper on Sustainability Reporting (2020 Consultation Paper). The aim of the Consultation Paper was to assess the need for global sustainability reporting standards and the role, if any, that the foundation should play in the development of such standards.

An initial review of the responses received to the 2020 Consultation Paper indicated a growing and urgent demand to improve global consistency and comparability in sustainability, recognition that urgent steps need to be taken and a broad demand for the IFRS Foundation to play a role in this. The Trustees met in early March 2021 to continue their analysis and discussions of the feedback received to the 2020 Consultation Paper.

One of the matters on which the Trustees sought to consult was the establishment of a New Sustainability Standards Board and following their meeting in March 2021 the Trustees have reached the following views about the strategic direction of a new board:

- To focus on information that is material to the decisions of investors, lenders and other creditors;
- To initially focus its efforts on climate-related reporting, while also working towards meeting the information needs of investors on other ESG;
- To build upon the well-established work of the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD), as well as work by the alliance of leading standard-setters in sustainability reporting focused on enterprise value;
- By working with standard-setters from key jurisdictions, standards issued by the new board would provide a globally consistent and comparable sustainability reporting baseline, while also providing flexibility for coordination on reporting requirements that capture wider sustainability impacts.

Source: www.ifrs.org

Law & Regulation News

Charities Regulator and Revenue Commissioners agree new co-operation arrangement

The Charities Regulator and the Revenue Commissioners have agreed an updated co-operation agreement. The Memorandum of Understanding, published today, supports cooperation and collaboration in the interest of ensuring appropriate sharing and assessment of information by both parties.

The overarching aim of the arrangement is to uphold the integrity of charitable organisations and charitable trusts in Ireland and support public confidence in charities operating in Ireland or under Irish law.

The objectives of the new Memorandum of Understanding are to:

- Facilitate administrative cooperation between the Charities Regulator and the Revenue Commissioners in the performance of their respective functions in so far as they relate to the regulation of charities;
- Ensure consistency between decisions made or measures taken by the Charities Regulator and the Revenue Commissioners, in so far as is practical, in relation to matters concerning the regulation of charities;
- Avoid any unnecessary duplication of activities by the Charities Regulator and the Revenue Commissioners;
- Promote a common understanding of the responsibilities, working procedures, legal powers and constraints of the Charities Regulator and the Revenue Commissioners;
- Facilitate and provide necessary safeguards for effective investigation and exchange of information, with the objective of preventing, detecting and remedying misconduct or mismanagement in the administration of charities and charitable funds;
- Ensure appropriate consultation and co-operation on matters of mutual interest so that charities may be encouraged to comply fully with their legal responsibilities under charity and taxation legislation and adopt best practice in governance.

Source: www.charitiesregulator.ie

Commission adopts proposal for a Corporate Sustainability Reporting Directive

The European Commission has recently adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD) which would amend the existing external reporting requirements under the current EU Non-Financial Reporting Directive. The proposal

- extends the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises)
- requires the audit (assurance) of reported information
- introduces more detailed reporting requirements, and a requirement to report according to mandatory EU sustainability reporting standards
- requires companies to digitally ‘tag’ the reported information, so it is machine readable and feeds into the European single access point envisaged in the capital markets union action plan.

Source: www.ec.europa.eu

Extension of timeline for Credit Unions to hold virtual AGMs

The Government has approved an extension of the timeline to allow credit unions to hold their 2020 Annual General Meetings virtually to the end of June 2021.

The Finance (Miscellaneous Provisions) Act 2020, signed into law last December extended the timeline for credit unions to hold their 2020 Annual General Meetings to end of April 2021. It also allowed for a temporary override of credit unions rules and allows for all general meetings to be convened virtually.

The Credit Union Act 1997 (Section 3A) Order 2021 now provides for an extension of the ‘interim period’ for a further two months until the end of June 2021.

Source: www.gov.ie

Ensuring a safe return to work
Employees and Covid-19 Vaccine

by Derek McKay

There has been significant commentary in relation to the Covid-19 vaccine roll-out programme in Ireland with most recent announcements detailing that the Government is confident that 82% of the adult population will have received the first of their jabs by the end of June and anyone who wished to receive the vaccine will have done so by September. A considerable task but achievable if there are no further delays.

This is a very welcome message for most, if not all, businesses as it is crucial to get mass vaccination to ensure we have a successful and safe reopening of the economy, particularly within the hospitality and related sectors for the summer season.

Based on the reports we're getting from Government, and on the prioritisation of those receiving the vaccine, we expect to see the vast majority of healthy adults receiving the vaccine over late summer and early autumn. Thus, providing some optimism for employers who can start planning a return to the workplace.

Working with this date in mind, it gives ample time for employers to ensure a safe return to the workplace but a key question for employers relates to 'how or can they ensure employees are vaccinated?' Also, what can they do to ensure the health and safety of their workforce?

Provide a safe workplace

Under the Safety, Health and Welfare at Work Act, it is the responsibility of the employer to provide a safe working environment for employees, so it is not unreasonable that an employer would want their workforce vaccinated. The Work Safely Protocol was introduced in November 2020 (an enhanced version of the original Return to Work Protocols launched in May 2020) and it is essential that all employers ensure they are fully implemented if they intend to have employees returning to the workplace, subject to the restriction levels in force. However, while it is highly recommended that everyone receives the Covid-19 vaccine, it is not mandatory in Ireland and a person's fundamental right to bodily integrity is covered under the Irish Constitution.

This leaves employers in a potentially difficult situation; while seeking to ensure a safe workplace, they cannot force employees to get vaccinated and it is highly unlikely that the Government will introduce any laws stating employees are obliged to take the vaccine. So, what are the main considerations for employers?

Assess the risk

Under the Safety, Health and Welfare at Work Act, an employer must carry out a risk assessment of the workplace and any potential risks that have been identified must be addressed and The Work Safely Protocol should be adhered to in all workplaces. It is important to note that scientists are still not clear on whether or not the vaccine prevents the spread of Covid-19, so it is important for employers to ensure that all employees follow the safety protocols that are put in place, whether they have been vaccinated or not.

Equally, employees have responsibilities under the Act to work with their employer to protect themselves and their colleagues from potential risks; this could reasonably include the risk of Covid-19 infection. Employees must adhere to all guidelines and protocols implemented by their employers.

Communication is key; while employers cannot force their employees to get vaccinated, they can communicate out the advice from government and the HSE.

Avoid potential discrimination

Employees have protections under the Employment Equality Acts 1998 – 2015 from discrimination on nine grounds, including religion, age and disability. An employee may decide not to get the vaccine for a number of reasons that would come under these specific grounds, such as a medical condition or their religious beliefs. Any mandate by an employer that employees need to take the vaccine could constitute discrimination under the Act.

Managing the risk with employees who don't get vaccinated

Understanding an employees' concerns is important and finding solutions that meet the business needs without infringing on employee rights is crucial in managing an employees' integration back into the workplace. Extending the term of remote working may be an option but this may not be feasible for all sectors or may cause other unintended consequences.

In any case, employers need to think carefully about any action they take, and the potential legal consequences associated with these actions.

Data protection concerns

As part of assessing the risks, employers will naturally want to know who has or hasn't been vaccinated before getting employees back to the workplace. In order to process personal data, there must be a legal basis to do so, the grounds for which are set out in Article 6 of the General Data Protection Regulations. While employees are not obliged to provide personal medical information in the main, employers may seek vaccination information on the basis that they are meeting their legal obligations under the Safety, Health and Welfare at Work Acts. Realistically it will be up to individual employees to volunteer this type of information to their employer.

If employees volunteer information about whether or not they have been vaccinated, employers should take care not to disclose to other employees who have or have not been vaccinated.

Work-related and leisure travel

At the time of writing, the European Commission was considering proposals for the introduction of a Digital Green Card, or vaccine passport, for travel within the EU. Regardless, anyone travelling must follow the public health guidance and rules at the time of travel.

Any travel, whether personal or business, should be limited if at all possible. In fact, given the restrictions that have been in place for over a year, many businesses have turned to virtual meetings, events and conferences as the norm.

> **"Planning and communication are key to ensuring a smooth transition when the time comes."**

If an employee is returning from a holiday from a country badly impacted by Covid-19, they are required to follow public health rules relating to that region and must take any quarantine into consideration when booking time off. This may have implications for their availability to attend for work upon their return.

Remote working – what happens next?

As workplaces begin to reopen, a consideration for many employers will be a potential influx of requests to work remotely. The Government has signalled its support for remote working through its National Remote Working Strategy and ambition to have 20 percent of public servants working remotely by the end of the year.

Many who have been working remotely for over a year may expect to have the same flexibility when it comes to a full reopening. Unless previously agreed, remote working is being done so on an interim basis. How employers manage requests to work remotely in the future is going to be dependent on the business needs. Caution should be taken as any permanent decision for remote working may set a precedent.

Employers need to clearly establish what their policies are in relation to remote working to avoid confusion or challenges. There are also other consequences for employers to consider, particularly for employees who are working outside the country, such as employment tax, statutory employment rights, data protection and immigration.

Remote working is a permanent fixture in the employment landscape and while it presents some tough challenges for employers, developing innovative strategies to successfully navigate the challenges should be in sharp focus. Each sector is going to be different in how it effectively manages remote working and the evolving employment landscape. But it is important that employers meet their responsibilities under employment legislation and prepare for future working practices.

Conclusion

Given the vast majority of the working population won't be returning to the workplace until much later in the year, it is hoped that the vast majority will have taken up the offer of vaccination. However, planning and communication are key to ensuring a smooth transition when the time comes.

Ensuring health and safety policies and procedures are updated, robust risks assessments are carried out and adhering to the Work Safely Protocol are key to getting people back to the workplace.

Be mindful and respectful of an individual's right not to get vaccinated and plan accordingly by offering other working arrangements where appropriate. And avoid a situation that may constitute discrimination, leading to legal issues.

And, finally, keep a watching brief on the national vaccination programme and the public health advice to assist in proceeding safely with a return to the workplace.

Adare Human Resource Management is a team of expert-led Employment Law, Industrial Relations and best practice Human Resource Management consultants. For more information go to www.adarehrm.ie or contact one of the team at (01) 561 3594.

Derek McKay

Managing Director at Adare Human Resource Management.

Ireland – 5th Anti-Money Laundering

by Henry Duggan

On 19th June 2018, the 5th Anti-Money Laundering Directive (Directive (EU) 2018/843)[1] was published. This revised Directive, which updated the previously published 4th Anti-Money Laundering Directive[2], required transposition by all EU Member States on or before 10th January 2020. This new Directive provided significant enhancements to further enhance the financial crime frameworks across EU member states, thereby providing greater protection against money laundering and terrorist financing. As has been promulgated by the European Commission[3], these new enhancements focussed on:

- Enhancing transparency by setting up publicly available registers for companies, trusts and other legal arrangements.
- Enhancing the powers of EU Financial Intelligence Units and providing them with access to broad information for the carrying out of their tasks.
- Limiting the anonymity related to virtual currencies and wallet providers, and also for pre-paid cards.
- Broadening the criteria for the assessment of high-risk third countries and improving the safeguards for financial transactions to and from such countries.
- Setting up central bank account registries or retrieval systems in all Member States.

The European Court of Justice found that the 4th Money Laundering Directive was not fully transposed into Irish law until 3rd December 2019[4].

As a result, Ireland was fined €2 million on 16th July 2020 for failing to transpose the Directive before the required due date of 26th June 2017 (which was required of all EU member states). Following this, the publication of the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill 2020[5] in September provided the initial steps for the transposition of the 5th Anti-Money Laundering Directive into Irish law.

In essence this bill moved to amend the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 to give effect to Directive (EU) 2018/843 of the European Parliament and of the Council of 30th May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directives 2009/138/EC and 2013/36/EU; and to provide for related matters. This was subsequently achieved in March 2021 through the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021.

So, this raises the question as to the impact of the 5th Anti-Money Laundering Directive on the AML environment in Ireland. A number of important developments occurred across the following areas[6]:

- New categories of "designated persons" were introduced in the new legislation. This definition was expanded to include the following:
    - **Property service providers –** Property and Estate Agents who are involved in the letting of properties where the monthly rental income is at least €10,000.
    - **Tax advisors –** Individuals involved in the provision of taxation advice to clients.
    - **Virtual currency providers –** Similar to the requirements already imposed on financial institutions, virtual currency providers will now have to conduct the appropriate due diligence on clients.
    - **Art dealers –** Those involved in the trading of pieces of art where the value (either alone or in conjunction with linked transactions) is at least €10,000.
- **Politically Exposed Persons ("PEP") -** Under the new requirements, designated persons are required to continue to monitor politically exposed persons for as long as is reasonably required to take into account the continuing risk posed by that person and until such time as that person is deemed to pose no further risk specific to politically exposed persons. Additionally, the definition of a PEP has been updated to any individual performing a prescribed function – where the Minister for Finance will issue guidelines as to what may be considered to be prominent public function.
- **High Risk Countries -** Designated persons will be required to apply the following measures to manage and mitigate the risk of money laundering and terrorist financing additional when dealing with a customer established or residing in a high-risk third country:

  a. Obtaining additional information on the customer and on the beneficial owner.

1 EUR-Lex - 32018L0843 - EN - EUR-Lex (europa.eu)
2 EUR-Lex - 32015L0849 - EN - EUR-Lex (europa.eu)
3 Anti-money laundering and counter terrorist financing | European Commission (europa.eu)
4 Judgment of the Court (Grand Chamber) of 16 July 2020. - Publications Office of the EU (europa.eu)
5 b2320d.pdf (oireachtas.ie)
6 a0321.pdf (oireachtas.ie)

b. Obtaining additional information on the intended nature of the business relationship.

c. Obtaining information on the source of funds and source of wealth of the customer and of the beneficial owner.

d. Obtaining information on the reasons for the intended or performed transactions.

e. Obtaining the approval of senior management for establishing or continuing the business relationship.

f. Conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied and selecting patterns of transaction that need further examination.

- **Beneficial Ownership -** The new requirements also highlight that designated persons are required to ascertain that information relating to beneficial ownership included in the relevant Central Register of Beneficial Ownership.

- **Senior Managing Officials -** Where the beneficial owner is the senior managing official referred to in Article 3(6)(a)(ii) of the 4th Money Laundering Directive, a designated person will be required to take the necessary measures to verify the identity of that person and must keep records of the actions taken to verify the person's identity including any difficulties encountered in the verification process.

- **Prepaid Cards -** The customer due diligence limits relating to prepaid cards has now been reduced down from the previously existing threshold of €250 to a maximum monthly amount to €150.

- **Safety Deposit Boxes -** The new requirements prohibit the creation of anonymous safety-deposit boxes by financial institutions.

- **Financial Intelligence Unit Feedback -** The new act also reinforces the necessity for the Irish Financial Intelligence Unit, where practicable, to provide timely feedback to a designated person who is required to make a report on the effectiveness of and follow-up to reports made to it.

Tipping Off – The new act also updates an additional defence to the offence of "tipping off" for the person to prove that, at the time of the disclosure that:

a. the person was a credit institution or financial institution or a majority-owned subsidiary, or a branch, of a credit institution or financial institution, or made the disclosure on behalf of a credit institution or a financial institution or a majority-owned subsidiary, or a branch, of a credit institution or financial institution, and

b. the disclosure was to:

i. a credit institution or financial institution incorporated in a Member State, where both the institution making the disclosure, or on whose behalf the disclosure was made, and the institution to which it was made belonged to the same group, or

ii. a majority-owned subsidiary or branch situated in a third country of a credit institution or financial institution incorporated in a Member State, where the subsidiary or branch was in compliance with group-wide policies and procedures adopted in accordance with section 54, or, as the case may be, Article 45 of the 4th Money Laundering Directive."

In conclusion, the transposition of the 5th Anti-Money Laundering Directive into Irish law, provides a significant further enhancement of the previously existing framework. However, it is important to note that merely enacting legislation does not guarantee an enhanced level of protection from illicit activities such as money laundering and terrorist financing. There is a clear responsibility on those in the regulated sector to ensure that the current AML/CFT frameworks within financial institutions and other regulated entities are enhanced to reflect the additional requirements in the new legislation.

Additionally, there is also a clear requirement to ensure that appropriate monitoring of controls are in place to monitor the effectiveness of new countermeasures on an ongoing basis, and then take remedial action if needed. Similarly, there is also a need for enforcement and regulatory bodies to monitor the implementation and effectiveness of those in the regulated sector. The 5th Anti-Money Laundering Directive provides an opportunity to further strengthen the financial crime regulatory environment within Ireland, thereby further enhancing the jurisdiction's reputation as an international financial services centre going forward.

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Henry Duggan

Managing Director, Financial Services, FTI Consulting

Finance & Management News

New Climate Enterprise Action Fund

The Government has recently launched a new Climate Enterprise Action Fund. The purpose of the fund is to support Irish companies to build the capabilities required to deliver sustainable products, services and business models.

Under the fund a range of financial supports are available to reflect the needs of companies at different stages of their decarbonisation and sustainability journey, including:

- a climate action voucher; and
- a new Greenstart grant; and
- a new Greenplus grant.

The Climate Action Voucher is to help companies prepare a plan for the low carbon, more resource efficient economy of the future whether a company is starting out on their green transformation journey or have already started. A voucher of up to €1,800 is available to eligible companies to access up to two days independent technical or advisory support, from an approved provider, related to the current and future operations of their business.

