

## In Practice News

### Anti-Money Laundering (AML) Compliance

The current restrictive measures imposed by Government to combat the Covid-19 (coronavirus) pandemic present challenges for designated persons in meeting their obligations under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018, including:

- Difficulties meeting new clients face to face,
- Difficulties sourcing copies of original documentation; and
- Increased levels of financial crime.

Traditionally as part of the client onboarding process a 'face to face' meeting would be held with the prospective new client. The restrictive measures currently in place mean that such meetings cannot now take place.

The use of technology in the form of video meetings using platforms such as zoom and skype etc. might assist

in the verification of the new clients' identity. Where a meeting cannot be facilitated a designated person should consider the implications for the client risk assessment, taking account of any reason why a meeting cannot be facilitated. This may result in the client being assessed as higher risk, with enhanced due diligence measures being carried out as a result.

Similarly, the measures create barriers to obtaining access to original client identification documents such as passports and utility bills etc. While the use of technology may enable good quality copies to be obtained until such times as access to original documents is possible, a designated person should consider the implications for the client risk assessment.

Organisations such as Interpol and the Financial Action Task Force (FATF) are advising that criminals are taking advantage of the Covid-19 pandemic to carry out financial fraud and other exploitation scams.

CPA Ireland have issued AML guidance to assist members in continuing to meet their obligations under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018. A copy of this guidance is available at [www.cpaireland.ie](http://www.cpaireland.ie).

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### Modifications of Independent Auditor's Opinions and Reports

Auditors are required to obtain sufficient appropriate audit evidence to support their audit opinion, and to report their opinion on the financial statements based upon the audit evidence obtained. Audit issues arising from the consequences of the Covid-19 (coronavirus) pandemic may result in an increase in the need for modified opinions.

The Financial Reporting Council (FRC) have issued guidance, including a useful decision tree, for auditors on modifications to the Independent Auditor's Report. The guidance can be accessed [here](http://www.frc.org.uk).

**Source: [www.frc.org.uk](http://www.frc.org.uk)**

### IAASA issues Consultation Paper on proposal to revise the Ethical Standard for Auditors (Ireland)

The Irish Auditing and Accounting Supervisory Authority (IAASA) has issued a consultation paper seeking the views of stakeholders with regard to IAASA's proposal to revise the Ethical Standard for Auditors (Ireland), International Standards on Auditing (ISA's) (Ireland) and the Glossary of Terms.

The consultation paper follows revisions by the Financial Reporting Council in the UK of its Ethical Standard, certain ISA's (UK) and corresponding amendments to its Glossary of terms. IAASA's stated policy is to make minimal amendments to the UK Standards. The proposed revisions are designed to reflect the revised principles of the IESBA Code of Ethics, which came into effect on 15 June 2019, and to address issues identified in the Auditing and Ethical Standards and are intended to improve audit quality.

The proposed effective date of the revised standards in Ireland is for audits of financial statements with accounting periods beginning on or after 15 October 2020. Stakeholders and other interested parties should submit responses by email only to [submissions@iaasa.ie](mailto:submissions@iaasa.ie) by 5pm Friday 3rd July 2020.

**source: [www.iaasa.ie](http://www.iaasa.ie)**

### Covid-19 Implications for Auditors

CPA Ireland has issued guidance on the implications for Auditors of the Covid-19 outbreak.

The guidance sets out matters to be considered by auditors when carrying out audit engagements throughout the Covid-19 crisis, including risk assessments, audit evidence, going concern, subsequent events and the Auditor's responsibility in relation to other information.

**For further information please visit [www.cpaireland.ie](http://www.cpaireland.ie).**