March Issue 2021

Accountancy Plus

The Official Journal of CPA Ireland

The Future is Now - The New World of Work.

cpa IRELAND

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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Editorial

Accountancy Plus

March 2021

CPA Ireland

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President's Message

Welcome to the March 2021 edition of Accountancy Plus.

2020 was an extraordinary and challenging year for CPA Ireland and its members, however even in the face of a global pandemic, we have responded positively to these challenges and realised significant achievements and developments throughout the year.

The new CPA Ireland syllabus - 'Ready to Face the Future of Accounting' - was launched in September 2020. We were delighted to collaborate with the Analytics Institute of Ireland to provide the opportunity for our students who complete the Data Analytics for Finance subject at Strategic Level to attain dual qualification. Qualified members who complete our Diploma in Data Analytics, run as a post qualification specialism, also have the opportunity to apply for membership of the Analytics Institute of Ireland.

We successfully launched our online examinations for the August 2020 exam sitting and will continue to hold our exams online for future exam sittings. For the 2021 examinations, Cirrus will be our online assessment partners. Cirrus is a cloud-based, e-assessment platform which will allow us to deliver all examinations online with confidence and ease. We have also moved to AI invigilation by using Proctorio, a comprehensive, learning integrity platform. These online platforms will be used for our CPA qualification examinations, our Diploma in Forensic Accounting and our Certified Tax Adviser course.

The success of our post qualification specialisms has continued, and we will continue to run courses in Data Analytics, Forensic Accounting, Tax, Advanced VAT, US GAAP, FRS102, IFRS and The Governance of Charitable Organisations. These post qualification specialisms grew in popularity in 2020 with the new Advanced VAT for Accountants programme proving to be particularly successful.

In December 2020, I was delighted to formally admit the new conferees into membership through our first ever virtual conferring ceremony. I commend these graduates for having to adapt quickly to online assessment during a period of social isolation, uncertainty, remote working, economic chaos, and the greatest health risk in our lifetimes. I would like to wish them every success in their future careers and look forward to them becoming involved with the Institute on many levels.

These are only an example of some of the highlights from 2020 and we are looking forward to another busy year ahead in CPA Ireland with many virtual conferences, events and webinars planned.

CPA Ireland is currently in the process of developing an interactive digital toolkit for accountants to assist you in digitising the finance function and an accountancy practice. This will include a mixture of live sessions with key industry experts in technology, case studies of those who have successfully managed the transition and several live sessions with software companies who will engage in Q&A with the audience to give them clarity on what software is best for them.

The CPA Ireland Tax Conference 2021 was held online and covered a number of topics of relevance in the current environment, including the tax implications of Brexit, sustainability tax, and pandemic taxation. Our Review of Professional Issues series of online events took place over a number of webinars for each of the regions and our Annual Conference and Irish Accountancy Conference will be held later on in the year.

When I started my term as President of CPA Ireland, there were a number of core issues I wanted to address including the continued support of entrepreneurs and SMEs in Ireland and the ever-growing importance of sustainability finance.

As the year progresses and we hope to return to some form of normality, it is essential that businesses refocus on the sustainability agenda.

We must continue to hold sustainability in the forefront of our minds after and cannot avoid progressing with it because of Covid-19. Irish companies are at risk of losing ground on competitors by failing to address sustainability issues. In many cases, this is a direct result of Covid-19. This is understandable as many businesses have been focusing on keeping the lights on rather than what energy is used to power them.

There is an opportunity for the accountancy profession to show leadership by including sustainability reporting as a core service and not wait for legislation. To help the profession adapt to this new role, sustainability reporting has been included as a core element of CPA Ireland's new education syllabus, Ready to Face the Future of Accounting.

As this is my last message as President of CPA Ireland, I would like to thank CPA members, students, Council and staff for your ongoing support. I started out my term as president at a virtual AGM and will be finishing up my term when I pass over the office of the President to Áine Collins at the next virtual AGM. I wish Áine a very successful and enjoyable term as the next President of CPA Ireland.

J. Devaney

John Devaney
President CPA Ireland

Contents

Challenges and opportunities
for the savvy business leader

by Dermot Duff

Work, life and other four-letter words: How the new world of work will affect our work and personal lives. The world changed radically in Spring 2020, when the digital world of work finally arrived with a bang, and the pandemic accelerated nascent changes we knew were imminent.

Not alone did this pandemic change the nature of certain kinds of work fundamentally, it changed the nature of life itself, for work is an integral part of life: often a drudgery, essentially a way of earning one's daily bread but also a way to find meaning in life - a vehicle for achievement, for belonging, for comradeship (and, yes, conflict, jealously and resentment).

By improving connectivity and untethering employees, it also undermines the nature of management and the fundamental concept of the modern corporation. In this landscape, lie huge threats - and huge opportunities. Accounting firms, large and small, cannot just increase productivity, but must also offer new services (such as predictive analytics, real-time analysis and bespoke accounting).

According to the OECD, almost one-third of all jobs worldwide will be transformed by technology in the next decade. (Saadia Zahidi, "We need a global reskilling revolution—here's why," World Economic Forum, January 22, 2020, weforum.org).

The Forces at Work

The seismic shift, accelerated by the pandemic, is driven by some relentless forces, fundamentally changing the nature of work and even the concept of the corporation:

An employee's output is now more visible and measurable, with less administrivia and social loafing. There are fewer meetings, but more Zooms – which ironically are better structured and more easily scheduled than physical meetings.

Dramatically improved connectivity	Automation, AI, IoT Industry 4.0	Low transaction costs undermine the concept of a company	New social and managerial paradigms
• Reduces the constraint of geography and time zone • Aids disruption, promotes innovation • Ubiquitious • Instant	• Office automation • Productivity tools • Robotics • Virtual assistants • End of privacy • Work & ome intertwined	• Companies moved away from perennial sub-contracting to reduce transaction costs in the 1930's: these are now dramatically reduced	• The untethered employee • Remote working • Greater work specialisations make management more difficult • Digital natives seek autonomy, flexibility, meaning

As Ronald Coase explained, the modern corporation only became the standard organisation model a mere century ago, when the transaction costs negated the value of subcontracting.

Despite expectations to the contrary, work that is transactional (and that can largely be done by individuals alone), productivity has increased substantially.

The working day has no beginning nor end. Some of the time spent commuting is now spent productively. There is less inter-personal conflict. There is also less social interaction, less spontaneity, less genuine collaboration, less juicy gossip (and no office romance), less opportunity for ego-gratification, but more fatigue, ennui and isolation.

A year in lockdown is hard to bear: the pre-existing relationships (with colleagues, friends, wider family but also with clients) that have supported us through the first year will erode in the "new normal" of endless partial lockdowns. What then?

Organisations traditionally devote substantial time and money to foster engagement, collaboration, culture formation, goal alignment: does this now mean that these prized intentions are no longer valid?

That the increased productivity (in certain occupations) has achieved more than those prized initiatives? Or is it a false dawn, and the "ties that bind" will gradually loosen, and corporations will become loose associations of foot-loose, resentful, disassociated task-fulfillers?

Or will the needs of Man, reputedly social animals, be met in other ways? Will the winning organisations find ways to overcome these challenges, and get the vaunted "best of two worlds" – the old, analogue one and the new, digital, post-Covid one? Where the winning companies find ways, in a new hybrid world, to succeed in increasing engagement, enhancing collaboration, generating innovations and, yes, satisfy Man's search for meaning, as articulated by Viktor Frankl in his book Man's Search for Meaning:

"Everything can be taken from a man but one thing: the last of the human freedoms — to choose one's attitude in any given set of circumstances, to choose one's own way."

"Work is a must that hopefully, in the right setting, becomes a joy. Something we all need, but that so often is treated in principle as anathema" according to prominent accountant Patrizia Künzel.

As St Paul proclaimed: "If anyone is not willing to work, let him not eat." That approach still holds sway today – though people naturally have different opinions of it. Rather than being viewed as a cross to be borne, it's now often a source of social status and pride and indeed it often forms the basis of one's personal identity, giving meaning to lives and boosting self-esteem.

The Old Pillars of Society are Diminished but New Pillars will Arise

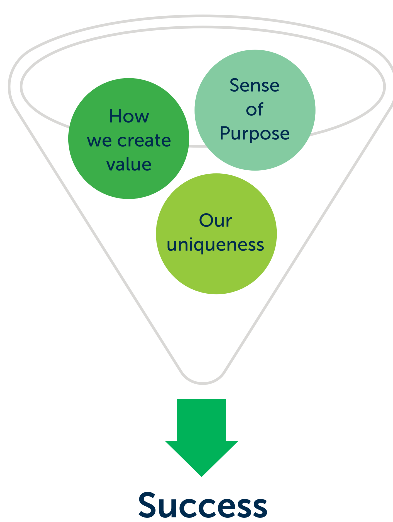
The old pillars of society are already weakened: the church, the pub, the extended family, and now the workplace is potentially diminished. Clubs, professional networks, charities, physical conferences, music venues and large events are now all utterly changed. What will replace them, if anything?

The answer, of course, is that something will: human ingenuity will see to that. Human needs remain unchanged, and will be met, in some form – eventually.

As Prof. David Ulrich explains, an "abundant" organization enables its employees to be completely fulfilled by finding meaning and purpose from their work experience. This meaning enables employees to have personal hope for the future and create value for customers and investors.

This is the opportunity, ironically, for organisations to step into the void, and provide a means for engagement, a crucible for innovation and a vehicle for productivity – especially "cognitive productivity" – smarter working, frictionless, flexible and meaningful.

Ralph Waldo Emerson says "the purpose of life is not to be happy. It is to be useful, to be honourable, to be compassionate, to have it make some difference that you have lived and lived well."



Three Keys: Purpose, Value and Uniqueness

More than ever, future-ready organizations (of all sizes) improve their chances of this in **three ways**: they get clear on their **purpose;** they know **how they create value** and **why they're unique**; and they create distinctive cultures that help retain the best people.

So, refine your sense of purpose and develop a unique affirmation of your corporate identity—in Simon Sinek's famous words, first develop your **why** of work, before you go on to develop the **way** or the **what** of work.

Simon Sinek, Start with Why: How Great Leaders Inspire Everyone to Take Action, New York, NY: Penguin Group, 2009.

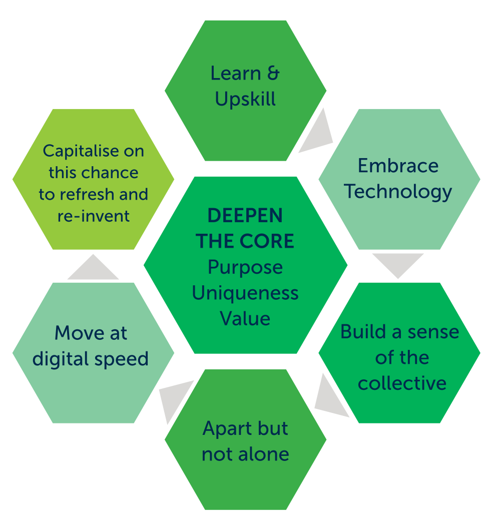
We all know that "where your talents and the needs of the world cross, there lies your vocation."

Organizations will benefit from clear expression of what they stand for, why they exist, and will use purpose as the human glue to create a sense of purpose and a sense of the collective, even when people are mainly working in splendid isolation.