Under the Greenstart grant companies can apply for grant support towards the cost of hiring an environmental consultant/trainer to undertake a short in-company assignment which will introduce environmental best practice systems and structures, achieve cost reduction targets and lay a foundation for future environmental improvement projects. The typical cost of undertaking a GreenStart assignment is €6,300. The maximum grant funding available from Enterprise Ireland is €5,000. If the cost of the GreenStart assignment is less than €6,300 the company is still required to pay the first €1,300 in costs.

A GreenPlus project is a medium-scale training project facilitated/supported by an external environmental expert. The aim of the project shall be to develop a high level of environmental management capabilities, drive environmental efficiencies and achieve improved sustainability by establishing and embedding continuous improvement systems and behaviours. This will increase the agility and resilience of client companies to climate change impacts. The GreenPlus grant is open to SMEs and large companies that are Enterprise Ireland clients. The maximum grant funding under the scheme is fifty percent of eligible project costs up to a maximum of €100,000 (€50,000 grant).

The funds are administered by Enterprise Ireland and close for applications on the 31st August 2021.

Source: www.enterprise-ireland.com

Credit Guarantee Scheme extended until end of 2021

The Government has recently announced that the €2bn Credit Guarantee Scheme will be extended and will remain open to applications until the end of 2021.

The Scheme offers an 80% Government guarantee to participating lenders to provide Irish businesses, including those in the farming and fishing sectors, with access to low interest loans as they respond to the impacts of Covid-19.

Source: www.enterprise.gov.ie

The Digital Operational Resilience Act (DORA) - bigger, better, faster, stronger

by Rois Ni Thuama

In 2004, at the Washington, D.C., headquarters of the Federal Bureau of Investigations (FBI), Chris Swecker, an assistant director, convened a press conference. Swecker was trying to highlight the problem of mortgage fraud, a problem he said, "has the potential to be an epidemic."

With little movement from the financial sector or regulators to address this known 'pervasive problem" that was "on the rise", Swecker held another news conference the following year in December 2005. This time he was joined by officials from the United States Department of Housing and Urban Development and the Internal Revenue Service.

The message was clear. The FBI had insight into a significant threat, which if left unaddressed, could create wholesale financial disruption and lasting economic damage. This was not a case of a crisis that was unavoidable, it is the case of weak corporate governance and weak risk management.

Why, you might ask, are we revisiting the causes of the financial crisis?

Credible sources and known threats

There are two good reasons for this. Firstly, any warning from the FBI should resonate with firms and be acted upon without delay. This is risk management 101. That is not a strange or unusual suggestion, that is elementary.

Yet despite repeated warnings from the FBI about significant cyber threats, businesses generally have been slow to address the most significant cyber threat.

The FBI's reporting unit IC3 reviewed data otherwise unavailable to the private sector and published their findings in the Internet Crime Report 2020. The FBI made the determination that Business Email Compromise (BEC) remains the most significant cyber threat by victim loss. Any reasonable director, legally obliged to exercise reasonable care, skill and diligence would of course address known significant cyber threats.

The FBI are not alone in issuing a stark warning about BEC. In the United Kingdom, the National Cyber Security Centre have warned that BEC (also referred to as phishing, CEO fraud, Friday afternoon fraud, invoice fraud and so on) represents the most significant cyber threat. So concerned are they that they have also issued guidance which includes deploying the global industry standard protocol (DMARC) as layer 1 defence.

This brings us to the second good reason why we must keep in mind the causes of the financial crisis. While the reform that followed the 2008 financial crisis strengthened the financial resilience of the EU financial sector, it broadly omitted Information and Communication Technology (ICT) risks.

The Digital Operational Resilience Act

To remedy this the EU has proposed a package of sensible measures aimed at the financial sector. This includes the Digital Operational Resilience Act (DORA) which is on the horizon due to become law as early as September 2021.

It will mean that financial entities must address:

any reasonably identifiable circumstance in relation to the use of network and information systems, - including a... misuse...or other type of malicious ...event - which if materialised, may compromise the security of the network and information systems.

What is meant by 'reasonably identifiable' would ultimately be a matter for the competent authorities and/or the courts to decide. It is entirely conceivable that both bodies will take the view that information from credible sources, trusted, independent experts at the FBI and the NCSC ought to be considered as part of any sensible risk management strategy.

Certainly, no sensible counter argument could be made to suggest that the view from the Intelligence Communities (IC) ought to be ignored or omitted from consideration. That said, all firms would do well to review IC insights and address known threats, cyber or otherwise without delay.

The scope of DORA is sufficiently wide so as to capture a comprehensive list of every conceivable type of financial entity from banks to statutory auditors as well as applying to ICT third-party service providers. By making sure the scope is sufficiently wide, it means that not only will it benefit those firms that comply but that the broader financial sector will benefit as each firm plays its part in the ecosystem.

Here's an example to demonstrate this point: an investment firm that has taken the trouble to address any reasonably identifiable circumstance, will, in all likelihood, identify banks that have taken the same steps. It is unlikely that a firm that has gone to the expense and trouble of identifying digital risks would then tolerate a lower standard from its own suppliers. This strengthens the sector as a whole creating a virtuous cycle. The bottom line for investors and protected and society benefits from the increased trust in the sector.

But the benefits mount up. DORA is a smart and necessary piece of legislation that will make the financial sector and the individual firms bigger, better, faster and stronger. This makes more sense if we start with better.

Better

Under DORA the management body of the financial entity must define, approve, oversee and be accountable for all arrangements relating to ICT risks. Moreover, the management body shall bear the final responsibility for managing the ICT risks. AND, they must be duly informed, needing to follow specific training to gain and keep up to date sufficient knowledge and skills to understand and assess cyber risks and their impact on the operations of the firm.

Having a better-informed management body that has skin in the game who are obliged to take part AND are no longer permitted to turn a blind eye can only serve to promote the success of the company (a statutory obligation) through better decision making to prevent unnecessary losses while simultaneously aligning with the directors' fiduciary duty to exercise reasonable care, skill and diligence, (another statutory obligation).

Mark Evans, Managing Partner with Define: Athene, who works with boards to build their cyber knowledge, explained that boards and management continue to improve firm value through wealth generation that is easy to measure. The problem, he explained, is that value preservation needs to be addressed via some fundamental cybersecurity measures, tools and policies.

Faster

Frequently the Chief Information Security Officer (CISO) or the Chief Information Officer (CIO) will understand the cyber threat and the tool that they need to address that problem. Internally, they will champion for the speedy implementation of this tool, so far so good.

The problem often comes in the

surprising form of the budget committee. While budget committees are a tested corporate governance tool providing extra eyes on spending, they are sometimes composed of people who understand neither the problem nor the solution. Instead of facilitating the purchase of an essential tool to protect the firm, they can act like sand in the wheels delaying, or even worse, scuppering, the purchase of important tools to defend the firm.

Anecdotally, there is plenty of cause for alarm as budget committees have vetoed cyber tools and solutions essential to protect the firm, only for the firm to be hit with a cyber-attack that was entirely avoidable. All it would take for a successful shareholder class action would be a single whistle-blower to come forward. Making faster decisions about important tools is critical to defend the corporation.

Faster decisions will be possible because the CISO or CIO within financial entities can now reference this piece of legislation (DORA) answering the questions which follow:

1. Is the threat a reasonably identifiable circumstance? In other words, is the problem well known and understood?
2. Is the source credible? There is considerable value in relying on trusted, independent experts such as the National Cyber Security Centre (NCSC) or the FBI for insight into cyber threats. Vendors frequently refer to themselves as experts, some are, and some are not. But none of them are independent. They have a clear business purpose, to sell their solution, so caveat emptor. Double check the problem exists before your business pays to solve it.
3. Is the solution a global standard protocol (or similar)? The tools to address the cyber threat should be proportionate to meet the threat.
4. Do reasonable IT directors recommend the solutions implementation or have governments or vendor neutral agencies, such as the NCSC, the US Department of Defence, NIST recommended the solution be deployed?

Answering yes to these four questions means that there is no reasonable excuse to delay. It means that better decisions can be made quickly and with certainty saving the firm time, money and additional headaches.

Stronger

Financial entities will be stronger or in other words more robust. Simply addressing reasonably identifiable circumstances will materially move the needle for a firm's cybersecurity posture.

In addition, there are at least three other provisions, which, if implemented without delay would strengthen firms' IT estate management, they are: (i) the right tools for the job, (ii) managing the ICT supply chain and (iii) managing the exit strategies.

(i) The right tools

Under DORA, financial entities shall use and maintain updated systems, protocols and tools that are appropriate to the nature, variety, complexity and magnitude of operations.

The move to Cloud is inevitable for a variety of reasons, but primarily the cost of installing and maintaining on premise solutions makes no commercial sense when compared with cloud-based solutions. The Cloud facilitates enterprise-class technology which is affordable and can be maintained, upgraded, and scaled up seamlessly.

Our increasing reliance on cloud has changed the playing field and it is critical that our businesses change with it.

DORA obliges firms to use tools that are reliable, and those tools must have:

sufficient capacity to process the data necessary for the performance of activities and the provision of services in time to deal with peak orders, message or transaction volumes, as needed.

For any business that is reluctant to move to the cloud, their hand will be forced by this provision.

(ii) managing the ICT supply chain

Financial entities may only contract with ICT third-party suppliers that comply with 'high, appropriate and the latest information security standards.' In other words, ICT third party service providers will be required to address reasonably identifiable circumstances and conform to best practice and implement global industry standards, such as DMARC.

(iii) managing the exit strategies

Financial entities must put in place exit arrangements with their ICT third party suppliers. This necessary provision reflects deep and extensive research and an acute understanding of the challenges that financial entities face and solves a real and painful problem for financial entities. In this instance, financial entities are the consumer, and it is right that the consumer is protected.

Occasionally, some ICT third party suppliers have behaved like squatters, when the contract is due to expire. Rather than facilitate their old client by removing their kit, making way for solutions that would serve the client better, either they claim that pulling out the old kit would disrupt business for weeks or they do disrupt the business. Needing to avoid business disruption the renegotiation of any contract is tilted in favour of the vendor (ICT 3rd party supplier) who has virtual carte blanche to increase their prices for kit that is no longer fit for purpose.

Bigger

It goes without saying that firms which can demonstrate that they have taken reasonable steps to address known significant cyber threats will be more attractive to investors and clients looking to protect their assets and data.

As a result, it is likely that those businesses will grow. It will provide those businesses with an immediate competitive advantage over the laggards who resist the changes.

Firms with a weak external cyber security posture will face compliance challenges. Furthermore, in all likelihood significant shareholders looking to protect their investment will insist the firm meets latest information security standards. Managers that resist can simply be replaced.

How will consumers and investors know?

For one, there is a new email standard that's about to drop any moment. It's called BIMI, it stands for Brand Indicators for Message Identification. BIMI will put consumers and investors on notice as to which firms have implemented DMARC and have taken reasonable steps to address BEC, the starting point for 96% of targeted cyber-attacks.

The combination of this piece of legislation and this new email standard will usher in a way for consumers and investors to make informed decisions about where they put their assets and commercially sensitive information.

Rois Ni Thuama

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

Resilience & Recovery: Beyond Doom & Gloom

by Ronan Foley

Amid the challenges and uncertainty for businesses of all sizes and sectors, AIB's Ronan Foley shares his insights into what's happening in the market, the signs of recovery that he sees in Irish SMEs and how AIB can help CPA members and their clients.

What is your current role in AIB and can you give a brief history of your career?

Currently I'm Head of Business Banking in the North East region which covers Cavan, Monaghan, Louth, Meath, Westmeath and Longford. My team comprises of three business advisor teams, a support function and a team of Agri specialists. We work closely with our colleagues throughout the AIB branch network and together we provide a full service offering for our business customers.

I initially joined AIB in 2012 having worked in the banking sector for my entire career since 1995. I took up a role as relationship manager responsible for a portfolio of customers primarily in the transport and logistics sector. Shortly after that, I became a team leader, responsible for a team of business relationship managers. This was a challenging period both in banking and throughout the wider economy as we all tried to come to terms with the recessionary times. It wasn't all doom and gloom though with many businesses successfully seizing opportunities which have stood to them subsequently.

What have you seen recently in the North East market?

There is still a lot of concern due to the continued uncertainty that the Covid-19 pandemic has brought about. There are obvious impacts to specific businesses operating in the likes of the hospitality and retail sectors who are unsure if they will be open or closed in the near future whilst also wondering what 'normality' will look like.

However, as has been proven in the past, Irish business owners are resilient! Some sectors have experienced good growth which has resulted in further investment in their business. The Agri sector continues to perform very well across most enterprises while many hauliers have undertaken investment in their fleet as well as increasing warehousing and storage capacity.

It is also interesting to see some business owners taking a step back to review their operations and at the same time develop a longer-term strategy. Many are preparing for the 'new normal' by undertaking capital expenditure that will allow them trade under some level of restrictions. The Government Credit Guarantee Scheme has proven popular with the hospitality sector by helping to finance outdoor areas while many retailers are either building or expanding their online presence. Others have supported their staff in working from home which has proven beneficial to both employee and employer.

Some of our customers are telling us that they've taken the time to review their own costs and pricing. We've always talked about the importance of managing cashflow, and that will continue to be vital for businesses, but it can hide pressures on margins too; some were providing services that had not been fully costed correctly.

Similar to AIB, many businesses are also driving forward with their own sustainability agenda. Across all sectors, business owners are investing now to improve their own carbon footprint and at the same time working to reduce their own cost base and improve margins.

In addition to the finance considerations, business networks like the local Chambers of Commerce, industry bodies and membership organisations like CPA Ireland have also come to the fore. Having groups like these to share insights and expertise and develop new business opportunities have been and will continue to be important. Similarly, state supports and advice from Local Enterprise Offices, Microfinance Ireland, Enterprise Ireland, etc. have also played a key role in helping firms weather this pandemic.

How has Brexit impacted AIB's business customers?

Not surprisingly, many businesses lost sight of Brexit in 2020 as their focus was dealing with the challenges that Covid-19 restrictions brought about. The lack of agreement between the EU and UK negotiators caused a lot of concern towards the end of the year but thankfully, the last-minute deal which came about went someway to alleviating the fears of many businesses in Ireland. Whilst the market in the North East has a close proximity to the Northern Ireland border, the customers that felt the greatest impact were those that were trading with or through the remainder of the UK.

Although there has been an increased cost, the additional shipping routes have been a significant help to those transiting to the continent by avoiding the UK land-bridge. However, capacity has been limited which has resulted in some having to continue to send goods to market via ferry to the UK. We have seen customers endure frustration and higher costs as a result of delays at Customs checks although this appears to have eased off somewhat.

Some other feedback from our customers has been that their businesses probably have not yet felt the full impact of Brexit due to their restricted trading position since Christmas. This could put pressure on supply chains and indeed working capital requirements as the economy reopens. Similarly, those that had stockpiled in advance of 31st December 2020 will need to replenish that holding.

We have some examples of UK based businesses, mainly in Northern Ireland, establishing a base in the Republic of Ireland with some food manufacturing businesses putting in significant investment to new premises and other assets. We've helped finance some of these projects through term loans, asset finance as well as our suite of products that can assist with managing working capital requirements including invoice discounting.

I've also noticed that many businesses that were holding off on capital expenditure programmes in 2020 due to both Brexit and Covid-19 have recommenced those plans. This is particularly evident in the transport and logistics sector as fleet replenishment and expansion has become necessary both in terms of controlling costs and generating efficiencies as well as creating additional capacity to cope with business demands.

AIB's treasury offering has supported businesses by helping to bring an element of certainty to managing foreign exchange (FX).

Our online FX offering through Internet Business Banking also allows customers to manage their currency requirements efficiently.

What supports are available to business customers who are in difficulty due to Covid-19/ Brexit?

The Covid-19 Credit Guarantee Scheme remains available through AIB catering for loan applications from €10,000 to €1 million. The scheme is available for a variety of purposes and is aimed at helping businesses adversely impacted by Covid-19. The average loan is close to €50,000 and is being availed of by businesses across all sectors. There are a range of repayment options including the ability to repay interest-only for a period at the beginning of the loan. The maximum loan term is 5.5 years.

The Payment Break process that was available in 2020 has helped many businesses and it is encouraging to see that over 90% of customers who availed of one have resumed full capital and interest repayments.

There are still customers who need support, and we are committed to working with them in order to reach sustainable solutions. It is really important that there is early engagement between the customer and/or their advisor and the Bank to allow for an appropriate solution to be put in place.

Our primary focus is to do what is right for the customer. In order to achieve this, it is vital to understand the sustainable free cashflow that the business will generate in the future. Whilst in the past we may have been able to rely on previous trading performance, now more than ever it is important to understand the assumptions that drive the projected performance in the future. That's where we rely heavily on the advisors to the business. Over 90% of the time the answer will be yes, but sometimes difficult conversations need to be had to ensure that a feasible solution is found.

How can AIB help CPA's and their clients?

You and your clients are at the heart of what we do in AIB – our purpose is to back our customers to achieve their dreams and ambitions. We offer a broad range of financial options from day-to-day banking, cashflow solutions and loans to our treasury solutions to assist with foreign trade. We have dedicated and highly qualified financial planning managers and specialists who can help throughout the business lifecycle by offering protection, investment and retirement solutions.

We have sector specialists to provide expert insight and support for business customers, and regularly produce outlook reports that give in depth knowledge for business owners and their advisors. The weekly AIB treasury podcasts are also a great way to keep abreast of what is happening in the market.

