

CPA Profile

Michael Kavanagh



Title:
Director

Company:
KPMG

Qualifications:
CPA

Why did you choose to become a CPA?

I wanted to go down the audit practice route as I felt that would give me an invaluable insight into the world of business. Looking back on the training I received while studying to be a CPA, that choice proved to be the right one.

Please provide a brief history of your career.

After leaving NUI Galway, I trained with Binchy and Company in my native Clonmel. After qualifying, I worked as an audit senior in PwC and then joined CPA Ireland where I was professional standards manager with responsibility for areas such as the practice quality assurance regime, the Institute's professional conduct and complaints regime, the members' technical accounting, audit and ethical support function and ancillary services. In 1999, I joined KPMG to work in the then Professional Standards department.

In 2005, I joined IAASA (Irish Auditing and Accounting Supervisory Authority) as Head of Financial Reporting Supervision. I established the accounting enforcement function in Ireland whose primary role is to examine whether the financial reports of large listed companies complies with financial reporting standards. I was also the Irish Observer at the UK Corporate Reporting Council of the Financial Report Council ('FRC') which set UK and Irish accounting standards and headed up IAASA's role as advisor to the Department of Business, Enterprise and Innovation on accounting related matters. In 2016, I was appointed CEO of IAASA during a period of huge challenge and change for IAASA and the accountancy profession in general.

In 2017, I joined KPMG's Department of Professional Practice (DPP). While DPP's role is varied it can be summed up as delivering solutions and supports on financial reporting and assurance matters in order to maintain and enhance the quality and effectiveness of KPMG's professional services.

Describe your working life.

As stated previously, the role is varied, and no two days are the same. It ranges from developing and delivering the financial reporting training for KPMG's audit practice, performing the pre-issuance examinations of listed entity financial statements, disseminating accounting and financial reporting guidance to the audit practice, advising on specific client financial reporting matters arising, and participating in KPMG regional and global networks.

What is your biggest career achievement?

My year as CEO of IAASA where there were many achievements during a time of huge challenge. These included establishing the new audit firm inspection regime for Ireland after taking a leading role in the drafting and implementation of the most significant legislation for the audit profession in a generation (the EU audit reform legislation). A number of significant problems arose which required delicate negotiations with various stakeholders including government ministers, the EU Commission and the Chair of the US Public Company Accounting Oversight Board (PCAOB). Failure to deliver on some of these matters on time would have had very serious implications for the profession and indeed the economy in general. That may sound dramatic, but it will

remain an untold story as to how close we came to being on the wrong side of making international headlines.

What in your view are the most pressing issues for accountants?

Attracting people into the profession is now proving a major issue and something we frequently discuss at CPA council level. The pace of change is phenomenal with machine learning and artificial intelligence set to revolutionise the profession. Added to this is the increasing complexity of new accounting standards and an ever-increasing regulatory burden. While admittedly I have to take some responsibility for the latter, the local audit profession is now finding itself being subject to national, European and in some cases U.S. regulators.

How do you unwind?

Some time ago, I got a present of a pedometer and was horrified to discover that my less than 1,000 steps a day is very much the wrong side of the minimum recommendation! I decided to get out of my comfort zone so to 'unwind' I now coach underage hurling and football with Kilmacud Crokes and rugby with Blackrock. A team of 9 year old kids can bring you crashing back down to earth very quickly! I have also taken up touch rugby with Blackrock RFC which was advertised as 'a bit of craic' with the promise of an over 40s team. It hasn't quite worked out that way with the age profile mixed and sometimes we train with the Ireland Touch rugby team. Having millennials running rings around you hasn't turned out to be that much 'craic' but certainly is a new experience!