The 7 Levers to Benefit from the New World of Work

While transactional office-type work can and perhaps should mainly be done remotely, the greater challenge lies in building a sense of collective purpose, shared destiny, strategic alignment, and conscious culture formation. More problematically, it also involves the oxymoronic sharing of tacit and implicit knowledge (to be addressed elsewhere). Innovation, previously seen as serendipitous, now can be assisted, even remotely, by Design Thinking and related techniques.

The 7 Levers are illustrated below:



Ten Steps Towards Success:

First, reap the current benefits: higher transactional productivity, lower office costs, less conflict.

Second, embrace the digital age – use the technology to reduce the wasted effort in coordinating work, to minimise delays, and – most of all – to make some irksome tasks less onerous.

Third, realise you can now recruit talent and labour from across the globe: companies are already hiring (with seeming success) people they have never physically met. A person's track record (and proven work ethic) remains the best predictor of success. Social media tells you much more than the candidate (or referee) ever would.

Fourth, realise trust between colleagues is not just affective, but effective: yes, it still remains the case, in Prof Robert Cialdini's, a question of "Liking" – we like people who are like us, and who like us, too. However, action is more powerful – trust is built on effectiveness: people doing what they say they will. Delivering quality work on time. Doing unselfish actions, contributing discretionary effort. Paying forward. Being a good citizen. All these remain timeless, regardless of place.

Fifth, cultivate culture. Your culture, and your values, need not change, simply because people are more physically remote. They need to become less emotionally remote. It will require clearer articulation of your culture, values and norms, with less reliance on the old "osmosis" method of unplanned culture formation.

Sixth, realise cognitive productivity (the work of professionals of all kinds, such as lawyers, through legal tech), unchanged for years, can now dramatically increase. Knowledge that was previously tacit and unstructured can now be codified through technology and, more significantly, through coaching and "teaching moments" in which the art of the professional is made more scientific.

Seventh, realise that the early stages in the process of innovation are rooted in shifting perspective (to finally see what was previously hidden in plain sight), diversity of work & life experience (which can be increased with the new global workforce) and especially the creation of new ideas through the fusion of two or more pre-existing ideas (such as happened in the creation of the iPhone). Yes, the opportunity for serendipitous creativity is diminished – but that serendipity was essentially unplanned fusion which can now be sparked by the generation of torrents of ideas that may coalesce, the inclusion of far-flung experts, easier access to distant clients, computer-enabled anthropology (to explore clients).

Eight, don't leave the seminal moments to chance – don't rely on serendipity entirely in pursuit of new ideas, services or markets: instead, follow an innovation process, have deadlines to create a sense of urgency, invite fresh perspectives (outsiders, industry observers, clients). You can access experts from across the world – often inexpensively, because travel is not involved, and the time commitment is low.

Ninth, let's all be adults, not employers and employees. All must lead, all must follow.

Martin Seligman's book, Flourish claims that employees can acquire a more positive outlook on their work by having "PERMA" - Positive emotion, Engagement, Relationships, Meaning, and Accomplishments. When employees take personal accountability for creating these attributes they do not depend on the leader, but on themselves for their work experience. The mature employee becomes the agent of change for their own development.

Tenth – Celebrate! Mark the successes, honour the milestone events, be as happy as you can be.

As Frankl observed, "Humour is another of the soul's weapons in the fight for self-preservation". He says that, more than anything else in the human make-up, it can afford an ability to rise above any situation, even if only for a few seconds. The attempt to develop a sense of humour and to see things in a humorous light is some kind of a trick learned while mastering the art of living. Yet it is possible to practice the art of living even in a concentration camp, although suffering is omnipresent.

Reduce groundhog days. Maintain curiosity. The phone is your friend: talk, don't always Zoom. Hold the conversation. End the solitary confinement.

Most of all, don't waste this particular crisis, because it transforms work and creates opportunity for the strategically savvy: note Albert Einstein's cry that "in the midst of every crisis, lies great opportunity." This is the opportunity for organisations to recognize that a brave new world is upon us – but only the brave will prevail.

Dermot Duff

Dermot Duff is a Module Leader in International Business Strategy and in Operations Strategy in Trinity Business School, where he also manages student consultancy projects for the MSc degree portfolio.

An Electronics Engineer from UCD, he held senior engineering management positions in ITT Alcatel in The Hague and was later European Transformation Manager for Digital Equipment Corporation (later HP) in Geneva, subsequently joining the Irish Management Institute in a senior role.

CPA Profile
Jimmy Sheehan

Title:
Managing Director
Company:
Teams PLUS
Qualifications:
FCPA, FIATA

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

It wasn't an active decision to be an accountant per se. After school I started working in hospitality. I lived in several different countries and had a lot of fun and had some amazing life experiences. In my mid 20's I realised this wasn't a lifestyle that I would want in my 40's so I started the Accounting Technician qualification. It was just a two-year course, so I knew even if I didn't like it, time would pass quickly and at the end I'd still have a well-recognised and respected business qualification.

Why did you choose CPA Ireland as your qualification route?

CPA Ireland has been very supportive to me throughout my career, both in my time as a student and member. As an ATI graduate, I found that CPA Ireland recognised the value of being an ATI and provided the most flexible options in terms of education delivery, career aspirations in that I could work in Industry or Practice and training as I wasn't tied into a contract.

Please provide a brief history of your career.

I'm currently Managing Director of Teams PLUS, and its parent company, Contracting PLUS. Teams PLUS is the exact business I needed when I was in practice and was struggling with finding and retaining good staff, trying to reduce work in progress and drive profitability. Accountants and finance teams using this service now have the advantage I was looking for 10 years ago. Along the way I've worked in practice and industry. I've been Financial Controller, Auditor, Practice Owner, Consultant. I've worked with small teams and in Top10 firms. I'm a firm believer in doing what you enjoy, and when you don't enjoy it anymore, try something different.

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

Options! An accountancy qualification alone doesn't give you good business experience, but it gives you the permission to put yourself forward for opportunities where you might not otherwise be considered.

What has been your biggest career achievement?

I think if we look for career defining moments, we'll always be striving for something out of reach and that's not good for self-morale. It's perfectly acceptable to have goals to drive you, to give you a sense of purpose and challenge you. I'm very happy with my career to date, but I don't see any one thing as being the biggest achievement. I prefer to look at where I am now and learn from the journey so far and apply the smart choices I've made into my plans for the future.

What or who inspires you most in business?

My Grandad taught me my first lesson in business when I was 6 or 7. Know your customer. Everything else stems from that. I enjoy reading business books. We can all find inspiration in learning from others. I'm currently reading Tools of Titans (Tim Ferris), Atomic Habits (James Clear) and am re-reading Oversubscribed by Daniel Priestly.

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

Always put your hand up. If an opportunity arises to be involved in a project or area where you have no experience, take it. Accountancy is changing. In Atomic Habits, James Clear uses an analogy of an ice-cube sitting on a table in a room. It's -5 degrees. Your goal is to melt the ice cube. So, you warm up the room by one degree and nothing happens to the ice cube. You warm the room by one degree again, and again until it's now 0 degrees Celsius. All that effort, all those little changes and still you can't get the ice-cube to melt. But then, you raise the temperature by just one more degree and now the ice-cube starts to melt – changes happen. What you've been trying to achieve, happens. It wasn't the one degree change on its own, but rather the combined effort of all the little changes over time.

That's what is happening with accountancy. We're adopting all these innovations and soon that one degree of change will totally transform how accountants work.

How do you unwind?

I have young kids. One tends to jump from being busy at work to being busy at home. Each is a welcome distraction and break from the other... but unwinding.... there are a few years left before I can think about that type of luxury!!

What traits do you admire in others?

Rolling your sleeves up. You don't have to be the best at anything. Often those who are the best put themselves under so much pressure, and have external pressures on them, that they are miserable. Try and be happy. Do something you enjoy. Let's be honest, we'd all love to win the lotto and not have to work. But when you get bored of lying on the beach, what's going to 'pull you back in'?.

If you can marry work you enjoy with your innate ability, and add a little bit of giddy-up, you'll have success.

CPA Profile
Sharon Gaffney

Title:
Director of Finance and Organisational Services
Company:
Royal Victoria Eye and Ear Hospital
Qualifications:
FCPA, IATI

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

Maths and accountancy were always my passion and top subjects when in secondary school. Unfortunately, when doing my leaving cert, I just did not have the best day on the day of my accountancy exam and did not get the result I wanted. So, I initially went on to do a one-year business course. From this I got a position in Finance in Our Lady's Hospital for Sick Children. It was there that one of my colleagues told me not to give up on my dream and to pursue my accountancy qualification. I did and I have never looked back and will always remember that chat as it was really the start of my career.

Why did you choose CPA Ireland as your qualification route?

I went to a few open days in different colleges to see what route was best for me. I felt the CPA qualification allowed me to pursue my accountancy qualification in a very flexible way and they were also very welcoming. I worked full time and therefore I needed to be able to attend classes and give my very best while still working. It was also a worldwide recognised qualification and who knew at that age what the future held so I needed a strong qualification that I could go anywhere with.

Please provide a brief history of your career.

I started my career in the public sector in Our Lady's Hospital. I worked in a few areas within Finance which really helped shape my career path. As I grew more confident in my work and with the backing of my studies behind me, I left to work in the private sector, which I did for nearly 17 years before returning to the public sector.

Every position and different work environment was a learning curve and I gained incredible experience. I mainly worked in SMEs in the private sector which gives you the opportunity to be involved in many other projects and really understand the working of each company from top to bottom.

When I got the opportunity to go back into the public sector it was like I had never left. I was able to bring all that I learned in the private sector into my new position.

My current role as Director of finance and organisational services in the Royal Victoria Eye and Ear Hospital is one of my most enjoyable roles. Working in a hospital is an ever-changing environment, obviously over the last year it has brought many new challenges. However, I have learned over the years that no matter what level you are at you need to work as part of a team. That is what I love the most about my current role, the team I have behind me and the efforts of everyone in the hospital, makes it run smoothly each day.

How do you find your CPA qualification has helped you in your role?

As CPA's we need to be able to adapt to different types of industries within our career and that is what the qualification provides you with. Confidence and adaptability. While studying CPA I found it had a broad range of subjects in what we were required to learn. These different aspects help in many ways, as an accountant's role is ever changing and not only about the numbers.

What has been your biggest career achievement?

While I have been so lucky to have several career achievements, what sticks in my mind is the day I was asked to take up the role as Financial Controller of the company where I was working as an Assistant accountant. I was 6 months away from my final exams and becoming a fully qualified CPA, but the opportunity arose. The CEO said he had so much confidence in me and my abilities as an accountant that he wanted me to take on the challenge. I grabbed that opportunity with both hands, shaking may I add but I loved every minute of it. It was just a fantastic time and I learned so much about myself.

I realised how important it was to show people the confidence you have in them and their work, to let them know how well they are doing and to help them grow as strong individuals. We all had to start somewhere; we all need that encouragement. I will never forget that opportunity and I try every day to support my team to develop their skills and give them the right encouragement.

What or who inspires you most in business?

In 2020 the one person that stood out for me was Jacinda Ardern, Prime minister of New Zealand. In 2017 she was asked whether she felt a woman could have both a baby and a high-powered career. 3 years later I think we can all agree on the answer. Her sheer determination and her ability to unite New Zealand in dealing with the pandemic was admirable. Her slogan that was repeated so often "be strong, be kind" is something that we should all take on board. Her approach to her family and work life has brought her continued success in her role as a leader. It takes strength and courage to be an empathetic leader and she has proven that she has both.