As people who work in industry and practice and who are the trusted advisors to business owners across Ireland, when you succeed and thrive so do our communities, towns, villages, and indeed AIB.

Ronan Foley

Ronan Foley is AIB's Head of Business Banking Branch Network, North East, with over twenty-five years' experience in financial services.

The important role accountants have to play in sustainable finance
and a greener future – how they can guide their companies

by Sarah Moran and Paddy Molony

The IMF Global Financial Stability Report of April 2020[1] states that "Disasters as a result of climate change are projected to be more frequent and more severe, which could threaten financial stability." The report finds that investors do not pay enough attention to climate risks and argues that better disclosures and stress testing by organisations can both help to preserve financial stability and should complement policy measures to mitigate and adapt to climate change.

Moreover, the consideration of broader Environmental, Social and Governance ESG (ESGEnvironmental, Social and Governance) factors has become critical to the success of organisations across all sectors. Customers, employees, shareholders, lenders, rating agencies and regulators are demanding that organisations consider how their business impacts the world, their contribution to society and how they conduct themselves.

Whilst historically the role of accountants focussed exclusively on retrospective financial performance, recent regulatory shifts mandate an extension of this horizon to include forward-looking, non-financial aspects, with climate at the core. Consequently, the accounting function has evolved from a hygiene factor to a performance nucleus, placed at the top of the CEO's agenda. In order to adapt to the evolving landscape ahead, further skills development is required at multiple levels throughout most organisations with a recent KPMG survey[1] revealing 78% of executives believe that managing climate-related risks is "likely" or "highly likely" to be an important factor in keeping their jobs over the next five years[2].

So, what role will accountants need to play in the transition to a sustainable future?

The Financial Stability Board established the Task Force on Climate-related Financial Disclosures ("TCFD") framework to develop recommendations for more effective climate-related disclosures that could promote better-informed investment, credit, and insurance underwriting decisions. The disclosure recommendations are structured around four thematic areas that represent the core elements of an organisation's infrastructure i.e. governance, strategy, risk management, and metrics and targets[3].

In addition, EU regulation is leading the way to channel capital to sustainable outcomes with far reaching effects. The EU Taxonomy is a common classification of economic activities deemed to significantly contribute to environmental objectives using science-based criteria. The EU Taxonomy Regulation has created a direct regulatory link between corporate reporting requirements and wider ESG financial services regulation.

It is envisaged that companies can reliably use the EU Taxonomy to plan their climate and environmental transition and raise finance for this transition, whilst conversely, financial institutions can use the EU Taxonomy to design credible green financial products to accelerate capital allocation to green initiatives[4].

To successfully deliver on TCFD and EU Taxonomy requirements, organisations will need to facilitate cross-functional collaboration between disciplines, transcending the language barrier between scientific and financial acumen. Accountants will need to draw from their technical competence, constructing robust processes with veritable datasets, in order to attach credibility to the information that is presented to internal and external stakeholders.

Critically, accountants will be positioned at the helm when formulating an organisation's response to the following key questions from internal and external stakeholders:

1 https://www.imf.org/en/Publications/GFSR/Issues/2020/04/14/global-financial-stability-report-april-2020#Chapter5
2 https://home.kpmg/xx/en/home/insights/2020/11/climate-change-and-corporate-value-what-companies-really-think.html
3 https://www.fsb-tcfd.org/about/
4 https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf

How resilient is our organisation to climate change?

The TCFD recommends that organisations perform scenario analysis to understand how climate-related risks and opportunities might impact the business and to plan appropriate responses. Impacts of both physical risks (for example, due to extreme weather events and/or chronic weather patterns) and transition risks (for example, policy change, carbon price, technology disruption and shifting customer sentiment) need to be considered. The scenario analysis process helps organisations to surmise how risks might evolve under different climate, economic and regulatory conditions.

Traditional backward-looking risk assessment models are not fit for purpose when faced with the non-linear trajectory of climate-related risks. It is therefore important for organisations to report on potential climate risks under a range of possible global warming scenarios, for example, 1.5°C, 2°C (considered low warming scenarios and are targets of the Paris Climate Agreement), 3°C (considered a moderate warming scenario) and 4°C (considered a high warning scenario). In order to provide investors and other stakeholders with a forward-looking view on the organisation's potential vulnerability or resilience to climate-related risks, accountants will need to use forward-looking risk modelling methodologies that are re-calibrated to a longer-term horizon.

It's worth noting that climate scenarios are hypothetical constructs, not forecasts, predictions or sensitivity analyses[5]. Financial stakeholders need to know that the scenarios used by organisations for climate-related risk assessment are robust and reliable – examples include the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) or the International Renewable Energy Association (IRENA), appreciating that using a combination of different scenarios from reputable sources adds depth to analysis. Accountants will be required to provide this level of comfort.

What is our ESG impact?

How well an organisation performs on ESG issues is becoming an increasingly critical performance metric for investors, consumers, and management. Investors and rating agencies are demanding ESG reports. Investors believe that companies with a strong ESG programme perform better and are more stable[6].

Organisations are often challenged when measuring ESG outcomes and reporting metrics on ESG priorities and performance to key stakeholders. Accountants are ideally positioned to help organisations carry out ESG reporting efficiently and to weave ESG considerations into strategy and operations.

When measuring ESG impact, positive or negative, accountants must often incorporate non-financial and unstructured datasets from internal and external sources – as seen in the case of GHG emissions for example. The process extends beyond monetising social and environmental factors or "externalities" to determine their impact on the financial performance of the organisation.

Reciprocal outward impact of the organisation on society and the environment must also be considered, a concept referred to as "double materiality". The concept of double materiality is also expanded beyond exclusively financial considerations to include the wider non-financial facets of impact relating to environment, social and governance.

Identifying and harnessing the relevant data sources within a trusted and efficient reporting infrastructure is often a seemingly insurmountable challenge. Accountants are conversant with navigating complexity within their organisations and by facilitating a convergence of technologies—IoT, cloud, machine learning, and blockchain, can enable organisations to capture, measure, and verify data that all stakeholders can trust.

How will the EU Taxonomy affect our organisation?

Regardless of your sector, it is important to recognise that the implications of the EU Taxonomy are not exclusive to the financial sector and will have broad impacts across various sectors.

By providing appropriate definitions to companies, investors and policymakers on which economic activities can be considered environmentally sustainable, the EU Taxonomy is expected to create security for investors, protect private investors from greenwashing, help companies to plan the transition, mitigate market fragmentation and eventually help shift investments to where they are most needed[7].

5 https://www.tcfdhub.org/scenario-analysis/
6 https://www.nasdaq.com/articles/strong-esg-practices-can-benefit-companies-and-investors-2019-03-13
7 https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

The EU Taxonomy comprises six environmental objectives, namely, climate change mitigation, climate change adaption, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. To be included in the proposed EU Taxonomy, an economic activity must contribute substantially to at least one environmental objective and do no significant harm (DNSH) to the other five environmental objectives, whilst also complying with minimum safeguards such as the Organisation for Economic Co-operation and Development (OECD) guidelines on multinational enterprises and the United Nation's Guiding Principles on Business and Human Rights[8].

The EU Taxonomy further operates as a transparency tool which supplements both the Non-Financial Reporting Directive (NFRD) and the Sustainable Finance Disclosure Regulation (SFDR) by laying down additional disclosure obligations for economic activities which contribute to the environmental objectives[9].

In April 2021, the European Commission adopted a proposal for the Corporate Sustainability Reporting Directive (CSRD) to amend the existing requirements of the NFRD[10].

Large financial and non-financial companies that fall under the scope of the CSRD will need to disclose the extent to which the activities that they carry out are aligned to the EU Taxonomy, calculated with reference to the proportion of revenue and expenditure allocated to achieving environmental objectives. Likewise, Financial Market Participants (FMPs) including asset managers, insurance companies and pension funds will need to report on the extent to which the activities funded by their financial products are aligned to the EU-Taxonomy under the SFDR[11].

8 https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf

9 https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-faq_en.pdf

10 https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_1806

11 https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/sustainable-finance-taxonomy-factsheet_en.pdf

Economic activities are classified against the EU Taxonomy with reference to technical screening criteria. Methodology and guidance material were recently published by the European Commission for climate change mitigation and adaption environmental objectives with criteria for the remaining four environmental objectives to follow[12].

The first taxonomy-related disclosures for FMPs will apply from 1 January 2022 in respect of climate change mitigation and adaption environmental objectives. Disclosures in relation to the remaining four environmental objectives apply from 1 Jan 2023.

Consequently, FMPs will need to look more closely at the activities they are financing and investing in, whilst companies will need determine whether their business supports the environmental objectives of the EU Taxonomy and understand what additional information will be required from them, by financiers and investors to finance the green transition.

How reliable is our information?

A recent KPMG survey[13] revealed that of the top 100 companies (by revenue) across 52 countries, 80% report on ESG, with up to 61% of those reporting also obtaining assurance. The significant numbers of entities obtaining ESG assurance underscores the increasing relevance and importance of the ESG disclosures to an organisation's stakeholders.

Any information reported externally which is material to understanding an organisation's development, performance or position – including the impact of its activities on environmental and social matters – needs to be consistent, accurate and reliable. Stakeholders are increasingly looking for more comprehensive ESG information from organisations – not just around climate risk, but on governance and social issues, such as culture and diversity.

Assurance over non-financial information disclosed by an entity enables organisations to build trust in the accuracy and veracity of what they disclose. The nature and extent of assurance obtained can vary, and will be determined with reference to factors such as: who the organisation's stakeholders are; whether the organisation has specific ESG-related financing mandates; whether the organisation is public or private; what industry the organisation is in; and, how evolved the organisation is in their ESG reporting.

The most widely used external assurance standard for non-financial information is ISAE 3000 and, to a lesser extent, ISAE 3410 for GHG Key Performance Indicators (KPIs). The scope of independent assurance obtained is either limited assurance (for example, the opinion provided on a half-year review of financial statements) or reasonable assurance (for example, the opinion provided for an audit of financial statements).

Concluding remarks

As the sustainable finance landscape rapidly evolves to accommodate our accelerated transition to a greener future, an abrupt pivot of skills and technologies is required throughout organisations. Supported by Skillnet Ireland, the Sustainable Finance Skillnet is a national network working to develop skills and leadership capacity to advance sustainable finance best practice across Ireland's financial services sector. In 2020, the Sustainable Finance Skillnet supported 1,400 Irish located professionals to engage with the sustainable finance agenda. In 2021, the Sustainable Finance Skillnet aims to continue to support Irish located professionals to raise their awareness and sustainable finance skill levels throughout the year.

Through these developments, accountants are uniquely positioned as torchbearers for this journey and will need to extend the boundaries of their discipline into unprecedented terrain to meet these new challenges. In the face of future uncertainties, one thing is clear- the usual rules no longer apply.

As the sustainable finance landscape rapidly evolves toaccommodate ouraccelerated transition toa greener future, an abrupt pivot of skills and technologies is required throughout organisations. Accountants are uniquely positioned as torchbearers forthis journey and will need to extendthe boundaries of theirdisciplineinto unprecedented terrainto meet these new challenges. In the face of futureuncertainties,one thing is clear- the usual rules no longer apply.

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12 https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800_en.pdf
Annex 1 https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf
Annex 2 https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-2_en.pdf
13 https://home.kpmg/uk/en/home/insights/2020/12/kpmg-survey-of-sustainability-reporting-2020.html

Taxation News

Registration for One Stop Shop and Import One Stop Shop

The VAT Directive was amended to simplify VAT obligations relating to eCommerce activities which includes the extension of the VAT Mini One Stop Shop to a One Stop Shop (OSS) and the introduction of a new Import One Stop Shop (IOSS). These measures are effective 1 July 2021.

Registration by eligible businesses for these schemes opened 1 April 2021. For further information, including an outline of the requirements for pre-registration, please see the new Tax and Duty Manual Vat eCommerce – Registration for the One Stop Shop (OSS and Import One Stop Shop (IOSS) from 1 April 2021.

Source: www.revenue.ie

Establishment of Commission on Taxation and Welfare announced

The Minister for Finance, Paschal Donohoe, TD, recently announced the establishment of the Commission on Taxation and Welfare, chaired by Professor Niamh Moloney. The Commission is being established to independently consider how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity.

The establishment of the Commission of Taxation and Welfare is part of the Programme for Government. In carrying out its work the Commission is to have regard to the impact of the Covid-19 emergency, aging demographics, digital disruption and automation and the long-term strategic commitments of Government regarding health, housing, and climate.

The Commission is tasked with the following:

- Review how best the taxation and welfare system can support economic activity and income redistribution, whilst promoting increased employment and prosperity in a resilient inclusive and sustainable way and ensuring that there are sufficient resources available to meet the costs of public services and supports in the medium and longer term.
- Examine what changes, if any, should be made to the social insurance system, including structure and benefits coverage, while ensuring sustainability. This will include consideration of the NESC report no 151 (November 2020) on the future of the Irish social welfare system and of output from the Pensions Commission regarding sustainability and eligibility issues in respect of State Pension arrangements.
- Examine how the taxation system can be used to help Ireland move to a low carbon economy as part of the process of meeting its climate change commitments as set out in the Climate Action and Low Carbon Development (Amendment) Bill 2021.
- Consider the appropriate role for the taxation and welfare system, to include an examination of the merits of a Site Value Tax, in achieving housing policy objectives.
- Consider how Ireland can maintain a clear, sustainable, and stable taxation policy as regards Ireland's attractiveness to Foreign Direct Investment in a changing global taxation environment, including retention of the 12.5% corporation tax rate.
- Review how best the taxation environment for SMEs and entrepreneurs can ensure that Ireland remains an attractive place to sustain and grow an existing business or to start and scale up a new business.
- Review the adaptability of the taxation and welfare systems to the rise of digital disruption and automation and other technological changes.
- Examine the process for reviewing taxation measures and expenditures in order to ensure it is aligned with best practice and where appropriate make recommendations as to how it can be improved.
- Examine how effectively good public health is promoted in Ireland, and present relevant reforms to advance and incentivise this goal.
- Consider taxation practices in other similar sized open economies in the OECD to see what lessons Ireland can learn from such counties. This will include consideration of how the tax administration system should be modernised, building on real time payroll reporting which underpinned the existing modernisation of the PAYE system, and ensuring that the tax administration system meets best international standards. This will also include consideration of the potential for improvements in simplicity and administrative efficiency from integrating the taxation and welfare systems, as well as options for reform on the balance between the taxation of earned income, consumption, and wealth.

The Commission's Report is due to report by July 2022.

Source: www.gov.ie

New VAT e-Commerce Rules

by Brendan Lynch and Michael Brennan

For some time, the European Commission has been aiming to simplify the VAT obligations for companies carrying out cross-border sales of goods or services (mainly online) to final consumers, and to ensure that VAT on such supplies is paid correctly to the Member State of the customer, in line with the principle of taxation in the Member State of destination.

In order to do this the Commission proposed EU legislation in two stages with the first measures coming into force in January 2015 covering the supply of telecommunications, broadcasting and electronic services. The second package of measures was adopted by the Council in December 2017 and included new rules for distance sales of goods as well as for any type of service supplied to final customers in the EU.

A number of amendments have now been made to the EU VAT Directive 2006/112/EC that will affect cross-border business to consumer (B2C) e-commerce transactions with the new rules due to come into force of 1 January 2021. However, due to the ongoing impact of Covid-19 their introduction was postponed by six months and they will now come into force on 1 July 2021, giving Member States and businesses additional time to prepare.

The main changes are:

- The extension of the existing VAT Mini One-Stop Shop (MOSS) to a One-stop Shop (OSS);
- The introduction of an Import One-Stop Shop (IOSS);
- New arrangements for certain imports of goods; and
- The treatment of online marketplaces and platforms as deemed suppliers for certain transactions.

MOSS and OSS

The Mini One-Stop Shop was introduced on 1 January 2015 to simplify the VAT registration and payment obligations of cross-border suppliers of B2C telecommunications services, radio or television broadcasting services and electronically supplied services (collectively called TBE services). The place of supply of these services is the Member State where the consumer is and VAT is payable by the supplier in that Member State. MOSS allows the supplier to register in one Member State and account in that Member State for VAT due on TBE services in all Member States. The scheme was confined to TBE services and this is the reason for "Mini" in the name.

Since 1 January 2019, a turnover threshold of €10,000 was applied to the scheme allowing suppliers who did not exceed the threshold to charge and account for VAT on the supply in their own Member States.

Traders could account for VAT within the original MOSS using two different schemes - the Non-Union Scheme and the Union Scheme. Under the new arrangements these will be retained, and their scope extended.

From 1 July 2021 the One-stop Shop will no longer be "Mini" and will be extended to cover all types of services where the place of supply is the customer's Member State. This will allow suppliers who must account for VAT in another Member State to account for the VAT through the One-stop Shop (OSS) portal in the Member State where they are established. The €10,000 threshold will still apply. The One-stop Shop will also extend to B2C distance sales.

Distance Sales

Under current rules, if the total B2C supply of goods to another Member State exceeds the Distance Sales threshold for that customer's Member State, the supplier must charge VAT, register and account for VAT in that Member State. This means that some traders are registered for VAT in several or all other Member States. From 1 July 2021 the One-Stop Shop will extend to include distance sales and should reduce the VAT administration obligations on distant sellers.

The current distance sales thresholds for Member States vary between €35,000 and €100,000. A uniform distant selling threshold of €10,000 will apply to all Member States from 1 July 2021. For each Member State to which a supplier makes distance sales in excess of €10,000, the supplier must charge and account for VAT in that Member State. From 1 July this tax can be reported and paid through the One-Stop Shop portal in the Member State where the supplier is established.

OSS Non-Union Scheme

The Non-Union Scheme will be available only for businesses that have no business or fixed establishment in the EU. They can register for the scheme and account for VAT on supplies of services to customers in the EU. A business can choose which Member State it registers in but can register in only one.

OSS Union Scheme

The Union Scheme will cover cross-border B2C supplies of services, where the supplier is established in the EU. It will also cover intra-Community supplies of distance sales by both EU and non-EU established suppliers. Where the supplier's business establishment is an EU Member State the supplier must register for OSS in that Member state.

IOSS

The new Import One-Stop Shop is being introduced to report distance sales of goods into the EU from outside the EU. The low-value consignment VAT relief threshold of €22 will be abolished with effect from 1 July 2021. From that date, VAT will apply to all goods imported into the EU. However, the customs duty exemption on consignments valued below €150 will continue.

IOSS is optional and allows suppliers of imports valued at less than €150 to charge the customer VAT at the time of sale. The supplier will then declare and pay the VAT due in each Member State through one IOSS registration.

IOSS registration is available to both Non-EU and EU established suppliers. EU suppliers will normally register in their own Member State. Non-EU suppliers who are established in a country that has a VAT mutual assistance in place and are selling goods from that country into the EU can register directly in any Member State they choose. Other non-EU suppliers must appoint an intermediary in an EU Member State and register via the intermediary in that Member State.

New arrangements for certain imports of goods

These new arrangements will cover consignments of goods not exceeding €150 in value imported via postal operators, express carriers and customs agents, where the supplier has not availed of IOSS. Where these arrangements apply, the postal operators, express carriers and customs agents will collect VAT at the standard rate from the customer and pay it to Revenue.

The treatment of online marketplaces and platforms as suppliers for certain transactions

Where certain supplies of goods are made through an electronic interface such as a marketplace, platform or portal, the business facilitating the supply through the electronic interface will become a deemed supplier of the goods.

The goods covered by the new provision are distance sales of goods from outside the EU in consignments of less than €150 value and B2C supplies within the EU to a customer in the EU by a taxable person not established in the EU. This provision will artificially split the sale from the underlying supplier to the final consumer into two transactions: a sale from the underlying supplier to the electronic interface operator and a sale from the operator to the consumer.

Brexit Issues

With effect from 1 January 2021 the UK is no longer a Member State of the EU and is now a third country. While Northern Ireland remains in the EU Single Market for goods transactions it is not in the Single Market for services.

The place of supply of a service supplied to a non-taxable person (consumer) is generally the place where the supplier is established. However, different rules apply for certain services, for example, the place of supply of a catering service is where the service is physically carried out, the place of admission services to an event is where the event actually takes place, and the short-term hire of a means of transport is where the means of transport is put at the disposal of the customer.

There are also special rules applying to a range of services, including lawyers and accountants, listed in Section 33(m) of the VAT Consolidation Act 2010 which provide that the place of supply of those services, when supplied to a consumer established outside the EU, is outside the EU.

Traders established in Ireland supplying services to consumers where the place of supply of those services is in the UK including Northern Ireland will not have to charge any Irish VAT on those supplies but may have VAT compliance obligations in the UK.

Traders from the UK including Northern Ireland who supply services to consumers where the place of supply of the service is here may have to register for VAT here or may account for any VAT due on the supply of the services using the OSS Non-Union scheme.

B2C sales to consumers in Northern Ireland are covered by the current distance sales rules as Northern Ireland remains in the Single Market. From 1 July the threshold will reduce to €10,000 and any Irish traders with distance sales to Northern Ireland in excess of that threshold must account for UK VAT on the sales. This can be done through OSS.

Brendan Lynch

Brendan is principal of B Lynch and Associates Tax Consultants and has over 30 years' experience lecturing in VAT in Ireland and internationally.

Michael Brennan

Michael has over 35 years of VAT experience in the Revenue Commissioners working in areas including Audit, Customer Services, and Policy and Legislation where he was deputy national delegate to the EU VAT Committee based in Brussels.


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Non-Irish Employments Exercised in the State

Payroll and Income Tax Implications

by James Bradley

The environment in Ireland has become increasingly onerous and complicated in relation to employment tax and payroll compliance. The area of payroll compliance is especially difficult to apply and is even more in the spotlight now in light of UK companies requiring some of their employees to perform their duties in Ireland. Whilst this is a broader issue, in light of Brexit, it has been brought more into focus from a UK perspective.

This article will focus on the taxation of foreign employees working in Ireland and the obligation of their non-Irish employers to register for payroll taxes and process the salaries of the foreign employees through the Irish payroll system. New rules have been introduced and affect all foreign employees working in Ireland since 1 January 2020.

Taxation of Temporary Assignees

The first thing that needs to be established is whether Ireland has a Double Tax Agreement ("DTA") with the foreign employee's country of origin. This is necessary to determine which country has taxing rights on the foreign employment income. Although it is a foreign source of income, part of this income has been earned in Ireland. The DTA in place between the country in which the individual is a resident of and the State will determine each country's taxing rights in relation to the income arising in respect of duties performed in the State.

Article 15(1) of the Ireland /UK DTA says that remuneration received by a resident of one Contracting State shall only be taxed in that Contracting State unless the employment is exercised in the other State.

Article 15(2) states that:

"...remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State if:

a. the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days and

b. the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

c. the remuneration is not borne by a permanent establishment which the employer has in the other State."

Paragraph B is intended to ensure that there is a genuine foreign office of employment and the employee continues to be paid by that foreign employer.

Paragraph C aims to avoid the source taxation of short-term business visits or short-term assignments to the extent that the employment income is not allowed as a deductible expense in the State of source because the employer is not taxable in that State as it is neither a resident of that State nor has a permanent establishment in that State. Therefore, where the foreign employing entity has a permanent establishment in the State, and the costs of the business trip or short-term assignment are borne by the permanent establishment in the State, this condition cannot be met.

Where the conditions of Article 15(2) are met, sole taxing rights are granted to the State of residence of the individual. It is important to consider how a DTA interacts with the domestic legislative position.

A DTA cannot impose a charge to tax in Ireland. In order for Ireland to be able to charge tax arising from a taxing right under a DTA, such a charge must also be provided for under domestic legislation. Income from foreign employments which is attributable to the performance of duties in the State is within the charge to tax under Schedule E. It follows that such income is considered "emoluments" and is within the scope of the PAYE system of deductions at source. There is clearly a difference between those taxing rights afforded by a DTA and the charge imposed by domestic legislation.

Notwithstanding the above, such income is within the charge to tax under Schedule E and within the scope of the PAYE system of deductions at source. However, in such cases, with effect from 1 January 2020, Revenue will not enforce the operation of PAYE in cases where 60 or less workdays are spent in the State in a tax year. Each year should be considered on a standalone basis.

"The environment in Ireland has become increasingly onerous and complicated in relation to employment tax and payroll compliance"

The following chart outlines the employer's obligation to register for PAYE and PRSI from 1 January 2020:

Category	DTA countries	Non-DTA countries
Less than 30 workdays in the tax year	No PAYE Obligation	No PAYE Obligation
Between 30 and 60 days in the tax year	No PAYE Obligation	PAYE Obligation
More than 60 workdays but less than 183 days present in the tax year:	PAYE Obligation in the absence of a PAYE Dispensation	PAYE Obligation
More than 183 days present in the tax year	PAYE Obligation	PAYE Obligation

*Where PAYE applies – the obligation to deduct arises from day one.

An individual who spends more than 60 workdays but less than 183workdays in Ireland in a calendar year:

An employer will not be required to operate the Irish PAYE system in respect of such temporary assignees where the following conditions are met:

a. the assignee is resident in a country with which the State has a DTA and is not resident in the State for tax purposes for the relevant tax year; and

b. there is a genuine foreign office or employment; and

c. the remuneration is paid by, or on behalf of, an employer who is not a resident of the State and – See Below

d. the remuneration is not borne by a permanent establishment which the employer has in the State.

Non-Resident Employer:

Revenue, in line with OECD guidance is not prepared to accept, for the purposes of granting a release from the obligation to operate the PAYE system, that the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State where the assignee is:

- working for an Irish employer where the duties performed by the assignee are an integral part of the business activities* of the Irish employer, or
- replacing a member of staff of an Irish employer, or
- supplied and paid by an agency (or other entity) outside the State to work for an Irish employer.

Integral part of the business activities

While no one factor alone is conclusive, there are several factors that may indicate an assignee is performing duties for an Irish employer that are an integral part of that employer's business. Factors to consider include:

- who bears the responsibility or risk for the results produced by the assignee
- who authorises, instructs or controls where, how and, or when the work is performed
- who does the assignee report to or who is responsible for assessing performance
- whether the role or duties performed by the assignee are more typical of the function(s) of the overseas employer or of the Irish entity.

Example

ABC UK are in the business of developing software programmes for various companies. Vincent is employed with them as a computer programmer. In 2018, ABC UK enter into a contract with XYZ Construction Ireland which needs to update their computer systems. ABC UK send Vincent to Ireland as part of the contract. The project will take about 120 days to complete in 2018.

Vincent is an employee of ABC UK, and his services, while in Ireland, form an integral part of the business activities of his UK employer. The services Vincent provides to XYZ Construction Ireland are provided on behalf of his UK employer. In this scenario:

- Vincent is in the State for less than 183 days in the year,
- ABC UK does not have a permanent establishment in Ireland which bears the cost of Vincent's remuneration, and
- The cost of Vincent's remuneration is not recharged by ABC UK to XYZ Construction Ireland.

Therefore, subject to an application being made by ABC UK, Revenue will grant a release to ABC UK from the obligation to operate PAYE.

As it can be seen from the above the whole area of Non-Irish Employments exercised in the State is equally complex for the foreign employee and the foreign employer and practitioners need to take great care that the respective legislation in relation to these Non-Irish Employments are applied appropriately.

James Bradley
Chartered Tax Advisor and Chartered Accountant

In Practice News

GoAML Registration Encouraged

Irish money laundering legislation requires, a 'designated person' (including an auditor, external accountant, tax adviser and a trust or company service provider) who knows or suspects or has reasonable grounds to suspect that another person has been or is engaged in an offence of money laundering or terrorist financing, to make a suspicious transaction report (STR) of that knowledge or suspicion on those reasonable grounds. The legislation imposes a dual reporting obligation of STR's to both the Financial Intelligence Unit (FIU) and the Revenue Commissioners.

GoAML is an online platform to facilitate the filing of STR's with the Financial Intelligence Unit (FIU). In order to make an STR to the FIU, designated persons must first register with GoAML. Once registered a designated person will in addition to receipt of acknowledgement of an STR, receive alerts and dissemination of trends and typologies through the GoAML message board.

Members are encouraged to register on the GoAML system. For further information on how to register including a 'Reporting Entity Registration Guide' please visit www.fiu-ireland.ie.

Source: www.fiu-ireland.ie

New IAASA Guidelines on CPD for Statutory Auditors

Section 1489(1) Companies Act 2014 requires a statutory auditor to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values, including, in particular, in relation to auditing, at a sufficiently high level.

International Education Standard (IES) 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (Revised) sets out the competencies that a statutory auditor is expected to have when performing the role of an Engagement Partner.

The Irish Auditing and Accounting Supervisory Authority (IAASA) has recently published "Guidelines for RABs on the regulation, monitoring and enforcement of continuing education for statutory auditors". The purpose of the guidelines is to set out for the Recognised Accountancy Bodies (RABs), including CPA Ireland, on how

- they are to apply regulation, monitoring and enforcement of continuing education for statutory auditors; and
- describe what constitutes compliance with the condition imposed on statutory auditors by section 1489(1) of the Companies Act 2014 ('the Act') to take part in appropriate programmes of continuing education.

These guidelines apply from 1st January 2022. CPA Ireland is currently reviewing these guidelines and will keep members updated on the impact on CPD for auditors.

Statutory Auditors are advised to consider both the requirements of Section 1489(1) Companies Act 2014 and International Education Standard (IES) 8 when planning continuing professional development.

Updated CCAB-I Guidance for Insolvency Practitioners

The Consultative Committee of Accountancy Bodies – Ireland (CCAB-I) has recently published new Guidance for Insolvency Practitioners – Meeting of creditors during Covid-19 pandemic restriction on movement and public gatherings.

The new guidance reflects the provisions of the Companies (Miscellaneous Provisions) (Covid-19) Act 2020, which made provision for how members and companies could conduct the business of the company at a time when physical meetings of members and/or creditors were severely curtailed or prohibited due to public health guidance from the Irish government.

The publication replaces previous guidance issued by the CCAB-I in April 2020, which was released during the pandemic at a time when practitioners had no legislative guidance on how these matters should be dealt with.

Source: www.ccab-i.ie

Digital Transformation: the good, the bad and the regulated

by Caroline McCarthy

The past year has been a period of significant change and challenge for businesses. Whilst all were forced to adapt to the unexpected circumstances presented by the Covid-19 crisis, regulated businesses were also faced with having to comply with the challenges of remote compliance due to restrictions on mobility and need for social distancing.

Finding a way to comply with increased regulatory requirements and provide their services to clients remotely during Covid-19 and beyond is now 'business as usual'. This new business context has forced companies to supercharge their digital transformation programmes to ensure a seamless customer experience while meeting their compliance obligations.

Digital transformation challenges

The relationship between a customer and business is now personal, custom, and nuanced across all channels and devices - and more important than ever. While a business may have the vision and capacity to achieve digital transformation successfully, there are clear challenges to overcome to maintain a competitive advantage in a digital-first market.

IIoT & compliance

As we move towards Industrial Internet of Things ("IIoT"), compliance regulation will need to innovate to match the speed at which the commercial world is advancing, while protecting customers from the risk of Money Laundering ("AML") and fraud.

Even with a strategic understanding driving your digital transformation, the compliance burden of regulatory risk is a mitigating factor. AML and Know Your Customer ("KYC") can only consider current innovation existing now. The challenge for regulators is knowing the regulatory "tipping point": when is the right time to regulate without disrupting the advantages of innovation and when is it too late to regulate.

The Regulatory Landscape

The complexity of the regulatory landscape is a clear challenge to overcome when transforming digitally. The 5th Anti-Money laundering directive ("5AMLD") was adopted and entered into force on 9 July 2018. EU member states had to implement these new rules into their national legislation by 10 January 2020.

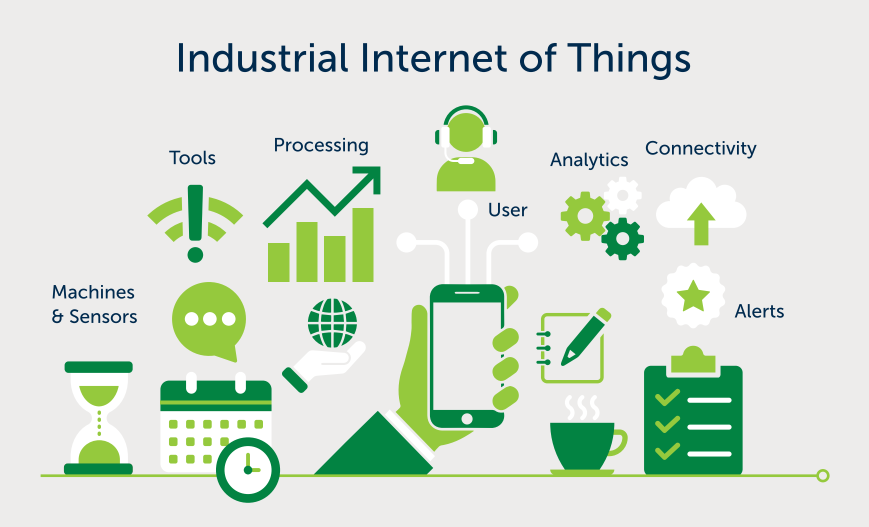
In summary, 5AMLD means entities must ensure that they know who their customers are. Regulated businesses must:

- Identify and verify customers.
- Identify and verify beneficial ownerships.
- Understand customer relationships and their risk profiles.
- Continue ongoing monitoring of customers and their transactions.

The 6th Anti-Money Laundering Directive ("6AMLD") is a continuation of 5AMLD. Financial institutions in European Union (EU) member states are required to implement 6AMLD by 3 June 2021. While this latest update on the directive for EU member states to implement has less changes, it does provide more clarity around the definition of money laundering - thus empowering regulated entities with stronger AML and KYC controls.

In 2020, the Financial Action Task Force ("FATF") also joined the conversation on digital identity - a key component of any KYC process. Their findings on the benefits of any digital transformation were clear. Not only were digital ID systems improving security, trust and convenience for customers but,

" non-face-to-face customer-identification and transactions that rely on reliable, independent digital ID systems with appropriate risk mitigation measures in place, may present a standard level of risk, and may even be lower-risk."



Given the growing role of compliance and regulation in delivering secure digital experiences, collaboration between regulators, market-leaders and new solution providers will allow customers and clients to receive a premium experience and for a regulated business to digitally transform.

The importance of digital transformation as a tool to meet AML and KYC requirements is clear but implementation is also where challenges rise. Satisfying these obligations can be an obstacle when you consider the complexity, risk and cost associated with delivering a compliant, secure experience.