Financial Reporting News

Covid-19 - Going Concern

The IFRS Foundation has recently published guidance Going Concern – a focus on disclosure to assist both companies and accountants in deciding whether a business is a going concern. Whilst the guidance is based upon the requirements of the International Financial Reporting Standards (IFRS), it is also likely to be of use to companies and accountants preparing their financial statements in accordance with FRS 102 as many of the principles are consistent to both frameworks.

A fundamental decision management have to make in preparing financial statements is whether to prepare them on a going concern basis. In the current stressed economic environment, brought about by the ongoing impact of Covid-19, a greater degree of judgement may be needed by management in determining whether or not the financial statements should be prepared on a going concern basis.

Financial statements are prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Management in making its assessment of an entity's ability to continue as a going concern is required to consider all available information about the future.

The publication provides guidance on the additional factors that management may need to consider before concluding on whether preparing financial statements on a going concern basis is appropriate, including:

- The effect(s) of any temporary shut-down or curtailment of the entity's activities;
- Possible restrictions on activities that might be imposed by governments in the future;
- The continuing availability of government supports; and
- The effects of longer-term structural changes in the market for example, changes in customer behaviour.

The guidance also addresses the specific disclosure requirements of IAS 1 in relation to going concern, including the disclosure of judgements that have the most significant effect on amounts recognised in the financial statements and the requirements where an entity is no longer a going concern. The guidance can be accessed at https://cdn.ifrs.org/-/media/feature/news/2021/going-concern-jan2021.pdf?la=en.

Source: www.ifrs.org

FRC consults on annual review of FRS 101

The Financial Reporting Council (FRC) has recently issued FRED 77 Draft Amendments to FRS 101 Reduced Disclosure Framework – 2020/21 cycle proposing amendments to FRS 101 following the latest annual review.

The Exposure Draft proposes amendments to FRS 101 to provide certain disclosure exemptions in relation to IAS 16 Property, Plant and Equipment and for consistency with IAS 1 Presentation of Financial Statements.

Paragraphs 39 and 40 of IAS 1 were deleted by the Annual Improvements to IFRS's 2009-2011 Cycle and were therefore only applicable to accounting periods beginning before 1 January 2013. Fred 77 therefore also proposes an amendment to FRS 101 to remove a reference to paragraphs 39 and 40 of IAS 1.

Source: www.frc.org.uk

IFRS 8 – Identification of Chief Operating Decision Maker

IFRS 8 – Operating Segments requires disclosure of information about a company's operating segments. Determining the Chief Operating Decision Maker (CODM) is an important step for companies in identifying operating segments for the purpose of these disclosures.

The Irish Auditing and Accounting Supervisory Authority has recently published an information note, the purpose of which is to assist companies in determining the CODM.

Source: www.iaasa.ie

Unpuzzling the Sustainability Reporting Alphabet Soup

by Hilde Blomme & Jona Basha

The world is on a trajectory for a temperature rise exceeding 3°C above pre-industrial levels, surpassing the 2°C target of the Paris Agreement[1] and obviously, the ambitions for 1.5°C. In addition to climate change, environmental degradation, human rights and social issues are increasingly concerning companies, investors, policymakers, regulators and society in general. The coronavirus crisis brought a range of non-financial information (NFI)[2] issues to the forefront and underscored their relationship with the economy.

Stakeholders understand that companies' financial and NFI reporting impact and depend on one-another. Therefore, it is important to address NFI to ensure resilient business models. The International Financial Reporting Standards (IFRS) guide financial reporting almost globally, however, NFI reporting does not enjoy the same level of standardisation.

NFI framework developers and standard setters

There are currently a number of voluntary NFI initiatives and frameworks, commonly referred to as the 'alphabet soup'. While the scope of each of these frameworks and initiatives differ based upon the needs of the users of those frameworks, they also share common elements and complement one-another.

An answer to calls for harmonisation came in September 2020 from CDP, the Climate Disclosure Standards Board (CDSB), the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB). These 5 leading global organisations on sustainability reporting (collectively referred to as "the Five) mapped how their initiatives fit to their vision for a comprehensive corporate reporting system[3]. Accountancy Europe welcomed their unprecedented and much awaited collaboration. Let's explore the Five's work in a bit more detail.

Who is who?

Established by the Financial Stability Board in 2015, the Task Force on Climate-related Financial Disclosures (TCFD)[4] aims to inform investors on the risks and opportunities of climate change. The recommendations are structured around 4 pillars:

1. governance
2. strategy
3. risk management
4. metrics and targets.

They are adopted in the European Commission's (EC) 2019 Guidelines on the Non-financial Reporting Directive (NFRD)[5], and expected to become mandatory in New Zealand[6], the United Kingdom[7], Hong Kong[8] and Switzerland[9] as well as being supported by investors (e.g. BlackRock[10], State Street Global Investors[11], Norges Bank Investment Management[12]). Established in 2000, CDP[13] runs a disclosures system on climate change, water security and deforestation for investors, preparers, countries, and rates them based on these datapoints.

1 United Nations (2015), Paris Agreement, see: https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

2 Even though "non-financial information" lacks a formal definition, for the purposes of this article it is deemed to include information relating to environmental, social and governance (ESG), corporate social responsibility (CSR), internally generated intangibles (e.g., intellectual property, knowledge, relationships, teamwork, trust, branding, reputation, technology, etc.) and other value drivers that are not usually measured in monetary terms.

3 CDP, CDSB, GRI, IIRC, SASB, Statement of Intent to Work Together Towards Comprehensive Corporate Reporting, see: https://29kjwb3armds-2g3gi4lq2sx1-wpengine.netdna-ssl.com/wp-content/uploads/Statement-of-Intent-to-Work-Together-Towards-Comprehensive-Corporate-Reporting.pdf

4 TCFD (2017), Recommendations of the Task Force on Climate-related Financial Disclosures, see: https://www.fsb-tcfd.org/publications/

5 European Commission (2019), Communication from the Commission – Guidelines on non-financial reporting: Supplement on reporting climate-related information, see: https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A52019XC0620%2801%29

6 New Zealand first in the world to require climate risk reporting, see: https://www.beehive.govt.nz/release/new-zealand-first-world-require-climate-risk-reporting

7 UK joint regulator and government TCFD Taskforce: Interim Report and Roadmap, see: https://www.gov.uk/government/publications/uk-joint-regulator-and-government-tcfd-taskforce-interim-reportand-roadmap

8 Securities and Futures Commission (2020), Consultation Paper on the Management and Disclosure of Climate-related Risks by Fund Managers, see: https://apps.sfc.hk/edistributionWeb/api/consultation/openFile?lang=EN&refNo=20CP5

9 Federal Council fleshes out proposals for sustainable Swiss financial centre, see: https://www.admin.ch/gov/en/start/documentation/media-releases/media-releases-federal-council.msg-id81571.html

10 Blackrock, Larry Fink Letter to CEOs, see: https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter

11 State Street Global Advisors, CEO's Letter on our 2021 Proxy Voting Agenda, see: https://www.ssga.com/us/en/institutional/ic/insights/ceo-letter-2021-proxy-voting-agenda

12 Norges Bank Investment Management (2020), Consultation on the FCA's Proposals to Enhance Climate-related Disclosures, see: https://www.nbim.no/en/publications/consultations/2020/consultation-on-the-fcasproposals-to-enhance-climate-related-disclosures/

13 CDP, see: https://www.cdp.net/en

Since 2007, CDSB[14] has provided a framework for reporting environmental information, useful for investor decision-making. It includes the characteristics of information, requirements for disclosures and guiding principles.

Founded in 2010, the IIRC[15] developed its' International Integrated Reporting Framework (<IR> Framework) which aims to provide investors with information on an entity's value creation story and how it uses and impacts the 6 capitals (financial, manufactured, intellectual, human, social and relationship, natural).

Since 1997, the GRI[16] has been developing standards that enable a broad range of stakeholders to understand the impact a company has on the environment, people and the planet. These consist of universal, sector and topic standards.

SASB[17] published industry-specific standards in 2018. They aim to provide investors with topics and metrics, which may have a material financial impact on the company. Similar to TCFD, they are very popular among investors.

How do these initiatives fit together?

Accountancy Europe's Cogito Paper 2019 Interconnected standard setting for corporate reporting[18] (Cogito Paper 2019) elaborated a materiality lens that builds on the popular financial materiality[19], expands time-horizons to include impacts on value creation and addresses wider impacts on the environment and society (see Figure 1).

The Five built on these ideas in their paper and developed "dynamic materiality", which guides their vision for corporate reporting (see Figure 2).

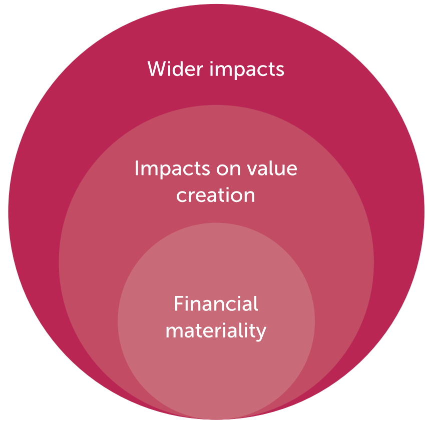


Figure 1.

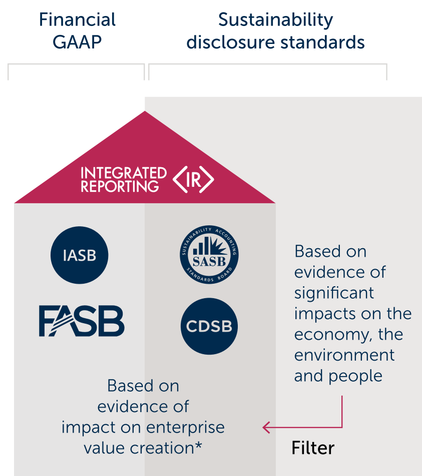


Figure 2.

In addition to financial materiality, they categorise NFI matters as material to:

1. enterprise value creation (important for investors as they eventually have a financial impact on the company), and
2. the economy, environment and people (important to broader stakeholders).

The International Accounting Standards Board (IASB), SASB and CDSB would provide the standards to address enterprise value creation, underpinned by the principles of the <IR> Framework.

GRI standards would both complement the enterprise value creation standards and provide the basis for wider impacts.

The Five further illustrated reporting for enterprise value creation with a prototype standard on climate-related financial disclosure[20].

What is missing?

While the Five may provide the content of NFI standards, adequate governance (including due process) is necessary to legitimise the standards. The Cogito Paper in 2019 proposed enhancing IFRS structures to address NFI reporting and ensure interconnected standard setting. These ideas were broadly referenced by the IFRS Foundation in its recent consultation paper on sustainability reporting[21].

Following 576 overwhelming responses, the IFRS Foundation may announce the establishment of a sustainability standards board (SSB), in parallel to the IASB, at the UN Climate Change Conference COP26 meeting in November 2021[22].