Change management consultants, Charles David Churchill Associates Limited ("CDCA"), found companies take on average 26 days to complete KYC checks and corporate clients take on average 32 days to complete KYC compliance. (source) Combined with the manual processes to onboard, verify clients, produce audit trails and maintain back books, it can be a time-consuming process to remain compliant and to keep client's personal data safe.

The results from a Statista.com August 2020 survey showed a global increase in identity theft risk since the coronavirus outbreak with respondents expecting it to increase further in 2021. (source). It is clear an already demanding process to verify and identify customers, or clients, to meet AML and KYC needs will be further complicated by more sophisticated methods employed by fraudsters.

Rising expectations

The overnight transition to a digitally enabled world has forced customers of all ages to adapt to digital-first, and often, digital-only. This increased usage of digital platforms and solutions means your customers are gaining more experience over time and their expectations are rising.

In their 2021 Global Identity and Fraud Report, Experian reported that 60% of consumers have a higher expectation for their online experience than pre-pandemic, while 55% still say security is a top priority.

Prioritise experience

Unprecedented global circumstances served to highlight how digital solutions that provide secure, compliant remote capabilities are a crucial ingredient for the success of any business.

The importance of understanding digital touchpoints right from the beginning of a customer's or client's journey cannot be underestimated. In fact, HID global reported that,

"European financial institutions are losing almost 40% of applicants during digital onboarding."

What is also clear is the need to consider the experience your client is having from the first point of contact, then onboarding with your business and continued interactions into the future.

Concerns persist for many customers about sharing private documents and personal data online. GDPR is top of mind regarding how their data is stored, used, and transferred and how secure is the provider they choose to engage with.

Embracing a secure digital onboarding experience and identifying the advantages offers a cost-effective competitive advantage to satisfy customer needs and allay these concerns.

Digital Transformation benefits

The challenge for regulated businesses in delivering a digital transformation is finding a solution that meets their AML and KYC requirements whilst providing clear benefits to their business and customers. Finding the right provider also means being able to serve the full customer lifecycle while staying fully compliant.

Further benefits to a digital transformation include:

- **Customer acquisition and retention**

Your customers can securely submit their personal data anytime, anywhere via any device. No longer constrained by location or the need to meet-in-person, your potential customer base can be broader. Businesses that can verify their customers' identity across any channel or jurisdiction simply, securely, and conveniently have less compliance friction when expanding into new markets.

- **Real-time decision making**

Solutions that accelerate your digital transformation maximise customer conversion rate by digitally capturing customer information in-person, online or via a contact centre. By automating your AML and KYC process using a blend of bio-metric and data-driven technology, it enables real-time decision making for your business and a better understanding of their journey with you.

The ID-Pal identity verification solution is a prime example of how to use a unique blend of technologies:

- Document checks to verify that the identity document itself hasn't been tampered with or forged.
- Biometric checks to ensure that the individual submitting an identity document is its rightful owner.
- Database checks to cross-reference the individual's information against relevant databases.

- **Accuracy**

Technologies, packaged with a friction-free user experience, can deliver the best outcomes by classifying in real-time. This removes the need for your business to follow up, chase documents and reduces your AML and KYC process to minutes.

- **Robust compliance**

Multi-layered verification of an individual's identity and address has data protection in every step of the journey and prevents fraud at source during a customer account opening process while automatically generating a robust audit trail.

- **Operational efficiencies**

Manage the complexity, cost, timelines, and risk associated with regulatory compliance by delivering an intuitive solution that is customised to your business and scalable.

- **Digital transformation vendor selection**

Businesses need to critically evaluate the quality, pricing, and flexibility of digital transformation vendors across the market to ensure the best solution fit is selected.

- **Review Business Priorities**

Identify the priorities for your business and critically evaluate the vendor's questionnaire responses for each of them accordingly. Priorities might include:

- User experience.
- Regulatory robustness.
- Operational efficiency
- Ease of solution deployment.
- Total cost of ownership.
- All of the above.

- **Shortlist Vendors**

Following a first scan and evaluation of the vendors in the market, prepare a shortlist for the next round of supplier engagement based on the following criteria:

- Ability to satisfy key requirements based on business priorities.
- Industry experience and reputation.
- Customer references.

In conclusion

The key to successful digital transformation in regulated businesses is to align compliance and regulation with your growth strategy and more importantly, to deliver an exceptional customer experience from the start.

ID-Pal understands the operational efficiencies to be gained from such digital transformation and the benefits that can lend to a long-term sustainable growth for any business.

Using best-in-class technologies as part of your strategy leads to better quality outcomes, a higher conversion rate for a larger volume of customers while preventing fraud at source. Ultimately obliging compliance and regulation can be the key innovation drivers of your digital transformation.

"Unprecedented global circumstances served to highlight how digital solutions that provide secure, compliant remote capabilities are a crucial ingredient for the success of any business."

Caroline McCarthy

Caroline is the Senior Marketing Manager for ID-Pal. ID-Pal provides an award-winning end-to-end solution that allows businesses to verify the identity and address of customers in real-time, across all channels and jurisdictions.
Email sales@id-pal.com to find out more.

ISA (Ireland) 540 (Revised December 2018) Auditing Accounting Estimates and Related Disclosures

by Colm Divilly

The Irish Auditing and Accounting Supervisory Authority (IAASA) have issued ISA (Ireland) 540 (Revised December 2018) Auditing Accounting Estimates and Related Disclosures (ISA 540). In this article we introduce some of the more important changes for audit work arising from the revision of ISA 540.

What is an accounting estimate?

The revised standard defines an accounting estimate as "A monetary amount for which the measurement, in accordance with the requirements of the applicable financial reporting framework, is subject to estimation uncertainty".

Accounting estimates that an auditor will regularly encounter in the course of his / her work are:

- Calculation of a provision for bad debts.
- Calculation of a provision for losses incurred on long term construction projects.
- Calculation of a provision for warranty costs incurred.
- Estimation of the useful life of an asset to determine an appropriate depreciation / amortisation rate.
- Estimation of the recoverability of financial assets such as loans and certain investments where there are indications that the asset is impaired.
- Calculation of various provisions included in financial statements.

When you calculate an accounting estimate, some degree of estimation uncertainty will always exist, unlike other financial statement figures that are based on a precise calculation. Therefore, accounting for estimates can be subject to a higher risk of material misstatement in financial statements and pose a challenge for the auditor in obtaining sufficient and appropriate audit evidence to support the accuracy of the accounting estimate.

The revised standard introduces enhanced requirements to assist the auditor to respond appropriately to the risk of material misstatements in accounting estimates.

Why was a revised standard required?

Changes to financial reporting standards have increased the importance and visibility of accounting estimates to users of financial statements and consequently the standard required revision. In addition, audit inspection findings had criticised the quality of the audits of accounting estimates and the revised standards set out new requirements that if applied correctly should address many of these audit quality issues.

It is important to acknowledge that financial statements of relatively simple and straightforward businesses can still include significant accounting estimates. Accounting for long term construction contracts, calculating provisions for stock losses and calculating recoverable amount of assets can involve the making of material accounting estimates that can be subject to a high risk of material misstatement. Auditors of small and medium sized companies should not dismiss the revised standard as being only relevant to the auditors of large companies.

The new requirements are designed to be "scalable". Therefore, where there are limited accounting estimates in financial statements, the impact of the revised standard will not be significant. In financial statements that include significant and complex accounting estimates, the new requirements will require significant changes by the auditor in the audit approach adopted to the audit of these estimates.

Effective date

The revised standard is effective for audits of financial statements for periods beginning on or after December 15th, 2019. Early adoption is permitted.

Objective in the revised standard

The objective of the auditor as set out in the standard is to obtain sufficient appropriate audit evidence about whether accounting estimates and related disclosures in the financial statements are reasonable in the context of the applicable financial reporting framework.

Some requirements of ISA 540

The standard is detailed and complex in its content and it is not possible to comprehensibly address all the requirements of the standard in a short article. We set out below some of the more important requirements in ISA 540.

- There is increased emphasis on the need for the risk assessments in this area to be informed by the auditors' understanding of the entity, its environment and internal control. When obtaining an understanding of the entity and its environment, including the entity's internal control, the auditor must obtain an understanding of the stated matters related to the entity's accounting estimates as set down in the revised standard.

- Enhanced audit risk assessment procedures are required in relation to accounting estimates. The auditor is now required to separately assess inherent risk and control risk in identifying the risks of material misstatement in accounting estimates. In assessing inherent risk, the auditor must have regard to

a. The degree to which the accounting estimate is subject to estimation uncertainty; and

b. The degree to which the following are affected by complexity, subjectivity, or other inherent risk factors:

   i. The selection and application of the method, assumptions, and data in making the accounting estimate; or

   ii. The selection of management's point estimate and related disclosures for inclusion in the financial statements.

If any of the risks of material misstatement identified are, in the auditor's judgment, a significant audit risk, the auditor must obtain an understanding of the entity's controls, including control activities, relevant to that risk.

- The revised standard includes the concept of the spectrum of inherent risk. The assessment of inherent risk depends on the degree to which the inherent risk factors affect the likelihood or magnitude of misstatement in the accounting estimate and varies on a scale that is referred to in the revised ISA 540 (Ireland) as the spectrum of inherent risk. The higher on the spectrum the audit risk falls, the more persuasive the audit evidence needs to be to allow the auditor to form an audit conclusion in relation to the estimate.

- Based on the results of the risk assessment, the revised ISA states that the auditor's further audit procedures will be responsive to the assessed risks of material misstatement at the assertion level considering the reasons for the assessment given to those risks. The auditor's further audit procedures will include one or more of the following approaches:

a. Obtaining audit evidence from events occurring up to the date of the auditor's report.

b. Testing how management made the accounting estimate; or

c. Developing an auditor's point estimate or range.

d. The standard contains detailed guidance on the development of the appropriate audit response to the assessed audit risk and the auditor should become familiar with this guidance.

- The auditor must design and perform further audit procedures to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement at the assertion level for disclosures related to an accounting estimate. Disclosure in relation to accounting estimates can provide useful information to the user of the financial statements and hence the importance of these disclosures not containing material misstatements.

- Auditors must be alert to indicators of possible management bias and respond appropriately where such indicators exist. Management bias could be present because of the desire of management to present a certain predefined outcome in the financial statements. Management bias could be conscious or unconscious on the part of management.

- The auditor must evaluate, based on the audit procedures performed and audit evidence obtained, whether:

a. The assessment of the risks of material misstatement at the assertion level remain appropriate, including when indicators of possible management bias have been identified.

b. Management's decisions relating to the recognition, measurement, presentation, and disclosure of accounting estimates in the financial statements are in accordance with the applicable financial reporting framework; and

c. Sufficient appropriate audit evidence has been obtained.

These requirements call for the auditor to have a good knowledge of the measurement and disclosure rules set down in the chosen financial framework in relation to the matters giving rise to the accounting estimate. Company law may also provide rules in relation to accounting estimates.

- Written representations from management and, when appropriate, those charged with governance should be obtained in relation to:
  - whether the methods, significant assumptions and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition,

measurement or disclosure that is in accordance with the applicable financial reporting framework.

- specific accounting estimates, including in relation to the methods, assumptions, or data used where appropriate.

- Auditors are required to review and document the outcome of previous accounting estimates. This allows the auditor to assess how accurate management were in the past in making accounting estimates. The results of this work will feed into the current year audit risk assessment in relation to material misstatement in the current year accounting estimates.
- The revised standard introduces and formalises the idea of 'inherent risk factors.' Inherent risk factors are characteristics of conditions and events that may affect the susceptibility of an assertion to misstatement before consideration of controls. Appendix 1 of the revised standard explains the nature of these inherent risk factors, and their inter-relationships, in the context of making accounting estimates and their presentation in the financial statements.
- The standard introduces new material to enhance professional scepticism of the auditor.
- The revised ISA introduces enhanced documentation requirements that the auditor must meet.

Some steps to take to assist in applying the new requirements of the standard

The following practical steps will assist in ensuring that the quality of audit work undertaken follows the requirements of the revised standard.

1. Audit staff need to be made aware of the requirements of the revised standard and the implications for the audit of financial statements for periods beginning on or after 15 December 2019.
2. Auditors should take steps to ensure that the auditor's understanding of the entity and its environment is amended to take account of the revised requirements as set down in ISA 540.
3. When planning audit assignments, the audit staff should identify financial statements that contain material accounting estimates and ensure that staff with the appropriate knowledge and experience are assigned to such audit assignments.
4. The Auditor should confirm that standard audit programmes used in audit assignment were updated to reflect the revised requirements of ISA (Ireland) 540.
5. The auditor and audit team members must maintain professional scepticism throughout the audit assignment.
6. 6. The Auditor and audit team members should be alert to management bias in arriving at accounting estimates.
7. The standard of documentation in relation to accounting estimates should be reviewed to ensure it is adequate in light of the revised requirements of ISA (Ireland) 540.
8. Finally, remember to obtain suitable written management representations in relation to accounting estimates.

Colm Divilly,

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Gaining Respect in the Workplace

by Ben Rawal

What does it take to build professional respect, and achieve positive outcomes for your organisation? In this article, Ben Rawal explores how your communication and behaviours will either help or hinder your ability to establish and maintain a respectful relationship.

Being successful in your role as an accountant is reliant on a variety of competences, skills and techniques. In most instances, the way we behave, communicate and manage our emotions are key to how we are perceived and what others think about us.

At times, we may consider the perceptions of others to be inaccurate or unfair, especially when there is little or no evidence available. Unfortunately however, it is these perceptions that will ultimately determine whether we are admired, trusted and respected.

What is respect and why is it important?

Similar in many ways to other intangible words that we use to describe an individual's personal attributes, respect captures a combination of feelings, beliefs and personal values. Often aligned closely with the feeling of admiration, gaining respect from others often takes time and can be difficult to reverse when damage has been done.

As a concept, respect is a powerful yet vague term. For example, compare the differences in your own behaviour when working with individuals that you respect, and those that you do not. Your willingness to interact, listen, trust, and empathise with those that you respect will often prioritise your personal endeavours without too much thought.

It is for these reasons that building and maintaining respect can offer distinct advantages in your role as an accountant – both within your own team and with clients.

Building Respect

Despite the challenges in describing the feelings of respect, there are many behaviours that can be used to maximise your chances of building respect.

One of the key aspects here is your ability to be consistent with your behaviours – this will provide others with a clear indication that your approach is predictable – a no surprises approach. In addition to consistency, the following behaviours will also help to increase the level of respect you achieve with others:

Listen!

Listening is a difficult skill to master. Many of us believe we are 'good' listeners, being able to follow others' conversations and engage in the topic being discussed.

Regardless of your thoughts on this point, the research into listening skills indicates that most of us hear (and understand) a message that differs to the one being provided by the other individual. This occurs due to a variety of factors, including our own beliefs, biases, and past experiences of 'similar' conversations.

To make matters worse, at times other behaviours can indicate (rightly or wrongly) that we are not listening to another individual. For example, if our eye contact is focused elsewhere, or our posture indicates that we are disinterested in the conversation, it could be perceived that we are not listening. Even if we have heard every single word, we may not give this impression.

Individuals that display good listening skills through their body language, eye contact and verbal responses help to create a level of respect with others.

In part, these behaviours help to build a reliable relationship where the other person feels comfortable that they are being heard.

> **"Make sure you show others that you are paying attention to the conversation – good eye contact and posture demonstrate interest in the other individual's comments"**

Understanding Perspectives

Good listening involves understanding another individuals' perspective. This often takes a little work, particularly when we simply don't agree with what is being said. It's probably not difficult to recall a time when you disagreed with another's viewpoint, but did you take the time to understand how they had formed their view?

From time-to-time, we all make decisions and form views based on assumptions, beliefs and cognitive biases. As an accountant, using logical and rational thinking is a pre-requisite to success, but at times we all make emotional decisions.

The critical point here is to understand; you don't have to agree. An understanding will enable more effective questioning, challenge and most importantly, respect. Consider your own conversations with others where the individual has disagreed or argued their point, without fully understanding yours. It instantly becomes more difficult to respect the individual due to the imposition of their viewpoint at the expense of yours. They may have won the conversation, but almost certainly lost the respect.

Interrupting the conversation

At times, many of us possess an urgency to make our point. This can occur for a variety of reasons, including the fact that we disagree, we feel aggrieved in some way, or even due to excitement or lack of emotional control.

This type of behaviour is unhelpful when seeking to build respect with others. By interrupting, you are likely to encourage the other individual to stop speaking – before they have finished the point they were attempting to make. If this type of behaviour is a consistent occurrence, it will eventually reduce any respect that the individual may have once had.

The growth in video conference discussions and meetings during the past 12 months has certainly increased the likelihood that you will interrupt an individual. We often rely on visual cues that an individual has finished speaking, and this is easier to identify when we are in the same physical environment. However, the key difference here is the accidental, rather than the deliberate act to make ourselves heard before the other individual has finished their point. The key learning points are simply to apologise for interrupting and challenge yourself on why you were so eager to raise your point.

Interestingly, notwithstanding the points raised above, there are times where interruptions pose little threat to the level of respect in place between individuals. This is often observed in groups where the level of rapport is high and has been enhanced over time. However, this type of interaction is commonly associated with a relaxed environment, usually involving friends and family. There is potential for transference to a professional setting, but only in the right types of conversation, environment and general acceptance that interrupting is part of the relationship.

"Allow others to finish their point before you respond. This simple sign of respect indicates that you are genuinely engaged in what is being said, rather than simply trying to make you own point heard"

Let's be honest

How difficult do you find it to admit your mistakes to others? If you regularly find yourself making excuses, blaming others, or even rationalising your behaviour as acceptable, you are likely to damage your respect building abilities.

Most of us find it uncomfortable when we do or get something wrong. The realisation of a mistake frequently leads to feelings of guilt and shame, and our immediate response generally illustrates our coping mechanism for the emotion – often wanting to avoid any ownership or responsibility for the error.

Admitting a mistake changes the dynamic of the conversation. It sends a very clear message to others that perfection is a fallacy and that we are all vulnerable to a greater or lesser extent. Breaking through the awkwardness is incredibly powerful from the perspective of building respect – it indicates openness and honesty on your part.

However, a final word of warning here – make sure your honesty is supported by a plan to resolve the issue or error. Getting it wrong from time-to-time is fine, but make sure you learn from the mistake. Failure to do so will eventually harm any earlier respect that you had achieved.

"Be prepared to admit (and learn from) your mistakes. Being honest, showing vulnerability and taking action are all effective ways of developing respect"

Asserting yourself

Imagine interacting with three individuals. The first is incredibly passive: allowing others to impose their needs without pushing back, and frequently agreeing to activities that they do not want to do. The second individual is more aggressive: ensuring that they get what they want regardless of the impact on everyone else, often supported by unreasonable behaviour.

Finally, the third individual is confident and self-assured. They make requests of others, ensuring no one is diminished during the interaction, and are prepared to deal with others' unreasonable behaviour.

The behaviour of the three individuals demonstrates the difference between passive, aggressive and assertive behaviours, respectively. It is very difficult to genuinely respect either of the first two approaches, given that the behaviour displayed leads to a 'winner' and a 'loser'.

Assertiveness creates a fine line between passive and aggressive behaviours, and is difficult to consistently achieve during your interactions. One of the common blockers is self-confidence – it is almost impossible to display assertive behaviour without the positive beliefs and mindset required for the task. Examining, challenging and 'testing' your beliefs are a highly effective way of improving your confidence level, and engaging in more assertive conversations. Respecting yourself will ultimately help you achieve respect from others.

"Don't confuse assertiveness with aggressiveness – the two behaviours are very different, and will also develop or hinder your chances of gaining respect"

Summing It Up

The concept of respect requires a careful analysis of our own behaviours and communication skills when interacting with others. By paying careful attention to the two-way interaction with others, we will maximise our chances of gaining respect.

The starting point is ultimately about achieving self-respect and respecting others, before you achieve a mutual response in return.

Ben Rawal,
BSc MBA FCCA

Ben is the Lead Consultant and owner of Aspire Consulting, experts at helping organisations improve individual and team behaviours, leadership and culture.

www.aspire-consulting.co.uk

Ben's top tips for gaining respect:

Listen up

Actively demonstrate that you are listening to others, through both your verbal and non-verbal behaviour. Ask questions, and take a genuine interest in what is being said and how the messages are being delivered.

Take a different perspective

We frequently focus on our own perspective when attempting to explain our point. This can sometimes cause problems, especially if we fail to understand how others have formed their viewpoint. Remember, we don't always have to agree with what is being said.

Let them finish

Interrupting others in most instances is seen as being rude and not genuinely listening to what is being said. Help build respect with others by keeping quiet until they've finished their point.

Being honest

Admitting your failures and your plans for resolution – are a great way to build respect. It demonstrates that you are willing to display a level of vulnerability and that perfection simply doesn't exist.

Assertiveness

Standing your ground and communicating your needs in a non-aggressive manner are both important if you are to command a level of respect with others. Start by developing your own level of self-confidence.

Digitising your Practice

by Alan FitzGerald

So, if the seemingly endless array of tax and accounting software products in the market seems daunting, Alan can help you approach these decisions with confidence, bridging the gap between what you need and what is most suitable for your needs now and into the future.

Why you should consider the cloud for your practice.

You have no doubt heard a lot about 'moving to the cloud'. Whilst some may view this through a cynical lens, others have embraced it. Too often it can be very difficult to 'sort the wheat from the chaff' and to make sure what you need will suit your goals. CPA Ireland is launching a fantastic new program to assist firms make the most of technology and the benefits that it can bring, not only to your firm but also to the many clients that your firm assists through various compliance activities and advisory services.

Why change?

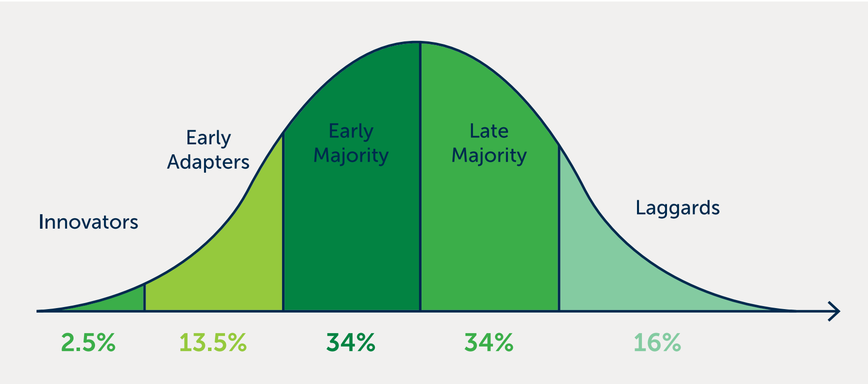
There has never been a more exciting time for existing accounting firms to delve into the world of technology! At the same time, there has also never been a better - and simpler - time to start an accounting firm. Why is this so?

It has been said that the most dangerous words in the accounting profession are 'that's the way we've always done it'. Alas, as the times change – and how they have changed – accounting firms all across the world are discovering that the Covid-19 pandemic has forced them to make changes in ways that they (and nobody) had not previously envisaged – Covid-19 has been a significant driver not only of technology adoption but also of change in the accepted ways of working: the work did not go away, the way we worked did and has changed significantly.

Adoption of any sort, regardless of industry or profession follows a defined path. Typically, this can be represented in the bell curve below.

The diagram below is known as the 'Everett Rogers' diffusion of innovation' curve. Simply put, it is the progression of the willingness to adopt. On the very left are the 'I'm going to queue for days outside the Apple store' types, to those on the right, who adopt technology kicking & screaming.

Take a moment to reflect where you might put yourself on this curve.



When Covid-19 broke out - what was discovered in Australia - was that the firms that were on the left of the above curve, were able to react to the changing environment far more successfully than those on the right of the curve, something which may have also been reflected in Ireland.

Advancements in most areas of life and particularly technology follow a familiar path. In the 19th Century a philosopher, Arthur Schopenhauer, described 'Truth' as having 'Three stages': Initial ridicule, followed by (violent) opposition, then acceptance. You can apply these sentiments to technology too.

But the gradual democratisation of technology' has had significant knock-on effects and today impacts the accounting profession more than ever.

If you think back even as recently as 10 years or so, in order to set up a new business, an entrepreneur would have to engage an accountant from day one in order to have all the appropriate business compliance obligations met. In 2021, these can be done – for the most part - by the individual without even contacting an accountant using a phone: unwise yes, but possible. Bridging this gap has become the new challenge for firms and harnessing the capabilities of technology to service

these clients has become imperative.

One of the most fundamental changes in the past decade that has been at the forefront of proactive advice has been the rise of cloud accounting and in particular the single cloud-ledger. This is where both the client and the accounting firm are utilising the client's file and from this, all elements of compliance and advisory are generated – a single source of truth. An added significant bonus is that the data from compliance also becomes the motherlode of ancillary, advisory services.

Why your secret 'language' can be your most powerful weapon

There are many possible reasons why clients seek out accountants. I see a primary one being that few clients, if any, speak fluent 'accounting'. This is the special language that only an accountant knows and one which the various regulatory authorities demand them to know.

If the client tries to do it themselves, they will inevitably find themselves falling foul of these agencies and will suffer fines and penalties and we all know that feeling of Schadenfreude when that happens...

As a result of knowing this special language, accounting firms offer a unique, as I like to call it, 'Anxiety Transfer Service', also known as the 'Keep me out of the news/jail service'.

All accounting firms, sell outcomes to their clients; these outcomes are primarily knowledge based and comprise firm generated IP, compliance information/data from a variety of sources as well as experience from previous engagements.

The goal for accounting firms is to provide a regular high level of service at a reduced cost by continuously improving the process and methodology for performing this work: repeatable actions, automated where possible and the ability to reduce the effort needed to carry out those tasks. If you can do the same for new clients, i.e. attract and retain, as your processes are better, everybody 'wins'.

The robots aren't coming: your peers are.

The secure, reliable, easy and manageable access to information is key to any team to enable them to assist working with clients, now and into the future. It is my view that accounting firms that do not embrace technologies will be superseded not by robots, artificial intelligence or any 'replacement technology' being touted by so called pundits, but by other accounting firms that do embrace the more efficient methods of processing work for clients.

Do not worry too much about the 'robots' stealing your work: the client market is also still too immature to accept advice from a 'machine', and a client will be also required to explain exactly what they want – I've yet to come across a client that can: you're safe...

Technology practices are also evolving in firms to be more of a 'whole of client approach' with requirements going from needing a billing tool to a client relationship management tool as the relationship between clients and firms has fundamentally changed.

The traditional practice management system that was once integral to a firm for timekeeping and billing, is now taking a backseat to ancillary applications that are the actual business drivers for the business; business engagement, document / workflow management, CRM, apps, etc.

For firms this has led to a change in thinking as to how to react to client interactions that have developed over the past decade as it is not possible to force requirements on systems that are widely recognised as not being able to match the need. New generations of practice software are being released into the market and some (legacy) vendors are finally funnelling R&D spend into updating their solution(s).

However, any new release from an existing vendor has to be met with open eyes as it will neither have been fully optimised nor have a full set of features. This will continue for several years into the future before they are released. This presents a particular challenge for vendors transitioning their clients from one generation solution to another.

Benefits of new technologies

By remedying 'unseen' productivity losses using new generation software, turnaround times can be expected to increase. To the individual that may mean the difference of going home earlier or finishing a job faster. To the firm, this may be the ability to take on more projects due to swifter 'turns and earns', or faster response times to react to changing business environments. The opportunity for firms now, is to implement profession proven solutions that will increase productivity, lower costs and provide the firm with an array of tools to greatly improve efficiency.

What has made this possible?

The gamechanger in all of this for the accounting profession has been the rapid rise of cloud technologies and in particular Application Programming Interface (APIs). An API is a common 'language' connecting multiple, different applications together even if those individual applications are written in a completely different programming language – APIs act as a translator to a common language.

APIs changed everything by creating a market and methodology for best of breed 3rd parties to interconnect and where the end user, i.e. you, can choose from many options application(s) to suit your specific needs, rather than you being dictated / limited to, by a vendor. Freedom!

This change in how software is delivered to firms that has occurred over the past 10 years has led to a dramatic increase in the number of potential providers to the accounting industry. APIs enable disparate technology solutions to communicate and share data between each other, enabling firms to choose a best of breed approach to their product mix without having to sacrifice efficiencies.

The increased use of APIs has already changed how firms use software. The future state of a firms' ability to work, share and interact with clients has the potential to also change in the next few years.

As firms make the move to the cloud, one of the biggest changes will be the ability to both work from anywhere and if required have work done from anywhere e.g. through insourcing or outsourcing.

Cloud technologies allow for access anywhere (with necessary safeguards in place) that will negate the need for complex log-in processes and expensive hardware such as Thin-client/Citrix or Remote Desktop Protocol (RDP) additional servers/infrastructure.

Cloud adoption for most firms equals lower software cost – no need for ongoing servers and their associated costs. But is also allows freedom to choose the options best suited to your particular circumstances rather than "This is what you are getting…". The caveat in this is that depending on the final 'mix' of tools you select, rather than those that are dictated by a vendor that you must use, the individual component costs may come at a higher price for components, but with you get significantly improved outcomes.

A move to cloud invariably leads to other benefits including reduced server infrastructure and the associated ongoing IT management costs. These are often-hidden costs of owning a network.

Accounting firm business models are based around a perishable asset: time. A move to cloud platforms opens the door to many new opportunities previously the domain of firms with large IT budgets. Cloud solutions are generally more flexible solutions, but they may also come with compromises. Newer solutions will be different to what you are used to, so you will need to adapt processes – this sounds bad, but often current processes are as a result of the limitations of the previous software used by the firm. Moving to cloud allows you to change processes to match your preferred approach.

Data, Data everywhere - what to do with all the data…?

Data analytics and data visualisation has been one of the fastest growing areas for firms particularly over the last 5 years and especially now as the data is readily available to be interpreted!

This has proven to be a goldmine in Australia as firms can assist their clients almost in real-time with key metrics, KPI monitoring and more. It has proven to be the bedrock of starting a conversation with clients previously reliant on data several months old and has been a gamechanger for the profession.

Analysing client data has become much of a given in 2021, the differentiator is now determining cost effective ways of delivering information to client's in a format that is easy for them to understand and appreciate – this goes back to the 'Anxiety Transfer Specialisation' service you offer. Providing data analytics for a client is one area that has evolved: analytics for the firm, using the same software suite has been a significant bonus.

Microsoft – a most under-rated solution

The most common platform used in most accounting firms after compliance, is Microsoft Office known today as Microsoft365. The online version is the latest incarnation of the suite and has developed into a toolset far beyond Word, Excel & Outlook. Microsoft is not 'sexy' so not many vendors talk about it. But Microsoft continue to invest many millions of dollars annually into the suite and have added a significant array of add-on solutions that can be of instant benefit to any organisation of any size.

The challenge for any vendor competing among a user base heavily dependent on Microsoft Office (such as an accounting firm) is where elements of functionality overlap with 3rd party apps in the market and especially when the annual cost for software is taken into account; a bespoke Microsoft365 design

could potentially be more economical and with better functionality compared to acquiring a dedicated tool – and the firm gets to choose what functionality they want.

Many 3rd party solutions in the market cost in excess of Euro 25/user/month. For most 10 user firms, every additional Euro25/user/month 3rd party add-on solution adds Euro3,000 just in licence costs annually on top of existing software so a 3-year ROI calculation would need significant returns compared to exploring options within the existing Office suite. There are so many clever components to Office that a review, once the main systems have been bedded in, might open up a new array of solutions that the firm can use, providing the possibility for the diverse teams to work more cohesively together. The importance of these additional tools all being based around a single productivity suite which continues to be developed by Microsoft cannot be overstated.

I have presented extensively to the accounting market at keynotes and in webinars on the benefits of the Microsoft365 suite; the most common feedback is "Thank you – we had no idea that it could do so much".

Where to from here? A journey of a thousand miles doesn't start with a single step: it starts with a plan.

How and where to start? Join us as we begin process of showing you how to evaluate and create a solid foundation for your firm, then building from that. Over the next few months, CPA Ireland will be showcasing some fantastic solutions available than can be leveraged.

Getting the most out of your software is a good first move to make. I will be helping out along the way with the CPA Ireland journey over the coming months as we explore the universe of software designed and developed with firms as their central focus.

Yes, every firm will be different, some will like certain software(s), other won't – the key message is that you will get to know what is out there and the pros and cons based on functionality types so you can make decisions based on quality information.

If you would like to connect with me on LinkedIn I write extensively on the tax and accounting market, so feel free to follow/connect with me on that platform and I look forward to engaging with you and CPA Ireland into the future.

Alan FitzGerald

Alan has been nearly 30 years in technology, 22 of those working in the accounting technology market. He established Practice Connections Advisory in 2015, based on demand from accounting firms looking for technology-agnostic input when faced with myriad technology choices. Originally from Waterford, now Melbourne, Australia

Why accounting firms need to use Desktop as a Service (DaaS)

by Matthew Chell

The evolution of the work model has arrived! Is your firm ready to go hybrid? With Covid-19 causing a worldwide work from home shift, organisations had to move at a rapid pace to support a remote work environment. Now, with the new government initiative 'Our Rural Future', employees will have the legal right to request remote working under new legislation planned to be introduced later this year. The Government will also promote a hybrid or blended working experience, allowing employees more flexibility to choose how, where, and when they work.

According to a recent Gartner survey, over 80% of company leaders plan to allow employees to work remotely some of the time with almost half intending to allow employees to work remotely full time going forward. Recently, Vodafone, one of Ireland's leading telecommunications companies have introduced a 40:60 hybrid model by implementing a flexible working policy for employees. Bank of Ireland also plan to move to a hybrid model after a survey revealed that "91 per cent preferred a more flexible way of working post-Covid".

To remain modern and dynamic, accounting firms will have to continue to rely on technology to facilitate their digital transformation in the post-pandemic world.

What is DaaS?

DaaS which stands for Desktop-as-a-Service, is a type of virtual computing. DaaS enables any size business to deliver cloud hosted virtual desktops and apps to any device, from anywhere, securely. One of the most significant advantages of incorporating a DaaS model is a cost saving. DaaS provides virtualized desktops on an operational basis, meaning that the price is on a subscription model, per month per user, rather than a traditional IT spend.

As one of the busiest sectors in the world, accounting firms have realised that to provide an effective client service in an ever-growing global industry, they must consistently innovate.

As work is no longer a place, firms have moved to an "anywhere access" workstyle adopting new remote working solutions such as digital workspaces in the form of DaaS.