The International Organization of Securities Commissions[23] noted that, when put together, the Five and the IFRS

14 CDSB, see: https://www.cdsb.net/
15 IIRC, see: https://integratedreporting.org/
16 GRI, see: https://www.globalreporting.org/
17 SASB, see: https://www.sasb.org/
18 Accountancy Europe (2019), Interconnected standard setting for corporate reporting, see: https://www.accountancyeurope.eu/publications/interconnected-standard-setting-for-corporate-reporting/
19 The IASB notes that "[i]nformation is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."
20 CDP, CDSG, GRI, IIRC, SASB, Reporting on enterprise value Illustrated with a prototype climate-related financial disclosure standard, see: https://29kjw-b3armds2g3gi4lq2sx1-wpengine.netdna-ssl.com/wp-content/uploads/Reporting-on-enterprise-value_climate-prototype_Dec20.pdf
21 IFRS Foundation Consultation Paper on Sustainability Reporting, see: https://www.ifrs.org/projects/work-plan/sustainability-reporting/
22 News, IFRS Foundation Trustees announce next steps in response to broad demand for global sustainability standards, see: https://www.ifrs.org/news-and-events/2021/02/trustees-announce-next-steps-in-response-to-broad-demand-for-global-sustainability-standards/
23 IOSCO, Open response to the open letter from CDP, Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI), International Integrated ng Council (IIRC) and Sustainability Accounting Standards Board (SASB) proposing avenues for Working together to meet the needs of the capital markets, see: https://www.iosco.org/library/speeches/pdf/20201029-Erik-Thed%C3%A9en.pdf

address the contents and governance for NFI standard setting.

The European and global state of play

The European Union (EU) has been leading the NFI agenda for years. Currently, there are 3 processes running in parallel:

1. The revision of the NFRD[24].
2. Potential changes to the governance and funding of the European Financial Reporting Advisory Group (EFRAG) if it were to be mandated with EU NFI activities[25].
3. EFRAG Lab preparatory work for the possible elaboration of EU NFI standards[26].

These critical developments will crystalise in 2021: EFRAG will report to the EC by the end of February 2021, whereas the proposals on the revised NFRD are expected in April 2021.

In the EU, NFI standards are important to achieve public policy objectives, including the ambitions of the European Green Deal[27]. Therefore, the EFRAG Lab has been developing its technical advice to the EC for future EU NFI standards. Their outreach document[28] lays out ideas on the foundations, operational guidelines, architecture and reporting structure of the future European NFI standard setter.

On a global level, SASB and IIRC announced their intention to merge and form the Value Reporting Foundation[29], with CDSB potentially joining at a later stage[30].

The potential way forward?

Accountancy Europe's Follow-up paper to Cogito Paper 2019[31] suggested a "building block" approach to NFI standard setting. The foundation block would be a set of globally accepted NFI standards, applicable to all companies. This would help improve market transparency and guide capital to sustainable investments. Additional "blocks" of EU NFI reporting standards important to meet EU public policy objectives could be added.

The Value Reporting Foundation and CDSB could join the SSB under the IFRS Foundation to develop NFI reporting standards, material to value creation. In the longer term, the IFRS structures may be enhanced to address wider stakeholders, and therefore potentially welcome GRI. EU leadership is critical to achieve this global base.

Ultimately, the future European NFI standard body could play a double role: (1) endorsing (SSB´s?) standards and (2) developing an additional EU layer of standards.

Hilde Blomme
Accountancy Europe Deputy CEO

Hilde leads the professional expertise team and provides regulatory and technical expertise in the areas of reporting, assurance, (sustainable) finance, tax and practice development.

Jona Basha
Senior Manager at Accountancy Europe

Jona is also part of the corporate reporting team. She engages in various financial reporting matters and specialises in non-financial information reporting and standard setting.

24 EC, Non-financial reporting by large companies (updated rules), see: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12129-Revision-of-Non-Financial-Reporting-Directive

25 EFRAG, Ad-personam governance mandate, see: https://www.efrag.org/Activities/2010051124018235/Ad-personam-governance-mandate

26 EFRAG, Non-financial reporting standards, see: https://www.efrag.org/Activities/2010051123028442/Non-financial-reporting-standards#

27 EC, A European Green Deal, see: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

28 EFRAG Lap Project Task Force Non-financial reporting standards, Outreach meeting European standard- setting (ESS), see: https://www.efrag.org/Assets/Download?assetUrl=%2fsites%2fwebpublishing%2fSiteAssets%2fPTF-NFRS%2520Outreach%2520Document%2520final.pdf

29 Press release (2020), IIRC and SASB announce intent to merge in major step towards simplifying the corporate reporting system, see: https://www.sasb.org/wp-content/uploads/2020/12/IIRC-SASB-Press-Release-Web-Final.pdf

30 CDSB (2020), The Value Reporting Foundation – What is next for CDSB?, see: https://www.cdsb.net/harmonization/1125/value-reporting-foundation-%E2%80%93-what-next-cdsb

31 Accountancy Europe (2020), Follow-up paper: Interconnected standard setting for corporate reporting, see: https://www.accountancyeurope.eu/publications/follow-up-paper-interconnected-standard-setting-for-corporate-reporting/

Law & Regulation News

Brexit Legislation signed into Law

The Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2020 was signed into law 10th December 2020. The Act contains a number of provisions the aim of which is to protect both the Common Travel Area and the Good Friday Agreement.

A new Chapter 7A is inserted in the Companies Act 2014 setting out regulations in relation to central securities depositories. The Act also provides for a number of changes in the areas of tax law, customs, insurance and financial services, healthcare, employment permit legislation and student support.

For further information and to access the legislation please visit www.oireachtas.ie.

Source: www.oireachtas.ie

New Property Service Providers Regulations

The Property Services (Regulation) Act 2011 (Minimum Standards) Regulations 2020, effective 30 November 2020, introduced new requirements for auctioneers, estate agents and letting and property management agents.

The new Regulations set out a range of minimum standards to be observed in the provision of property services to clients including the provision of information, the setting of timeframes with regard to holding security deposits in relation to letting of land, the holding of service charges and sinking fund contributions and the holding of directorships of multi-unit development.

source: www.psr.ie

Reciprocal Arrangements

Following the UK's departure from the EU, the UK is now a third country under statutory audit legislation. As a result, after 31 December 2020 a UK auditor who wants to audit entities incorporated in the Republic of Ireland will need to register as third country auditors under the process set out in Irish Law.

The Irish Auditing and Accounting Supervisory Authority (IAASA) has agreed a Memorandum of Understanding on Reciprocal Arrangements with the Financial Reporting Council (FRC), the UK competent authority. This agreement facilitates Ireland's ability to register UK statutory auditors as statutory auditors in the Republic of Ireland, through meeting the requirement in Irish Law that a third country auditor cannot be approved as a statutory auditor in Ireland unless reciprocal arrangements with that third country are in place.

The Companies Act 2014 sets out the requirements for approval as a third country auditor as a statutory auditor in Ireland if:

a. He or she passes an aptitude test on subjects relevant to statutory audit in the ROI, or can demonstrate sufficient knowledge of the same;

b. He or she holds an appropriate qualification;

c. He or she is of good repute; and

d. Reciprocal arrangements with the third country are in place which enable an Irish statutory auditor to carry out audits in that third country on fulfilment of requirements that are no more onerous than the requirements for the approval of third country auditors in Ireland.

For further information please visit the website of IAASA at www.iaasa.ie.

Source: www.iaasa.ie

Interim period extended for Covid-19 temporary amendments

The interim period of the Companies (Miscellaneous Provisions) (Covid-19) Act 2020 has been extended to 9 June 2021.
The Act makes temporary amendments to the Companies Act 2014 and the Industrial and Provident Societies Act 1893 to address issues arising as a result of COVID-19, for example the holding of virtual AGMs.

Source: www.gov.ie

Human Resources in 2021

by Caroline McEnery

2020 was a year that brought about much change, undoubtably in the economy, but also in practice. It tested HR professionals and managers to reactively manage their business and balance the risks of their decision making. We now need to regain our focus on the strategic direction of the business and HR management in 2021. To do so, there is still some juggling to do in navigating the Covid-19 vaccine roll out and the awareness of new EU Directives and Bill's pending which aim to change current practices. Whilst not all will be enacted in 2021 or in their current form, there are some important learnings for the preparation and strategic management of the HR function this year.

Covid-19 Vaccine

Many employers are now exploring the consideration of what vaccination looks like within their business and whether this is something they can legally enforce upon an employee.

At this point in time there are many legal matters to consider but ultimately enforcing that an employee gets the vaccine will expose the employer to risks.

Under Article 40.3 of the Constitution a person has an implied right to bodily integrity which has been recognized by the judiciary. Therefore, any Act or imposition by the Irish Government to suggest that mandatory vaccination was necessary may well be challenged and struck down as being unconstitutional. As a result, it's unlikely at this stage that vaccinations will be enforceable.

Transposing the above into the employment setting, employers are going to need to balance their obligations under the Safety Health and Welfare at Work Act 2005 – 2014 and the Employment Equality Act 1998. This is likely to involve updating risk assessments to consider the point that many people may be vaccinated but also some may decide not to. This may be as a result of preferences or on the grounds of religion or disability. Employers may gently encourage employees to get the vaccine but it likely that this will be the extent that an employer can proceed with before potentially exposing themselves to litigation.

Working from home (Covid-19) Bill 2020

This Bill has been initiated with the aim of providing employees working from home; the right to switch off from work-related electronic communications after or before the employees working hours, require employers to provide a workstation and a flat rate payment to meet the additional expenses of working from home due to Covid-19 and to provide an appropriate policy to communicate measures regarding the same.

Organisation of working time (Amendment) (Right to disconnect) Bill 2020

This Bill which is of similar intent to the above, aims to amend the Organisation of Working Time Act 1997. This will establish practices which allow an employee to disconnect from work-related emails, texts, and calls outside of their working hours. This Bill also proposes protection against penalisation if an employee does not respond to a work-related communication after their working hours.

EU Directive on work-life balance/family-friendly changes

Ireland is a step ahead of this proposed Directive in many ways however, the most significant impact of this Directive for Irish employers, will be the introduction of the right of parents and carers to request flexible working arrangements, such as:

a. Reduced working hours

b. Flexible working hours

c. Remote working options

EU Directive on transparent and predictable working conditions

The aim of this directive is to enhance the transparency of ordinary working conditions. It will improve the existing standard for contracts of employment provided under the Terms of Employment (Information) Act 1994 and it will supplement the Employment (Miscellaneous Provisions) 2018 Act.

The key important updates are as follows:

Terms of employment

At present an employee should be issued with their 'core' terms of employment within 5 days of their start date under the Miscellaneous Provisions Act 2018 and all other terms must be provided within 2 months.

However now, under the Directive employers will be obliged to provide the employee with the more extensive terms of their employment within 7 days from the commencement of their employment.

These terms are as follows:

a. The place of work; where there is no fixed place of work, the principle that the worker is employed at various places or is free to determine his or her place of work, and the registered place of business or, where appropriate, the domicile of the employer.

b. Either:

  i. the title, grade, nature or category of work for which the worker is employed or

  i. a brief specification or description of the work.

c. The duration and conditions of the probationary period.

d. The training entitlement provided by the employer.

e. The amount of paid leave to which the worker is entitled and the procedures for allocating and determining such leave.

f. The procedure to be observed by the employer and the worker when tendering notice of termination.

g. The identity of the social security institutions receiving the social contributions attached to the employment relationship and any protection relating to social security provided by the employer.

Probation

The Directive restricts a contract of employment from providing a probation period which exceeds 6-months. Additionally, in fixed term contracts, the employer must pay consideration to the proportionality of the probationary period, taking into account the expected duration of the contract and nature of the work involved. However, there is a provision to allow probation periods to be longer than 6-months provided that it is justified by the nature of employment or the interest of the worker.

Limitations on outside employment

An employer, under this Directive will no longer be able to prohibit the employee from taking up employment outside of their normal work schedule, nor can the employee be penalised for doing so, except where there are circumstances of incompatibility. This may arise in circumstances relating to; 'health and safety, the protection of business confidentiality, the integrity of the public service or the avoidance of conflicts of interests.

Minimum predictability on work

Article 10 of the Directive provides protection to unpredictable working where the working week is entirely or mostly unpredictable. The employee shall not be required to work unless the following conditions are met:

- The work takes place within predetermined reference hours and days referred to in the contract.
- The worker is informed of the work assignment within a reasonable notice period.

Where one or both of these conditions are not adhered to, the worker will have the right to refuse the work without any adverse consequences.

Work related training

Where training is provided for by the employer for work carried out by the employee, this should be provided free of cost, shall count as working time, and where possible, take place during working hours.

Equality (Miscellaneous Provisions) Bill 2021

This was initiated in January 2021 and it is therefore at very early stages in the Houses of the Oireachtas. As such, this Bill may or may not be enacted in its current form or at all. However, this Bill is interesting in that it aims to amend the Employment Equality Act 1998 and Equal Status Act 2000 by adding grounds for discrimination on the basis of someone's socio-economic disadvantage. By virtue of the interpretation of the Act, this means that any person who has a disadvantaged social status or economic status, or both, is protected against discrimination.

This may be indicated by their inclusion in socially or geographically identifiable groups who suffer from one or more of the following:

a. poverty,

b. source of income,

c. illiteracy,

d. level of education,

e. address, type of housing or homelessness,

f. employment status,

g. social or regional accent.

If this Bill is enacted, HR professionals and managers will need to update policies and undertake to update training for the team.

If you are an organisation based in the Republic of Ireland and require further information or advice relating to HR, please do not hesitate to contact our office on (066)7102887.

Caroline McEnery
Managing Director

Caroline is Managing Director of The HR Suite set up the Company in 2009. Its reputation has since established itself as one of the leading HR Consultancies in the Republic of Ireland.

Caroline a former member on the Low Pay Commission and a current Adjudicator with the WRC Caroline's background stemmed from a Masters in Human Resources in UL. Coupled with a chartered membership of the CIPD, a Mediator Qualification with the MII and her advocacy for female entrepreneurship participating as a lead mentor with the ACORNS programme Caroline speaks on a nationwide platform on the challenges and opportunities that present for Employers in Ireland.

Finance & Management News

Brexit supports

Following the departure of the UK from the EU, the Government has recently announced two further support schemes for small businesses and the agri-food sector as they deal with the impact of Brexit.

The Microfinance Ireland Brexit Business Loan offers loans of between €5,000 and €25,000 to eligible businesses to support them in dealing with the challenges posed by Brexit. An eligible business is:

- Any business (Sole Trader, Partnership or Limited Company) with less than 10 employees and annual turnover of up to €2 million;
- Any business unable to secure finance from a bank or commercial lending provider; and
- Where the business turnover is or potentially is impacted by a minimum of 15% OR the business has a short-term cashflow need as a result of Brexit.

An interest rate of 4.5% APR applies to loan applications submitted through your Local Enterprise Office (LEO) or 5.5% APR for direct applications through MFI. Loan terms range from 6 months to 3 years.

Separately, a new €100 million Capital Investment Scheme has been announced for the food processing sector. The purpose of the scheme is to strengthen and improve the resilience of primary food processing companies, through supporting long term transformative capital investment projects, and achieving higher value add by implementing new product and/or market diversification strategies.

The Scheme is open to Enterprise Ireland clients meeting the definition of a small and medium enterprise (SMEs) or large enterprises which are engaged in the processing and marketing of certain agricultural products. A maximum grant of €10 million per undertaking can be approved for funding under the first call and €12 million over the lifetime of the scheme.

Applications must be submitted via email to Enterprise Ireland (GA-CIS@enterprise-ireland.com), the first call opened to eligible companies on 3rd February 2021 and closes 15th April 2021. For further information on the scheme please visit the website of Enterprise Ireland www.enterprise-ireland.com.

New scheme announced to support the Tourism sector

The hospitality and tourism sector continues to be one of the sectors most adversely affected by the ongoing impact of Covid-19. Fáilte Ireland has recently announced details of a new €55 million tourism business continuity scheme, the purpose of which is to support tourism businesses that were ineligible for the Covid Restrictions Support Scheme (CRSS) payment or previous Fáilte Ireland continuity grant schemes.

Under the scheme an eligible business can apply for grant funding of between €3,750 and €200,000 to assist with fixed costs incurred in 2020 and to support them to continue operating through 2021, key eligibility criteria include:

- A 75% reduction in a business's average monthly turnover in the four-month period October 2020 to January 2021 when compared to the average monthly turnover for the period January to December 2019;
- The business must have a minimum annual turnover of €50,000;
- The business must not be eligible for the CRSS or for funding through the Fáilte Ireland Coach Tourism Business Continuity Scheme or Ireland Based Inbound Agents Business Continuity Scheme; and
- Must not be in public ownership nor manage or operate a tourism asset on behalf of a public body.

Applications are now open and can be made online though the Fáilte Ireland online trade portal.

For further information please visit www.fáilteireland.ie.

Leadership Insight

by Mark Edmondson

Mark Edmondson
President & CEO, Inflo

Meet Mark Edmondson, Inflo President & CEO - Evolving accounting firms with next-generation technology.

Please provide a brief history of your career.

I've spent my career developing technology that empowers accounting firms to wield a strategic advantage by enhancing their client service delivery. Having started on PwC's fast-track program, I earned my stripes as a practicing accountant at the Big Four firm, leading audit and consulting engagements as well as developing new technology and methodologies.

As a specialist in the use of technology within the accounting profession, I founded Inflo to make a difference, more broadly identifying the opportunity to revolutionise the world of accounting with next-generation software that gives firms outside the Big Four access to the latest software capabilities.

I also regularly share my expertise on how technology is going to shape the future of the accounting profession as a keynote speaker at national and international conferences. I believe my subject matter expertise gives me a unique perspective on accounting while my team at Inflo works closely with organisations around the world to deliver market-leading innovations, leveraging emerging technologies such as advanced data analytics, process mining, robotic process automation and artificial intelligence.

I also play a role in a number of change initiatives around the world, for example working with the IAASB regarding technology and new standards for less complex entities, the ICAEW to evolve their learning and education pathways and the AICPA to advance data standards.

What were the biggest challenges when setting up Inflo and how did you overcome these challenges?

The biggest overriding challenge was trying to create change and bring new ideas and concepts into a profession that had been fairly static, and not accustomed to innovative, cutting edge, fast paced technology. There was also the challenge of trying to demonstrate the benefit of change and the opportunity of coming out of the other side as an industry leader.

Change can be difficult, but it's crucial to ensure continued success. With technology continuing to make such an impact on the accounting profession, firms face a significant shift. Therefore, the technology solution that firms adopt will need to position them on the best possible path for the future, providing short term success but long-term flexibility.

As such we tailored our approach to overcome these challenges. By breaking down what we were doing as an overall concept into bite-sized pieces, firms could focus on implementing a smaller piece of the overall solution and build up the confidence and skill set that they needed their teams to have.

As accountants ourselves, we knew first-hand the challenges and how to work together to address these concerns by focusing on the longer-term impact and value that Inflo could bring.

The technology combined with the support and service that we offered firms, made the journey far more of a partnership and a mutual effort rather than a traditional vendor/supplier type of relationship.

You regularly speak at international conferences around how technology is going to shape the future of accounting. Can you give us more insight into how technology will change the future of accounting firms?

Technology will change the perception of accounting firms and their capabilities. There is going to be a migratory shift driven by technology, with everyone acknowledging that technology is going to automate some of the more routine, mechanical, compliance aspects of what accounting firms currently do.

However, a lot of the time we are talking about bookkeeping services, payroll, invoicing – the administrative tasks. But a distinction is needed between low-complexity compliance such as bookkeeping, versus complex compliance such as external audit. For the audit, there is going to be progression through using technology in terms of what the audit delivers as an output and what an audit represents. The concept of assurance will also greatly expand, from the traditional audit of financial statements to providing assurance over non-financial and operational risks. Things like an organisation's sustainability information.

Ultimately though, one of the things that such a transition is dependent upon is the access to data, the availability of data and the use of data. What we've seen is that the accounting profession is becoming far more informed and firms are using data in new and different ways. First and foremost, they can use it quite simply to do their current engagements better and to deliver more value to their clients so their audit can be more insightful, or their tax engagement can be more proactive.

Firms are wielding this as a competitive advantage – we've seen some firms going into tender situations and doing demonstrations of what their technology can do. Some are even going as far as getting data from their prospect to say: "this is what we can do, and this is how we can leverage technology to give you a new way of working".

Last year, we hosted an ICAEW webinar whereby participants were asked: how frequently is your firm using data analytics within your accounting services? 56% said that they often use data analytics but 44% said rarely which reflects where the profession is currently and where the opportunity lies in enhanced use of data analytics.

In late 2020, Inflo presented its vision for the Digital Accounting Platform, showing how auditors can leverage emerging technologies to deliver the Digital Audit.

This centred on the new development of workpapers documentation and audit methodology to drive an innovative and modern approach to auditing. A truly data driven audit approach.

What would you recommend accountants do first on their road to digitisation?

To thrive going forward, firms need to adopt a growth mindset. That means while things might come easier to some than others, everyone can learn and improve. Any firm that doesn't believe its staff are capable of adapting to changes to the way they perform their roles is going to struggle to execute a successful digital transformation.

The first thing accountants should do is really take stock. Understand exactly where they are and what their current processes look like, what their biggest pain points are and how staff in the firm feel about the way the processes are currently working.

Engaging a lot of people in that process is key - understanding not just how senior people feel, but also the junior people. The benefit of this approach isn't just the collection of challenges, but culturally this achieves far greater buy in from their team and ownership in the change process that comes as a result. When you start to have conversations around transformation, the team feel an accountability to solve those problems by implementing new techniques.

You should initially focus on some quick wins – changes which will have a lower impact but are easy to make and have a low risk of failure. Because even small successes put a feather in the cap and give those leading the transformation initiative the support and licence to continue their work and advance to bigger ticket items. Failure is ok but failing on something big as your first change will risk losing support for future change.

Taking digitisation concepts one step further, I see this typically fitting into three different approaches, each of which play an important role in an organisation's journey towards digitising its services.

The first approach is enhancing the work that you currently do, and this is really around identifying aspects of a service that you currently deliver that could be digitised or automated. There are lots of examples in any accounting firm of any size of things that are being done that could be digitised or automated.

The second approach is elevating, which is about using different techniques to achieve the same outcomes. So rather than automating the existing method of doing something, coming up with an alternative way of achieving the same results.

And finally, the third approach is around transforming, which is reimagining what you could do and how you could do it through leveraging digital technologies. For example, creating a whole new service offering e.g., a new advisory service, by leveraging the technologies that are available or could be developed.

At the moment, most firms would probably be focused very much on enhancing and really trying to find ways of digitising their existing way of performing services. However, it's very important as you're starting to think more broadly about digitisation, to work out how you are investing your time and effort, as it changes the way that you approach the digitisation and innovation that you are looking to achieve.

What has been the biggest challenge in encouraging accountants to make such big changes to their business?

The biggest challenge is conveying to accountants that a far greater use of technology in their processes and the involvement of third-party applications is going to be beneficial in the overall relationship that they have with their client.