What are the benefits of DaaS for accounting firms?

For most businesses, transitioning to a digital workspace is a relatively seamless process, which can't be said about all IT projects and investments! Along with features and functions, the main questions that accountants will ask are around their clients' data and security.

Security

With the huge increase in cyber-attacks during the pandemic, especially in the financial industry, it is essential that accounting firms have a secure cloud solution in place. Your clients' critical financial information needs to be secure and DaaS includes a high level of security measures which help protect and comply with data protection.

What's more, many businesses were forced to react quite quickly to the pandemic and where they may have a solution in place it may not necessarily be the most secure or user friendly. This may have resulted in sending sensitive information via email, which is not best practice, so having a team-wide solution that securely provides access and collaboration is an attractive option. We understand that this is a critical requirement for the accounting industry due to the highly sensitive nature of your work.

When utilizing a DaaS, companies will benefit from a virtual desktop with endpoint management capabilities to ensure enterprise-class security, reliability and the following advantages and features:

Anywhere, Anytime, Any Device Access

DaaS gives your employees the ability to access their virtual desktops 24/7 from anywhere and on any device. If you have an internet connection and a device such as a laptop, tablet or smartphone, you can securely access your data by simply entering your workspace URL, followed by a multifactor authentication and you will then be able to view your virtual desktop.

With DaaS, you have access to a Windows Desktop and all other line of business applications. These are all accessed under the same single sign on which greatly reduces the time spent switching from one application to the next and multiple password entries.

Disaster Recovery/ Business Continuity

When you work from a hosted desktop or at an on-premise system in your office, you become dependent on that specific desktop or system. If your PC or server crashes, do you have a back-up plan in place? If you don't, this can result in a loss of data, and/or time that is critical to your firm. With DaaS, you can access a virtual desktop from various devices so you can easily log in from your own personal device if needed.

When using a DaaS, no data physically resides on the laptop/tablet. This can also prove invaluable if a computer is lost or stolen as the virtual desktop can be wiped remotely and no data is ever stored on the device.

Furthermore, with a DaaS you get the added peace of mind of built-in disaster recovery because regardless of the situation, fire, flood or global pandemic, your data always resides in the cloud and not on a device. This ensures that your staff can always continue to work seamlessly, without interruption.

Collaboration

As working from home is here to stay, it is essential that employers facilitate collaborative working environments for their employees and clients alike. Client meetings have also changed to video and conference style, so file sharing and approval needs to work in this manner. And not forgetting decision-makers, they require access to the correct data to make approval process faster and more streamlined. The more streamlined the firm's processes are, the better the relationships are with clients due to high quality service and efficiency you can provide. Many DaaS solutions create a modern workspace to improve productivity and team collaboration. The platform allows employees to work in real time on files and financial data with one another (this can be especially beneficial during deadlines).

Scale to Meet Your Needs

Like in all industries, staff numbers in accountancy firms can fluctuate. Typically, this can mean the procurement of new hardware for both the office and remote working as well as your Microsoft licenses and various other line of business subscriptions. This requirement can be difficult to size, forecast and budget for. With DaaS, you can scale up or down with ease and add or remove users, as required. This comes into its own when apprentices or graduates join for certain periods of the year.

Evergreen IT

Even though you are working remotely, the device you're using is still a physical one. These devices need to be managed

and updated and this will prove very difficult for the IT team while employees are at home. When using a DaaS, no data physically resides on the laptop/tablet which means all updates can be performed online without the need for face-to-face intervention. In addition, the cloud vendors take responsibility for the underlying infrastructure, negating the need for an in-house IT team to be responsible for this.

Cost Effective

In contrast to many other solutions and subscriptions to online accounting software where cost is continually increasing, with many DaaS solutions, there is no upfront IT investment, ongoing IT staff costs nor maintenance charges. Instead, there may be an all-inclusive monthly, predictable, per-user fee which includes 24-7 support and all software updates.

In Conclusion

There may be uncertainty around the future structure of work and what the post-pandemic world will look like, but one thing is for sure – the way that we work has changed forever. Companies no longer need to have the best office spaces or locations to attract the top talent in their field. The most successful companies will be those who can deliver a progressive, positive digital experience to employees and clients alike.

Our DaaS solution, My VirtualWorkspace, is a digital workspace that offers employees freedom and security to complete their duties anytime, anywhere, on any device with the same user experience every time. We deliver an enterprise level solution but without the need for a large up front capital expenditure; our USP is that we can provide this on a pay per user, per month model that allows SMB's to have the very same levels of security, mobility and collaboration as Ireland's largest companies.

Get a FREE demo with our expert team and see how My VirtualWorkspace can empower remote accounting professional workforce while maintaining the highest security and compliance.

Get in touch at www.enterprise-solutions.ie/demo or by email info@enterprise-solutions.ie

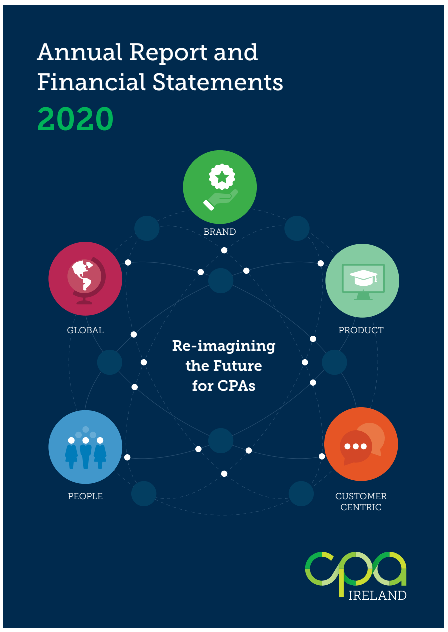
Matthew Chell

Matthew is a well-versed Digital Workspace Consultant supporting businesses of all sizes on their transformation journey to enabling a modern workspace.

Institute News

2020 Annual Report Now Available

The 2020 Annual Report has been published and can be found at www.cpaireland.ie



April 2021 Examinations

The CPA Ireland April 2021 examinations and the post qualification specialism examinations were completed using Cirrus online examination software and Proctorio Artificial Intelligence remote invigilation. Cirrus is a cloud-based, e-assessment platform which allows us to deliver all examinations online with confidence and ease.

We also moved to AI invigilation by using Proctorio, a comprehensive, learning integrity platform. Both the Cirrus and Proctorio software are fully integrated with Canvas, our Learning Management System, allowing for seamless access between the different platforms.

Áine Collins appointed President of CPA Ireland

Áine Collins, CPA, has been elected 49th President and the 5th female President of CPA Ireland. The election was announced at the 78th Annual General Meeting of Members which was held virtually on 28th April 2021.

Áine has served as Vice President of the Institute for the past two years supporting past Presidents, John Devaney and Gearóid O'Driscoll.

Áine qualified as a CPA Accountant in 1996 and has been company principal of Blueprint Consultancy since July 2016. Áine has more than 18 years' experience and has held a variety of roles prior to her election at CPA Ireland. She has a strong interest in and track record of supporting businesses to meet the challenges of developing new markets and expanding their operations.

Mark Gargan, Vice President, CPA Ireland

Mark Gargan has been re-elected as Vice-President of CPA Ireland. Mark was elected to the Council of CPA Ireland in April 2016.

He will support newly elected President Áine Collins, alongside fellow Vice-President, Clodagh Henehan.

Mark graduated in Accounting & Finance from Dublin Business School in 1995. A CPA since 1999, he has spent over 20 years in practice and is currently a Partner in Niall Byrne & Company. The practice has been in existence since 1984 and carries out all aspects of general practice work. He has also represented CPA Ireland on the CCAB-I Business Law committee since September 2007.

Clodagh Henehan, Vice President, CPA Ireland

Clodagh Henehan is the newly elected Vice-President of CPA Ireland. Clodagh was elected to the Council of CPA Ireland in February 2018.

Clodagh trained with Clibborn & Co. Ltd in Cork and qualified as a Certified Public Accountant in 1990. Clodagh has previously worked for the Office of the Comptroller and Auditor General and the Local Government Audit Service and was the Head of Finance for South Dublin County Council from 2004 to 2015.

Clodagh is currently employed as a Divisional Manager for Cork County Council. She has been an active member of the Institute's Finance and Audit Committee since October 2012.

New Council Appointments at CPA Ireland

CPA Ireland is delighted to announce the election of two new Council Members in Carla Manning and Lorraine O'Flynn. Both were elected to Council of CPA Ireland at the AGM on 28th April 2021.

Carla Manning, Council Member, CPA Ireland

Carla Manning is a Certified Public Accountant, Statutory Auditor and Certified Tax Adviser. She has been a member of CPA Ireland since 2000.

She is the owner of CACM, an accountancy and tax practise based in Cork. Established in 2009, CACM provide a wide range of accounting, audit and tax services to clients who are based locally, nationally, and internationally. The client mix is made up of indigenous Irish SME's and FDI SME's. Areas of speciality include taxation, inward investment in Ireland, international taxation, compliance and regulation, corporate governance, audit, strategy, social enterprise.

Carla is a member of the CPA Institute's Taxation Committee and is a CPA representative on the CCAB-I Taxation South Committee. She is a member of the TALC Collections Sub-Committee.

Carla is an active speaker at events hosted by Munster Technological University Cork, Local Enterprise Office, Cork Chamber of Commerce, Cork City Council, The Southern Region of the Royal Institute of Architects Ireland and AIB.

She has written articles for publication in the CPA Ireland Accountancy Plus magazine and is also a regular contributor to local and national media on various financial and business topics.

Emer Kelly – 20 years with CPA Ireland

CPA Ireland would like to take this opportunity to thank Emer Kelly for 20 years' service with CPA Ireland and congratulate her on the hugely valuable contribution she has made to the institute and our members. Emer joined CPA Ireland on 5th March 2001 as Quality Assurance Executive and in 2013 Emer was promoted to Quality Assurance Manager.

Emer is a much-valued member of the CPA Ireland team and we look forward to continuing to work with Emer during her career in CPA.

Lorraine O'Flynn, Council Member, CPA Ireland

Lorraine is a qualified CPA accountant and Chartered Tax Adviser; she is currently living in Amsterdam & was employed as Associate Manager with Stryker before being promoted to her current position, Indirect Tax Manager for EMEA at Stryker since 2020.

She qualified as a CPA in 2008 and CTA in 2010. At the time, she worked for Cogent Taxation Group where she trained as a tax consultant & worked for 8 years. In 2021, Lorraine decided to move to industry & accepted a position at GSK as a VAT Accountant. At GSK, she progressed from VAT accountant on a team to the only VAT SME in Ireland for Ireland & the UK.

Lorraine is also a member of the CPA Ireland Skillnet Steering Group and CPD committee.

She has written articles for publication in the CPA Ireland Accountancy Plus magazine and is also a regular contributor to local and national media on various financial and business topics.

CPA Ireland Launches new recruitment platform – CPA JobSearch

CPA Ireland has launched a new and exclusive online recruitment solution to help both CPA students and members succeed on their accountancy career journey, and to support employers with accountancy talent attraction and retention.

At CPA Ireland, we know first-hand the challenges that job seekers and employers are facing during this global pandemic. We understand that lockdowns and restrictions have made both hiring and job searching extremely challenging, and that's why CPA Ireland has introduced JobSearch, an online platform that will support our students, members and employers in the new world of work.

This service offers great benefits to our members such as free job advertising and banner advertising on the designated JobSearch site, access to the trainee data base and a range of employer resources.

For further details, please visit http://www.cpaireland.ie/JobSearch

Coming in 2021 - Digitisation Toolkit

Accountants can no longer afford to put off digitisation, becoming digital is essential to maintaining your clients, winning new business and having a positive succession plan. CPA Ireland accountants advise over 100,000 SMEs in Ireland and throughout 2020 and 2021 have been critical to the survival of those SMEs. To continue to provide the levels of support Irish SMEs need, the finance professional must embrace digitisation. Additionally, practices/ companies cannot opt out of change, with agility and a proactive approach being imperative to retaining talent, protecting access to future talent and remaining relevant in the market. There are major gains for those who are agile and willing to adapt. Since the economic crash of 2008 Accountancy has been on the critical skills list. The profession cannot afford to lose more graduates who are used to learning and working in a digital world.

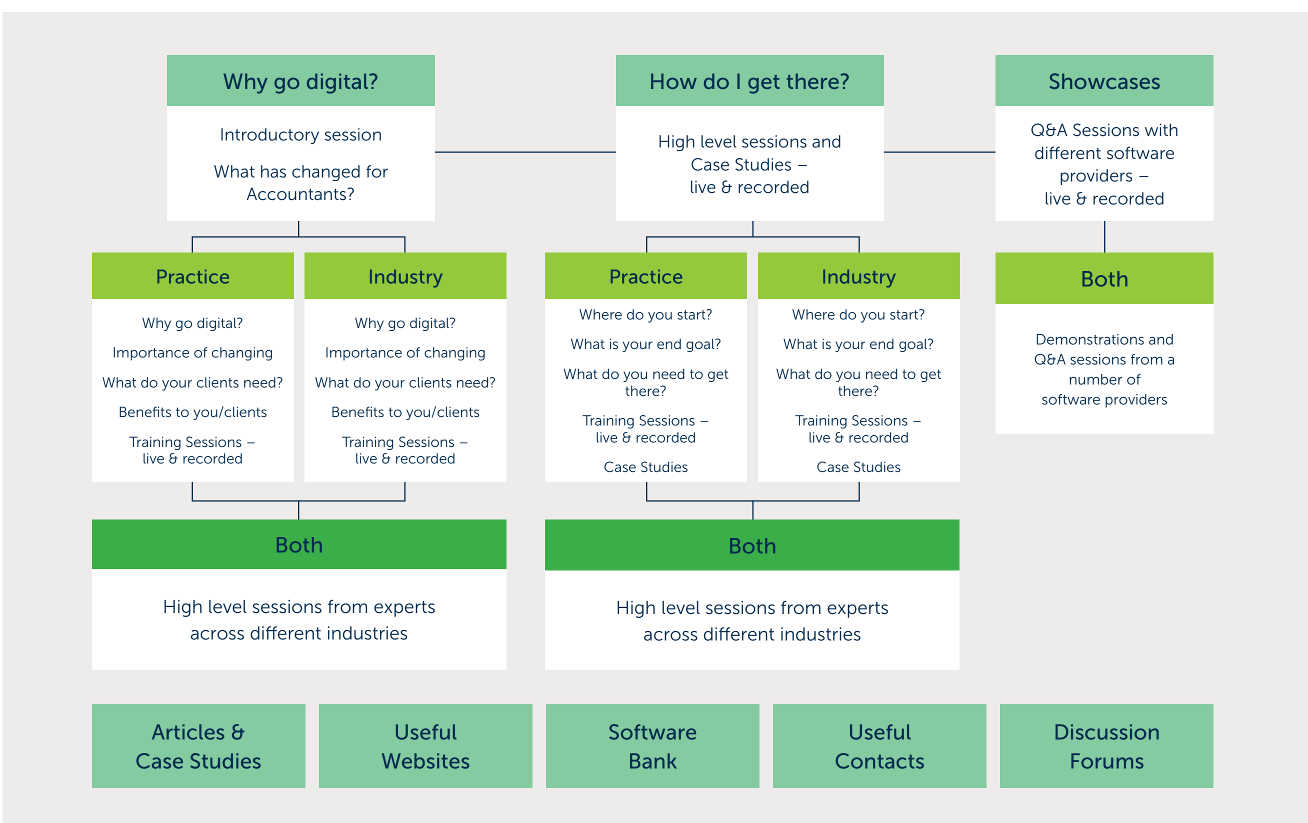
CPA Ireland will be launching an interactive digitisation toolkit for accountants later this year. This digitisation toolkit will show you how you can make the transition to a digital environment whether you are at the beginning, middle or end of this journey. The toolkit will offer live sessions with key industry experts in technology, experts in leading through change and case studies of those who have successfully managed the transition. In addition the toolkit will provide you with access to multiple other resources including the opportunity to view the software options available to you.

The overnight transition to a digitally enabled world has forced customers of all ages to adapt to digital-first. We live in a digital world and we are not going back so now is the time to go digital first. Technology doesn't reverse the need to understand the fundamentals of the outcome, so 'traditional' skills are still required – the need will be to leverage those fundamental skills, but in the digital way.

The rise of automation, artificial or assisted intelligence can take a lot of effort off your plate when analysing data – tools that were hugely expensive previously are available at a fraction of the cost today. It is important to focus on the value that the solutions can offer to your firm and your clients.

There are so many options available that getting the right mix of tools can be hard. Through live sessions with software companies who will engage in Q&A's with the audience, live training sessions on various topics and also a range of downloadable resources made available, the digitisation toolkit will give clarity on what software is best for you and help you with the move to a digital environment.

Further details on this exciting development will be communicated over the coming months.

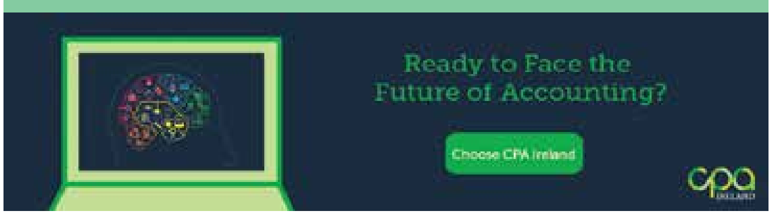


CPA Ireland Digital Marketing Campaign with Joe.ie and Her.ie

CPA Ireland has launched a new digital marketing campaign in association with Joe.ie and Her.ie. The campaign combines a mix of digital advertising formats and editorial content entitled "Facing the Future of Accounting, CPA Ireland launches remote working supports for accountancy trainees". The author of this editorial is Chantal Haynes Curley, HR Business Partner at CPA Ireland.