Take Covid-19 for example, globally we have seen firms adapt quickly to the changes this pandemic has presented. For some, the move to digital has been challenging while others have been agile enough to adapt. But the unprecedented scale and speed of the situation has been without a doubt difficult.

We know firms that have gone through the process of making changes are not just surprised, but beyond satisfied that they know their clients are actually getting an incredible increase in value and see it as being a far more collaborative process.

What do you think is the biggest challenge accountants face today?

The biggest issue facing the profession is relevance.

In a digital world, macro level issues such as trust, privacy and the availability of data are challenging the fundamentals of established professions.

The biggest issue for the accounting software market is how technology can augment the accounting profession of today, to become the accounting profession of tomorrow.

That evolution must centre around two core principles:

1. Modernisation of traditional accounting services to respond to the change in stakeholder needs, and
2. Creating new services to meet new stakeholder needs.

This includes traditional services such as external audit, where reviews in the UK and overseas have highlighted the disconnect between the services currently delivered and the expectations of those outside the profession.

New services, including cyber security, environmental impact, and disaster recovery planning, also point to opportunities for accountants to apply their skills in new ways.

To meet this challenge, accounting firms must embrace two key concepts:

1. Leveraging technology to automate and elevate their work, and
2. Developing new skills in their future workforce.

We are helping the profession overcome these challenges through development of the latest and greatest technologies. With ICAEW students using Inflo in their ACA exams starting in March 2021, we are embedding these technologies into the education of future accountants joining the profession.

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

Accountants acquire a far broader skill set than people immediately imagine. People can stereotype accountants as bean counters, yet a lot of the skills accountants in practice and business acquire have far broader applicability.

These skill sets and core competencies don't have to be applied in a traditional and preconceived way. Taking myself as an example, I'm a chartered accountant, but I don't spend a lot of my time looking at numbers on a day-to-day basis. I've taken the skills and experience that I've gained working in an accounting practice and turned them into a totally different role. These skills remain very relevant to what I do, but if somebody looked at my current role, I don't think that they would deem me to be an accountant.

Have you been able to step away from challenges the last number of months have brought and unwind?

During my career, I have become better at identifying when I'm close to work fatigue to avoid "hitting the wall". Because of this I took time over Christmas and some time over the summer to step away and switch off.

Even though we were in lockdown and couldn't really do anything, I found time to step away from the business to go and recharge my batteries. This helped me come back refreshed and reinvigorated. It also empowered my team, giving them plenty of opportunities to step out of their comfort zone and work on new things.

It's very important that people take time out to unwind, otherwise you end up with a tired workforce. That's not good for either the individual or the business. Christmas is the only time of the year nowadays where emails are not pinging, so I would advocate only working in that period if it's absolutely necessary.

But more generally, it's about understanding your own way of working effectively. Knowing when you are going to be at a far lower ebb unless you step away. At Inflo we give our people the tools, time, and space to get the job done but trust them to know how it needs doing. We find that's when our teams produce their best work.

As part of his CEO blog, Mark recently wrote a piece on 'What auditors can look forward to in 2021'. A great read for anyone in the accounting profession, it provides insight on some key global initiatives.

Irish exporters continue to meet challenges with resilience and vigour

by Simon McKeever

I have served as CEO of the Irish Exporters Association (IEA) since 2013 and what I have noticed is that Irish exporters, importers and supply chain actors, continually meet challenges head on and work with the changed trading arrangements that these challenges bring.

Brexit was always going to be a huge challenge for the Irish business community. Altering the historic trading relationship between Ireland and our nearest neighbour was never going to be smooth and there was going to be bumps in the road. By leaving the EU's Customs Union and Single Market, mandatory checks have to take place on goods moving from, to, or through Great Britain. Irish businesses prepared for the changes however fundamental issues remain, such as a national customs skills gap. Unfortunately, the level of preparedness in the UK is not at the same level and this has caused further issues with trade flows.

Key points:

Our main communication point to our members in the run up to the various Brexit deadlines was that trade deal or no trade deal, trade flows to and from Great Britain were never going to flow as seamlessly as it once did, and exporters needed to get up to speed on those changes and how to address them from 1st January of this year. Leaving the EU's Customs Union and Single Market means that various layers of "red tape" such as customs documentation and formalities applies, and the nature of these formalities means that disruption is inevitable. While membership of the EU's customs union removes the requirement to process customs documentation, lying outside of this framework means that customs implications are necessary, and their very nature slows down trade flows.

Traders that export and import to non-EU countries will be au fait with the rules, however given the volume of goods that move from this island to Britain the degree of disruption is magnified.

In terms of customs, there are underlining issues contributing to delays in customs clearance that are inevitably delaying the flow of goods. The lack of preparedness in the UK on customs procedures is a huge contributing factor to delays, which I will get into in more detail but there is a customs skills gap in Ireland that needs to be swiftly addressed. Some companies have opted to bring customs expertise 'in-house' by training up a member of staff to deal with the paperwork, while others have arranged for a dedicated customs agent to carry out procedures. No matter which option has been chosen, I think that businesses are overwhelmed by the volume of documentation that must be filled out and customs agents are in high demand due to the national skills gap.

I have urged IEA members to avail of Government supports in this space, which includes free Clear Customs training by Skillnet Ireland and the Ready for Customs Grant by Enterprise Ireland which provides companies with financial assistance to cover the costs of taking on customs clearance staff, the deadline to apply for this grant is 31st March. We also run a number of customs courses for IEA members and non-members.

Many Irish goods that enter Britain are destined for continental Europe and therefore transiting the UK landbridge has been favoured by hauliers given that it was the quickest route to market, which is particularly important for time sensitive goods such as pharmaceutical products. In 2018, the Irish Maritime Development Office (IMDO)[1] published a report The implications of Brexit on the Use of the Landbridge, which highlighted that transit time took 20 hours from leaving Ireland to arriving into the continent and estimated that the "volume of goods transported via the landbridge is 3,055,553 tonnes, which consists of 1,031,384 tonnes of imports and 2,024,169 tonnes of exports." The report confirmed the strategic importance of using the landbridge and stressed that certain sectors would be "adversely affected by any deterioration in transit times or increases in costs."

It was anticipated that the reintroduction of customs controls would impact landbridge transit times and therefore we have seen a steady opening up of direct shipping routes to the continent. Our members have been availing of direct shipping routes, where demand is outstripping supply. Members have commented that the opening of direct routes is a positive move, however concerns have been raised about the increase in costs associated with using such a mode of transport and how this may impact business models in the medium to long term. Some members have been re-trailing the landbridge to compare it to shipping routes.

1 IMDO (2018) The implications of Brexit on the Use of the Landbridge: https://www.imdo.ie/Home/site-area/news-events/implications-brexit-use-landbridge

We believe that the real impact of Brexit on trade flows has not yet been fully realised, given that a stockpiling took place in advance of the end of the transition period. We are working closely with members through bespoke assists and our five regional network groups (Dublin, Border-Midlands, Southern, South-Eastern and Western) to keep in regular contact and assist where we can through our membership and Government and EU networks.

What has become very apparent is the lack of preparedness in the UK for the end of the transition period and as a result this has had a knock-on effect on supply chains here. Seamus Leheny, Northern Ireland Policy Manager for Logistics UK, during a recent interview with RTÉ News[2], commented that businesses in Northern Ireland had no transition period and are "learning on the job", which is consistent with the feedback that we have been receiving from IEA members. We are engaging with department officials at home and in the UK to raise and solve issues that our members are experiencing.

We recently held a webinar with officials from the Revenue Commissioners and HM Revenue and Customs to ensure the members can ask their questions to the right people. As a key interlocutor in the supply chain, we will continue to hold webinars that are of benefit to exporters, importers and supply chain actors to assist them through the challenges that Brexit poses.

Conclusion:

Trade actors are adapting to the changed trading arrangements that we now have with the UK and I don't believe that any easing of customs formalities will be brought in. By leaving the EU Customs Union and Single Market, changes to how we trade with the UK were inevitable and we are now realising them. There is a wide body of resources for businesses to refer to, we have developed a Supporting IE – UK page on our website, where we collate useful and relevant information from the Irish Government, UK Government, and the EU.

Looking to the future, Ireland is, and will remain, a hugely attractive place to do business and a gateway to the European Union, particularly as a geographical bridge between the US and the EU, which is of particular importance given the change of administration in the US. I believe that in time, we will see and capitalise on opportunities arising from the UK's exit from the EU, which may be difficult to see at the moment given new formalities and efforts to curb the spread of Covid-19.

We will continue to support and guide our members through the various global trade developments and ensure that they are informed and ready for changes coming down the line.

Simon McKeever
IEA CEO

Simon is the Chief Executive of the Irish Exporters Association (IEA). The IEA is the leading representative body for exporters based in Ireland and offers a suite of services including Government & EU representation, bespoke assists, networking opportunities and suite of relevant training programmes.
Visit www.irishexporters.ie

2 RTÉ News at One (05/02/2021): https://www.rte.ie/player/series/rt%C3%A9-news-one-o-clock/SI0000001471?epguid=IH000397859

Compliance
in the Time of a Pandemic

by Hugh Jones

As we approach the first anniversary of the Covid-19 pandemic (remember the heady days of pre-Covid travel, socialising, shopping, etc.?), we are running out of superlatives and descriptions to take account of the singular impact the virus has had on our lives.

Extra-ordinary, worrying, devastating, insidious, sinister, once-in-a-generation event, a 'perfect storm'. None of them do justice to the upheaval and upset we are experiencing, worried for our own and our family members' health, employment, business survival, milestone events like weddings, family gatherings, festivals and conferences. All turned on their head.

Data Protection compliance must appear well down the list of priorities for those who are struggling with the real threat of personal illness, unemployment, business failure, extended school closures, cancelled state exams and concern for elderly or vulnerable family members. And so it should.

There are more than enough sources of information available providing guidance on good practice for handwashing, social distancing and voluntary self-isolation. There is no need to repeat that guidance here, and I won't. However, if an anniversary re-cap is required, we recommend:

The HSE's Health Protection Surveillance Centre:

https://www.hpsc.ie/a-z/respiratory/coronavirus/novelcoronavirus/ and, naturally,

The Data Protection Commission (DPC) regarding general data management:

Data Protection and COVID-19 | 06/03/2020 | Data Protection Commission and

DPC Guidance with regard to working from home:

https://dataprotection.ie/en/protecting-personal-data-when-working-remotely-0

But despite the difficulties posed by these extra-ordinary times, life goes on. Indeed, the very principles on which the GDPR is based act as a quick-reference guide for the kind of habits and behaviours we have had to adopt in recent months.

Improvise, Adapt, Overcome

At a time when we might have been inclined to set all structures aside in the interests of survival, we were encouraged to adopt a reasonable and measured approach to this crisis – consider the privacy and concerns of others, no need for excessive or dramatic responses, no requirement for unnecessary or pointless measures.

It is a measure of current technology that with relatively little disruption, most service sectors have been able to transition to a wholly or predominantly online model quite quickly. With all due respect to the retail, entertainment and cultural sectors which have been so heavily impacted, the ability of a sizeable proportion of the workforce to continue working away from their traditional workplace provided some level of stability, sanity and continuity at a time when long-established models of work were falling apart.

But the transition to working from home brought its challenges.

It is not a new area, as self-employed individuals have been doing so for years, but the sheer volume of workers dispatched to their kitchen tables in such a short period of time was unprecedented. These temporary and interim working environments were less secure, less discrete, lacked supportive colleagues, lacked file storage facilities, are occasionally vulnerable to interruption and intrusion, etc. The cyber-security industry noted a substantial and sudden increase in scams, hacking and ransomware attacks on this home-working population. Traditional governance and monitoring models were also challenged. How to ensure security, but also to measure productivity, attendance, compliance or contribution to the 'bottom line' when the team is dispersed, out of sight if not out of mind?

Organisations have had to exercise discipline and constraint in avoiding the temptation to 'hoover up' additional information that might be available from other sources, however – social media activity, vehicle trackers, 'always on' video-cams and mandatory Zoom calls simply to verify that everyone was up, dressed, working, engaged in the 'day job'.

Added to this, all indications point to the adoption of a form of 'working from home' even after normal service is resumed and employees can once more commute, interact and travel. So, the measures, policies and protocols being refined and adapted during the past months are likely to become a longer-term fixture in our day-to-day activities and policies.

With approximately one in three employees in the UK, Ireland and the US now working exclusively from home, it is sobering to note from recent reports that fewer than one in five has received any form of training on cyber-security or prevention of ransomware or phishing attacks.

As a further indication of the issues confronting employers, over 65% of staff surveyed admitted that where they print work-related material at home, they simply discard the material in the household rubbish bin when it is no longer needed – shredding is not an option available to them at home. The dividend of this is that we are likely to see a steady increase in data breaches in the coming months.

Further, the enforced absence from the workplace means that stored files are less accessible, leading to a substantial delay in responding to requests for individual Data Subject rights. Even where the 60-day extension is available, many organisations have failed to meet their response obligations, leading to further ire among their customers or subscribers.

Many organisations were simply overwhelmed by the rush to dispatch staff to their 'home office' in the early stages of the pandemic and are only recently playing catch up by issuing company devices such as secure laptops, phones and VPN access. In the interim, much correspondence was conducted from personal e-mail or social media accounts using home computers which have nothing like the same security controls and protections as a work device.

From a GDPR perspective, the old adage continues to apply: "Just because you can does not mean that you should". The Regulation requires compliance with principles of proportionality and necessity, resisting the deployment of certain technology on the grounds that it is unnecessarily intrusive and excessive in the personal data being captured, even while the software can be deployed relatively inexpensively and easily.

In other words, just because data is technically available does not mean that its use is lawful or permissible. The compliance challenge has been an additional burden over the past few months. Not only is the employer eager to protect the security and integrity of the data and ensure that business continues to be done, but the eagerly-awaited opportunity for staff to return to the workplace introduced a further set of dilemmas.

As staff began to return to their workplace, employers were naturally concerned for their welfare as well as that of their colleagues. Questionnaires were drafted, criteria were set, Government guidelines were issued and, as ever, more and more data was gathered, reviewed, analysed and stored. With the best of intentions, employers were again exceeding their remit, seeking information on temperature, symptoms, the health of family members, close contacts and facial scans.

Here again, the criteria of necessity and proportionality were most helpful – what is an adequate level of information to be able to decide on a colleague's return to work, and what responses would be a sufficient indicator of risk to merit self-quarantine and enforced isolation.

The GDPR is the employer's friend

Throughout all of these challenges, the GDPR has served to offer accessible, practical criteria against which key decisions can be made.

Principle 1: Obligations of fairness and transparency required employers to provide clear, visible notice with regard to changes in work practices, adoption of extra-ordinary policies to accommodate working from home, explanation of Government guidance in relation to furlough, pandemic payments, suspension of business, capture of health information and, in many cases, disclosure of such data for contact tracing and occupational health.

Principle 2: Specified Purpose and Principle 3: Minimisation enabled organisations to find an appropriate justification for the processing of personal data during these unusual times and (equally importantly) knowing where to draw the line and avoid excessive data gathering and breaches of privacy.

Principle 4: Accuracy drives organisations to consider the level and quality of data required for the various purposes to which it is used, as well as the mechanisms being used to gather the data in the first place. It also provided a timely defence against the plethora of 'snake-oil' peddlers who came out of the woodwork, offering all manner of improbable (and unlawful) solutions to gather staff data, often without their knowledge. GPS trackers, key-stroke monitors, remote camera deployment and facial temperature scanners were all promoted at one time or another, offering dubious claims of new technology and innovation but mostly proving unreliable and inaccurate.

Principle 5: Retention will challenge organisations to consider how long they can lawfully retain information in relation to an employee's or visitor's Covid19 questionnaire responses – the Regulation says 'only for as long as necessary' – here again, the disciplined response will be to delete and remove the data as soon as its health and employee welfare purposes have been served.

Principle 6: Security and Integrity has been the big talking point throughout the pandemic – coming to terms with the changes in circumstances during the 'working from home' phase, minimising the risk by reducing the volume of data in circulation, educating staff to consider their surroundings, manage the data appropriately, exercise caution when conducting confidential client meetings at the kitchen table where housemates might be listening in, etc.

Throughout all of this, the obligations of **Principle 7: Accountability and Responsibility** have not gone away, nor have they been suspended. Despite all of the distractions and upset, life and law have continued their march – we have had the Brexit transition, the Schrems II decision of the Court of Justice of the European Union (CJEU), the de-commissioning of Privacy Shield, the Brexit tension and the six-month Brexit extension (not to mention the odd election, attempted coup and cancelled Olympics).

Compliance with other legislation

Data Protection is not the only regulation being called into play these days – many other obligations and responsibilities apply – employment law, health and safety considerations, contract responsibilities with regard to service delivery and force majeure, social welfare, labour relations and equality legislation will all come under scrutiny as we continue to react and respond to the many difficulties posed by this insidious, spiky disrupter.

And yet it is these rules and obligations which will give us the standards, the measure and the lawful basis on which to make the decisions we need to make at a time when normality has been turned on its head.

Where possible, staff working from home should be advised about the appropriate number to call for IT or Data Protection support, particularly where they feel a breach may have occurred or that they may have been subject to a phishing or ransomware attack.

Employers should seek out online training which colleagues can complete from the comfort of home, raising awareness about security, data governance, recognition of unlawful scams, data management best practice and appropriate disposal of paper and electronic records. Some practical training regarding the domestic working environment and the appropriate tools to use for video conferencing, etc., will also go a long way towards protecting the organisation's interests.

Lastly, this crisis has presented an ever-changing landscape about which we are learning daily – we can only encourage people to heed responsible sources of news and healthcare, and to follow the guidance issued in the best interests of us all.

If we can be of any further support or assistance, please don't hesitate to contact Privacy Engine (formerly Sytorus) at info@PrivacyEngine.io.

Hugh Jones
Founder

Hugh Jones is a founder of Sytorus/Privacy Engine and a senior DP consultant with experience in the Irish, UK and international privacy sector.

Taxation News

New VAT eCommerce Rules

From 1 July 2021, the EU will introduce new VAT e-commerce rules to ensure fair competition for EU businesses and reduce the VAT losses resulting from the importation of low value consignments (goods with a value not exceeding €22) from third countries.

The new VAT e-commerce rules aim to increase the compliance of e-commerce stakeholders by simplifying the collection of import VAT when consumers buy goods online. They introduce new obligations for marketplaces and platforms facilitating the online supply of goods regarding distance sales of goods imported from third countries or third territories in consignments of an intrinsic value not exceeding €150.

Source: www.ec.europa.eu

VAT – Postponed Accounting

Following the end of the transition period on 31 December 2020, the UK left the EU VAT regime, Customs Union and Single Market, becoming a third country subject to Customs requirements and taxation at the point of importation.

As a result, Postponed Accounting arrangements have been introduced to alleviate cash flow issues which could arise following the departure of the UK from the EU. Under the postponed method of accounting for VAT a business rather than pay import VAT upfront at the time of importation can elect to self-account for VAT on imports on their next VAT return.

Postponed Accounting does not apply to goods purchased from Northern Ireland. These purchases are treated as EU intra-community acquisitions.

Both the Form VAT 3 and the VAT Return of Trading Details (RTD) have been amended to include additional fields to capture the value of goods imported under Postponed Accounting and apply to all VAT periods or accounting periods commencing from 1st January 2021.

For further information please refer to the new Tax and Duty Manual – Vat – Postponed Accounting.

Source: www.revenue.ie

Revenue Publishes headline results for 2020

The Revenue Commissioners have published preliminary results for 2020 including information in relation to Revenue's delivery of critical supports for individuals, employers and other businesses impacted by Covid-19 and information on Revenue's support to businesses in preparing for Brexit.

Overall compliance rates for 2020 were only marginally down on 2019 with Revenue acknowledging the part that both taxpayers and tax practitioners played in ensuring a continued culture of string voluntary compliance.

During 2020 over 378,500 compliance interventions were completed yielding over €484 million (2019: 394,000 compliance interventions; yield €545 million). For further information and to access the preliminary results please visit www.revenue.ie.

Source: www.revenue.ie

Finance Act 2020

by Jane O'Hanlon

Finance Act 2020 ("the Act") was signed into law by the President on 19 December 2020. I have set out below some of the changes introduced by the Act. I have not included all of the changes, but instead I have concentrated on those which are most relevant for a wider audience. Also, I have not covered the changes to CRSS/EWSS which have been dealt with extensively in other commentary.

Business Measures

Capital Allowances - Energy Efficient Equipment

Capital allowances of 100%, instead of the usual 12.5%, of expenditure on certain energy efficient equipment may be claimed in the year in which the expenditure is incurred. The period during which expenditure must be incurred to qualify for 100% allowances has been extended to 31 December 2023.

Professional Services Withholding Tax ("PSWT")

Government departments, state bodies, local authorities and the HSE are required to deduct tax at the standard rate (20%) from payments made for certain professional services. The recipient is entitled to a tax credit for the tax withheld or where certain conditions are satisfied, may make a claim for an interim refund of tax withheld.

The Act contains provisions for the payor to submit a payment notification to Revenue electronically each time a payment is made from which PSWT is deducted. In addition, provision is made for all PSWT returns to be filed electronically. These measures will only come into effect on the issue of a Commencement Order.

Companies

Intangible Assets

Capital allowances may be claimed in respect of capital expenditure incurred by companies on certain intangible assets ("specified intangible assets"). Unlike other assets, there is no balancing charge (i.e. clawback of allowances) where the asset is sold after 5 years. The Act removes the exemption from a balancing charge for expenditure incurred on intangible assets on or after 14 October 2020.

Knowledge Development Box

Finance Act 2015 introduced a Knowledge Development Box ("KDB") regime in Ireland. Under the regime, only 50% of "qualifying profits" from certain intellectual property are liable to corporation tax resulting in an effective 6.25% rate of tax on such profits. The regime was due to expire at the end of 2020 but has been extended by the Act to accounting periods which commence before 1 January 2023.

Share Awards

Employers are required to file a return with Revenue in respect of shares awarded to employees. The requirement to file a return has been extended by the Act to share awards given in the form of a cash equivalent or to where a discount on shares is given. In addition, returns are now required to be filed electronically.

Farming

Farm Safety Equipment - Accelerated Capital Allowances

Like any other business, farmers are entitled to claim capital allowances of 12.5% per annum of the cost of farm equipment. The Act provides that

capital allowances may be claimed at 50% per annum on certain farm safety equipment which is set out in the legislation. The equipment which qualifies for the increased rate of capital allowances include items such as chemical storage cabinets fitted with locking devices and vented to prevent build-up of fumes; animal anti-backing gates and adaptive equipment such as access lifts or hoists to facilitate farmers with disabilities.