The activity focuses on our innovative CPA Trainee Remote programme and the new CPA JobSearch service, as well as future proofing the skills of the accountancy profession, along with the many great reasons on why to choose CPA Ireland for your professional accountancy qualification and career.

Further details please visit https://www.joe.ie/business/cpa-ireland-remote-working-supports-accountancy-trainees-719469



Annual Subscriptions 2021

On behalf of Council, a sincere thanks to our members who have remitted their annual subscriptions for 2021. Reminder notices have issued by email to those members whose subscriptions remain outstanding.

CPA Ireland Membership Changes

Resignations:

024191 John Vaughan 01/01/2021

025444 Gerard Cody 16/02/2021

006405 Donna Corbally 17/02/2021

024148 Eamonn MacSweeny 22/02/2021

007054 Rachel O'Sullivan 23/02/2021

020754 Heidi Melenchuk 23/02/2021

008904 Majella Deering 23/02/2021

027809 Romano Esbend 26/02/2021

003552 Cora Morrissey 08/03/2021

007045 Samantha Hardiman 08/03/2021

005252 Louise Hammond 08/03/2021

001779 Thomas D. Maher 09/03/2021

006804 Charles McAllister 24/03/2021

000378 Eamonn Durkan 01/04/2021

024133 Paul Lennon 01/04/2021

025448 Kevin Patrick Loughran 13/04/2021

004547 Ann Normile 15/04/2021

001736 Eugene C. Lantry 16/04/2021

001397 Vincent P. Bowen 16/04/2021

005037 Maria Ward 16/04/2021

020386 Chenai Muranda 16/04/2021

Obituary – Norman Adams

With the sad passing of Norman Adams on 03 May 2021, CPA Ireland and Malahide, Co. Dublin lost a highly respected member of the profession and of the community.

Norman's career in the profession was largely with KPMG. Norman was elected President of CPA Ireland in 2008, having served as a member of Council since 1999. Norman had previously served as Chairman of the Leinster CPA Society in 1998 and had demonstrated a great passion for volunteering his expertise on behalf of CPA Ireland.

Whilst serving as President in May 2008, Norman, on behalf of the membership, welcomed the then President of Ireland, Mary McAleese, to the official opening of CPA Ireland's new headquarters at 17 Harcourt Street.

Norman represented CPA Ireland, at home and abroad, with warmth and dignity which were characteristics of this unique gentleman. In committing to his Presidency in 2008, Norman spoke of his passion for sustainability and for the role that the profession could play in environmental, social and governance issues. In addition to his passion for sustainability, Norman believed strongly that professional ethics was the cornerstone of the profession and that accountants should distinguish themselves positively through ethical behaviour.

Council colleagues of Norman have most commonly described Norman as a "proper gentleman" who will be sadly missed by the entire CPA Ireland community.

Those who were privileged to know Norman will remember his integrity, his generosity of spirit, his remarkable passion for CPA Ireland, his love of cricket and his ever keen eye for punctuation.

Very sadly, Norman's wife, Patience, also passed away on 22 May 2021 and they are survived by their sons, William and Robin. May both Norman and Patience rest in peace together.

CPD News

Stretch your mindset

CPA Ireland Annual Conference
16th September 2021

While acknowledging the multiple challenges our members have faced since early 2020 and discussing the impact Brexit and Covid19 have had on Irish businesses we will also be looking to the opportunities that have presented themselves.

Focussing on the huge potential of digitisation, the importance of sustainability and our continuing relationship with the United States we are excited to bring you a conference that will provide not just business insights but positivity and clarity around these opportunities.

We are delighted to once again have Dearbhail McDonald chair the annual conference, her engagement with our speakers will bring an added dimension to the day.

For more details, please visit www.cpaireland.ie

"I just wanted to say to you and your team how great the online annual conference was this year.

Presenters, content and host held our attention throughout and I, for one, really enjoyed the experience." – Annual Conference 2020

Accounting for Now - A Digital First Programme for Accountants

Visit www.cpaireland.ie/Accounting-for-Now to purchase access to this exciting course.

CPA Ireland's bespoke online programme, Accounting for Now, covers topics of particular relevance to accountants in both Industry and Practice, including: Financial Reporting, Tax, Strategy, Time Management, and Business Turnaround.

With ongoing restrictions still in place, this course offers you a guaranteed 10 hours of CPD that can be done where and when you want to do it. It Is an engaging learning experience delivered over 5 online modules to give you the flexibility to fit in your learning at a time and pace that suits you.

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)

Enrol on a Post Qualification Specialism at **https://www.cpaireland.ie/CPD/Specialisms/Online-Courses!**

Summer Offer

ONE WEEK ONLY 20% OFF COURSES IN FRS102, US GAAP, CHARITIES

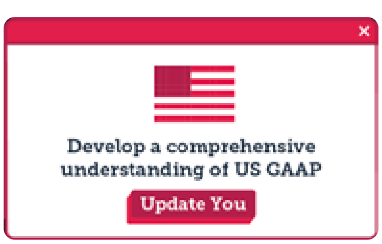
Get 20% off our online post-qualification specialisms from 22nd June 2021 until 29th June 2021! CPA Ireland's online post-qualification specialisms are a flexible way for you to develop your skills and professional knowledge.

Courses are delivered on our award-winning platform through webinars, recordings, online reading materials and online assessment.

You can book your online course now and access at any time from your computer or smart device, so whether you are in your garden, on your sofa, or even at your desk, you can fit your learning in to any schedule!

Until Friday, 29th June 2021, you can get 20% off the following online further learning courses:

Diploma in US GAAP

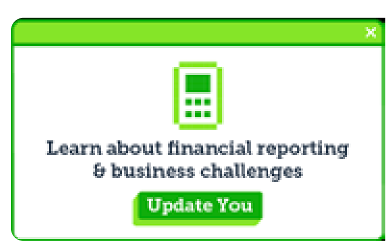


Gain a comprehensive knowledge and understanding of US GAAP.
Only €600 until 29th June!

Diploma in Governance for the Charitable Sector

Make sure you are equipped with a full understanding of best practice in Corporate Governance for Charities.
Only €520 until 29th June!

Online Course in FRS 102

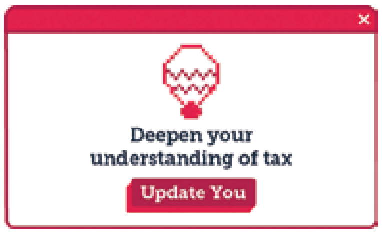


FRS 102 Online Course provides accounting professionals with a full understanding of and a capacity to apply the standards.
Only €300 until 29th June!

Post Qualification Specialisms

CPA Ireland offers a range of Certificate and Diploma post qualification specialisms to develop your skills and professional knowledge. Participants are given access to our award-winning, online learning management system Canvas, where they can view the live stream of all lectures, lecture recordings as well as accessing additional resources such as articles and exam tips & techniques, notes, past exam papers and assignments. The use of Canvas has increased dramatically in Ireland and Worldwide over the last number of years as it is recognised as the Number 1 Learning Management System in the world.

Certified Tax Adviser



10% Early Bird Discount before 30th June 2021

Now in its 11th year, this course gives you an advanced qualification in tax, covering multiple areas including VAT, Income Tax, Revenue Interactions, Corporation Tax, Personal Tax and Succession Planning, and offers a unique and exciting higher-level qualification in tax for accounting and legal professionals.

Attend in class in Dublin, online via live streaming or a mixture of both options. Please note that in class attendance will be extremely limited and will depend on Government advice at the time of commencement. Book your place now at cpaireland.ie/cpd

We are delighted to offer a 10% Early Bird Discount off the cost of the course - enrol before 30th June 2021 to avail of this discount.

Book your place now!

Key Details:

Method: 8 full days & assessment

Location: Dublin and Online via Live Streaming

Date: Sep 2021 – March 2022

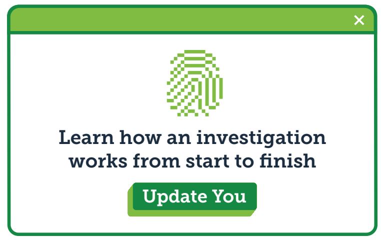
CPD Credit: 50 hours (6 hours per module + 2 for VAT Webinar)

Cost: €1950

"The CTax qualification covered all the important areas of tax and as a result I am now better able to serve my clients needs."

– Lisa Leonard, ACCA CTax

Diploma in Forensic Accounting



Book your place now for September

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

Attend in class in Dublin, online via live streaming or a mixture of both options. Please note that in class attendance will be extremely limited and will depend on Government advice at the time of commencement. Book your place now at cpaireland.ie/cpd

Book your place now!

Key Details:

Method: 5 full days & assessment

Location: Dublin & online via live streaming

Date: Sep 2021 – March 2022

CPD Credit: 40 hours (8 hours per day)

Cost: €1550 (non-members: €1750)

"A must for any accountant involved in investigative work. The real-life examples encourage one's enthusiasm; the material is relevant; the delivery is to a very high standard and the support from the CPA team makes doing this course a joy".

– Nano Brennan, CPA

Diploma in Data Analytics

Book your place now for October

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

ANALYTICSINSTITUTE
problems worth solving

The Diploma in Data Analytics is approved by the Analytics Institute of Ireland for dual accreditation. This means that anyone who has successfully completed the Diploma in Data Analytics, will be eligible for this dual qualification and will now have the opportunity to register as a Certified Business Data Analyst with The Analytics Institute of Ireland.

Book your place now!

Key Details:

Method: 5 full days & assessment

Location: Dublin & online via live streaming

Date: Oct 2021 – March 2022

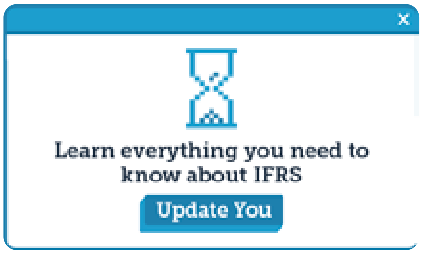
CPD Credit: 40 hours (8 hours per day)

Cost: €1550 (non-members: €1750)

"The Data Analysis course opened me up to a world of opportunity in learning various tools that can be used to enhance the skills required for my daily tasks at work. Excellent online lecture delivery by Brian and good support from the CPA team".

- Gabriel Oguntuase, CPA

Accountingcpd.net – CPA Diploma in IFRS Financial Reporting



The International Financial Reporting Standards (IFRS) provide a common financial language for businesses around the world. Do you know everything you need to introduce IFRS and apply the standards accurately and appropriately?

Developed in conjunction with accountingcpd.net, the new and improved CPA Diploma in IFRS Financial Reporting has now launched!

As well as a new look and feel, the Diploma has been fully updated to reflect all the recent IFRS changes.

The ideal preparation for working in an organisation reporting under IFRS, the Diploma covers everything you need to know about International Financial Reporting Standards (IFRS), and now with even more interactivity, videos and improved presentation. \Exercises, scenarios, downloads and reflections make the CPA Diploma in IFRS Financial Reporting the most engaging and learner friendly programme available.

What's more, Accountancy Plus readers can save 30% on the cost of the Diploma using code CPAPLUS30 to save €105. Get the Diploma for just €245+vat today and complete it at your own pace throughout the year.

What do you get?

Learning Resources
Develop your understanding and skills by working through the array of articles, case studies, quizzes, discussions, and more.

Expert interviews
Find out what IFRS looks like in the real world with our in-depth video interviews with our IFRS expert, Wayne Bartlett.

Action plan
Note any changes you wish to make going forwards, in order to apply your new knowledge in your professional role.

Assessment
Once you are ready, you can take the online assessment to demonstrate what you've learned and complete the qualification.

Secure certification
Once you've passed the assessment, you will receive a unique and secure certificate as evidence of your new understanding and capabilities.

Structure:

1. The Structure of Financial Statements
2. Property, Plant and Equipment
3. Other Non-Financial Assets
4. Revenue Recognition

Accountancy Plus readers can

SAVE 30%

on the cost of the Diploma using code

CPAPLUS30

Webinars & Online Courses

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

Location	Dates	Title	Price	NM Price	CPD Credit
Webinar	15/06/21	VAT e-commerce: new package	€50.00	€75.00	2 hours
Webinar	15/06/21	Women in Business - Interactive Event	€50.00	€75.00	3 hours
Webinar	16/06/21	Guide to Creditors Meetings	€29.00	€36.00	1 hour
Webinar	17/06/21	Employment Law webinar 4	€29.00	€36.00	1 hour
Webinar	18/06/21	Audit Reporting	€29.00	€36.00	1 hour
Webinar	22/06/21	e-Briefing - Q2	€29.00	€36.00	1 hour
Webinar	24/06/21	Economic Update -Q2	€29.00	€36.00	1 hour
Webinar	24/08/21	Company Secretarial Webinar 1	€29.00	€36.00	1 hour
Webinar	31/08/21	Company Secretarial Webinar 2	€29.00	€36.00	1 hour
Webinar	07/09/21	Company Secretarial Webinar 3	€29.00	€36.00	1 hour
Webinar	14/09/21	Company Secretarial Webinar 4	€29.00	€36.00	1 hour
Dublin	16/09/21	CPA Annual Conference 2021	€200.00	€250.00	8 hours

Student News

Examination Notice

April 2021 Examinations

The CPA Ireland April 2021 Examination diet was completed using Cirrus online examination software and Proctorio Artificial Intelligence remote invigilation. The results of these examinations will be published on Friday 11 June 2021.

August 2021 Examinations

The August 2021 examinations will be held between 26 August and 3 September. These examinations will also be online and remotely invigilated. Registration for these exams will be through the MyCPA portal and will open in early July and close on Monday 2 August.

Please check the CPA Ireland Website for the August examinations timetable and detailed information and FAQ's relating to the online exams.

Application to Membership Notice

The following information will be of particular interest to all students intending to apply for membership in 2021.

This year's conferring ceremony will be held on Saturday 4 December and we will shortly be commencing our admission to membership process for 2021. Please note the dates below:

Cohort 1 – students who completed their P2/Strategic Level exams between 2018 and April 2021.

Invitations to apply for membership will be issued after the results of the April 2021 have been released on 11 June 2021. Closing date for Application to Membership for students in Cohort 1 will be 4 August 2021.

Cohort 2 – students who complete their Strategic Level exams in the August 2021 examinations.

Invitations to apply for membership will be issued after the results of the August 2021 have been released on 15 October 2021. Closing date for Application to Membership for students in Cohort 2 will be 5 November 2021.

The following must be submitted as part of the Application to Membership.

1. Application Form
2. Two Employer References on headed paper
3. Four Competency Statements (online)
4. Three Behavioural Attribute Statements (online)
5. Admission Fee: €731
6. Conferring Invitation Form

Students who are eligible to apply for membership are encouraged to begin the process as early as possible. **Applicants must have submitted all required Training Records to the Institute prior to applying for membership.**

If you have any questions regarding completing the process, particularly in relation to the completing the Competency and Behavioural Statements the Institute is more than happy to discuss and offer guidance on any aspect with you.

For queries regarding the admission to membership process, please contact Réidín Ní Aonghusa at rniaonghusa@cpaireland.ie or 01 425 1022.

CPA Ireland Certificate in Business & Accounting

Any students currently studying for the CPA Ireland Certificate in Business & Accounting are reminded that the final examinations for this qualification will be held in December 2021.

Students who are studying for the Certificate in Business and Accounting (CBAcc) may continue working towards this qualification up to the December 2021 examinations or have the option of switching onto the main CPA Ireland professional qualification (2020 syllabus) with immediate effect.

Option 1 – Complete Certificate

Students who complete all four subjects by December 2021 will receive the Certificate in Business and Accounting (CBAcc) and may continue onto the CPA Ireland professional qualification with one exemption (from Foundation Level Management Fundamentals) and 13 examinations remaining.

Option 2 – Switch to the main CPA Ireland Professional Qualification

Students who have passed both Management in Organisations and Economics & Business Planning can transfer to the new syllabus with one exemption - Foundation Level - Management Fundamentals. You will have 13 subjects to complete if you wish to obtain the full CPA qualification.

Students who transfer before completing all 4 CBAcc exams will not receive a certificate.

If you have not completed both of these examinations, you may transfer to the CPA Ireland professional qualification but will be required to sit all 14 examinations.

Please note, all students will be automatically transferred to the main CPA Ireland professional qualification at the end of 2021. Students who wish to transfer before that date should contact Lisa Kelly (lkelly@cpaireland.ie).

Publication Notice

Investigation Committee – Consent Order

Ref: Invest/10/19/A

At a meeting of 24 March 2021, the Investigation Committee found, on admission, prima facie evidence of misconduct by a member who acted in breach of the CPA Ireland Code of Ethics by purporting to be a member of staff at the Professional Standards Department in CPA Ireland.

The Committee offered and the Member accepted a Consent Order, the terms of which are as follows: -

- Reprimand;
- Fine €2,000,

and that the details of this Consent Order be published in Accountancy Plus without reference to the member by name.

Date 05 May 2021.

Information & Disclaimer

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

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

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

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

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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.


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BLACK & WHITE
BARDEN
Recruitment. But different.