To qualify for the accelerated rate of capital allowances, the farmer must apply to the Minister for Agriculture, for a certificate confirming that the equipment acquired by the farmer is qualifying equipment.

The maximum cumulative expenditure which qualifies for relief is €5m. However, the aggregate amount of tax relief obtained by any person under the scheme cannot exceed €500,000. In practice this means that only farming companies, which only pay tax at 12.5%, can qualify for relief on expenditure of up to the maximum amount. For an individual farmer who pays tax at the top rate of 55% the maximum expenditure which will qualify for relief will be circa €1.2m.

The relief is only available to SMEs.

The new provisions will apply to expenditure incurred in the period 1 January 2021 to 31 December 2023 but will not come into effect until the issue of a Commencement Order.

Financial Services

Encashment Tax

Persons entrusted with the payment of dividends out of public revenue (i.e. government interest or dividends and foreign public authorities) and dividends of a non-resident body are required to withhold encashment tax from payments made. Encashment tax was deductible at the standard rate of income tax, 20%. With effect from 1 January 2021 encashment tax was increased to 25% to bring it into line with the rate of dividend withholding tax.

The Act also provides for an exemption from encashment tax for payments to companies within the charge to corporation tax on the amount received. This provision will not come into effect until the issue of a Commencement Order.

Reporting of Credit and Debit Card Payments

The Act contains provisions whereby the Revenue may, with the consent of the Minister for Finance, issue regulations which will require credit and debit card payment providers to make returns of cross border payment card transactions. The latter are any payments made using a debit or credit card where the recipient of the payment is located outside the State.

Personal Taxation

Income Tax Rates and Credits

No changes have been made to the standard rates of tax or to the standard rate tax bands.

The earned income credit, which may be claimed by self-employed and proprietary directors who are not entitled to the employee tax credit, has been increased from €1,500 to €1,650 for 2020 and subsequent tax years and is now the same as the employee tax credit.

The dependent relative tax credit has been increased from €70 to €245 for 2021 and subsequent tax years. An individual who maintains an elderly or incapacitated relative, a widowed parent, or a child who is required to live with them because of the individual's age or incapacity, is entitled to claim this credit. The person in respect of whom the credit is claimed must not have income exceeding a specified limit.

There have been no other changes to tax credits.

Universal Social Charge

No changes were made to the USC rates. The band within which USC is paid at 2% has been widened by €610 with a corresponding reduction in the 4.5% band. This change has been made to ensure that individuals who receive a pay increase due to the increase in the National Minimum Wage from 1 January 2021 do not pay USC at a rate higher than 2%.

The relief whereby individuals under 70 with income not exceeding €60,000 who have a full medical card pay USC at a maximum rate of 2% has been extended up until the end of 2022.

Help to Buy Scheme

The Help to Buy scheme provides assistance to first time purchasers buying or building a dwelling. Under the scheme individuals who have not previously purchased or built a dwelling can claim a rebate of income tax and DIRT paid for the four previous years. The rebate which may be claimed is the lesser of:

- €20,000,
- The amount of income tax (i.e. not USC or PRSI) and DIRT paid by the individual for the four preceding years; or
- 5% of the "purchase value" of the qualifying dwelling. The purchase value of a dwelling is the price paid or in the case of a self-build, the mortgage provider's valuation of the dwelling.

The rebate does not apply where the cost/valuation of the dwelling exceeds €500,000.

As part of Government's July Jobs Stimulus plan, temporary enhancements to the Help to Buy scheme were introduced for the period 23 July to 31 December 2020. For this period, the rebate claimable was increased to the lesser of:

- €30,000
- The amount of income tax and DIRT paid by the individual for the four preceding years; or
- 10% of the "purchase value" of the qualifying dwelling.

The Act has extended the period during which the enhanced rebate may be claimed to the end of 2021.

Capital Acquisitions Tax

Rates and Thresholds

There has been no change to the rate of capital acquisitions tax (33%) or to the tax-free thresholds which apply to gifts or inheritances from persons other than a parent.

Requirement to File a Return

A person was required to file a capital acquisitions tax return only if required to do so by Revenue or where the cumulative value of gifts received from persons to whom the same tax-free threshold applies*, exceeds 80% of the relevant tax-free threshold in question. The Act extends the requirement to file a return to:

- Gifts of agricultural property; or
- Gifts of business property which qualifies for business relief.

*For example, a tax-free threshold of €335,000 applies to gifts or inheritances from a parent. A capital acquisitions tax return must be filed when a child has received cumulative taxable gifts or inheritances of €268,000 from their parents.

Capital Gains Tax ("CGT")

Revised Entrepreneur Relief

A 10% rate of CGT applies for gains (up to a cumulative amount of €1m) on disposals of certain business assets and shares in certain companies. One of the conditions which must be satisfied is that the individual must have owned at least 5% of the ordinary share capital for a continuous period of at least 3 years in the 5 years prior to the disposal. The Act amends this provision so that the relief can apply where the individual has held the shares for a continuous period of at least 3 years at any time prior to the disposal. The new provision applies to disposals on or after 1 January 2021.

Anti-Avoidance

A debt is an asset for CGT purposes and the repayment of the debt is a disposal of an asset. Where however a debt is repaid to the original creditor no chargeable gain arises for CGT purposes. Foreign currency in a bank account is a debt owing to the customer by the bank. The conversion of foreign currency would constitute the disposal of a debt which would potentially be exempt from CGT under this provision. Accordingly, to ensure that gains arising on currency speculation are not exempt from CGT, legislation provides that the exemption does not apply to the disposal of foreign currency in a bank account.

The Act amends this anti-avoidance measure further to provide that no chargeable gain or allowable loss will arise for CGT purposes where foreign currency is transferred by a person from one bank account to another. This is to ensure that no chargeable gain or allowable loss will arise for CGT purposes where no actual gain or loss has arisen.

Stamp Duty

Farm Consolidation Relief

Where a disposal of land qualifies for a "Farm Restructuring Certificate" * for capital gains tax farm consolidation relief, a 1% rate of stamp duty applies to the transfer instead of the normal 7.5%. This relief was due to expire at the end of 2020 but has been extended by the Act to the end of 2022.

*A Farm Restructuring Certificate is a certificate issued by Teagasc certifying that the sale or exchange of land in question has been undertaken for farm restructuring purposes.

Stamp Duty Refund for Residential Land

There is a stamp duty refund scheme in respect of a purchase of land which is subsequently developed for residential purposes. Under the scheme a claim may be made for a refund of 11/15ths of the stamp duty paid at 7.5% (or 2/3rds where stamp duty at 6% was paid on the acquisition). A claim for a repayment can be made provided construction operations commence within 30 months of the acquisition of the land and are completed within 2 years. Prior to the Act the relief would only apply if construction commenced before 1 January 2022.

The Act extends the period within which the construction must be completed to qualify for the refund, from 2 years to 30 months and extends the final cut-off date within which construction operations must commence for a further year to 1 January 2023.

Consanguinity Relief

In the past the rate of stamp duty applicable to transfers between relatives was reduced to 50% the normal rate. This general relief was abolished for transfers other than transfers of farmland. With effect from 1 January 2015 stamp duty has continued to be payable at 1% on transfers of farmland between relatives where the following conditions are satisfied:

- The transferee is an individual who farms the land or who leases it for at least 6 years to someone who farms the land.
- The transferee/lessee who farms the land must hold certain agricultural qualifications or must spend not less than 50% of their normal working time farming land (including the land transferred to him), and
- The land must be farmed on a commercial basis.

The relief was due to expire at the end of 2020 but has been extended to transfers which take place before 1 January 2024.

VAT

Changes in VAT Rates

Reduction in VAT rate for tourism and hospitality sectors

For the period 1 November 2020 to 31 December 2021 the rate of VAT applicable to the tourism and hospitality sectors has been reduced from 13.5% to 9%. The reduced rate will apply to the following for this period:

- Restaurant and catering services and food supplied via vending machines (excluding alcohol and soft drinks).
- Take away food.
- Printed matter such as brochures, maps, catalogues (the 9% rate already applies to newspapers).
- Admission to shows, theatres, cinemas, museums, art galleries and other cultural events, amusement parks, fairgrounds, and open farms.
- Guest or holiday accommodation.
- Hair dressing services.

VAT rate on sanitary products, candles and supplies of Covid-19 related equipment.

The rate of VAT on certain sanitary products is to be reduced to 13.5% from 1 January 2021.

The standard rate of VAT (21% until 28 February 2021) will apply to all candles from 1 January 2021. Currently certain white candles qualify for the 0% rate of VAT.

The temporary 0% rate of VAT which applies to supplies of equipment to the HSE, hospitals, nursing homes and general practitioners which are used to combat Covid-19 (e.g. personal protection equipment, ventilators, hand sanitiser) will be extended provided EU approval is received.

VAT rate on supplies of guest accommodation

Previously supplies of guest accommodation, excluding rooms in a hotel or guest house, are liable to VAT at the reduced rate of VAT (13.5% temporarily reduced to 9% see above) where the accommodation is let on a "short term basis". This is defined in regulations as lettings which are unlikely to exceed 8 consecutive weeks. Lettings in excess of 8 consecutive weeks would therefore be exempt from VAT.

The circumstances in which the reduced rate of VAT applies to the provision of such accommodation has been amended and is no longer restricted to lettings on a short-term basis. Accordingly, the reduced rate of VAT should apply to all supplies of holiday or guest accommodation regardless of the period of occupation.

Increase in flat rate addition for farmers

From 1 January 2021 the "flat rate addition" rate will be increased from 5.4% to 5.6%. The flat rate addition is a payment made to non-VAT registered farmers to compensate them from VAT paid on goods and services acquired in the course of their farming activities which they are unable to recover.

Requirement to Appoint a Tax Representative

The Act contains a provision whereby the Revenue may serve a notice on a VAT registered person requiring them to appoint a representative who is established in the EU. This representative will be jointly and severally liable with the VAT registered person for the payment of VAT due by the VAT registered person. The notice may only be served on a person who does not have an establishment in the State, other than persons who are registered to pay Irish VAT under the Mini One Stop Shop scheme. *

*The MOSS scheme is a scheme for persons who supply telecommunications, broadcasting, and electronic services to private individuals. In the absence of the MOSS scheme suppliers would be required to register for VAT in each EU state in which these services are supplied. Under the scheme the supplier only has to register for VAT in one Member State.)

Jane O'Hanlon
Director

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The EU UK Trade and Cooperation Agreement - A tariff-free deal?

by Paul McMahon

The Deal and Duties

The EU UK Trade and Cooperation Agreement (TCA) was hailed as a "zero tariff zero quota" trade agreement. However, the devil is in the detail. Goods imported into Ireland from Great Britain qualify for a zero-duty rate under the TCA, only if they can be shown to be of UK "origin". Equally, goods exported from Ireland to Great Britain, qualify for zero duties under the TCA, only where they can be shown to be of EU "origin".

"Origin" does not mean where the goods have last come from. From an Irish importer's perspective, it requires that the goods are primary products of the United Kingdom, have been manufactured or at least, have been subject to significant processing there. There are numerous product-specific rules which depend on the tariff classification of the goods concerned. They may require a particular type of processing, a change in identity (a tariff heading or sub-heading change) or that the non-UK (and vice versa, non-EU) originating content is less than a certain percentage of value or weight (often 50%, but often less).

The Agreement allows EU originating components and processing to count in deciding whether goods are of UK origin (and vice versa for EU origin). However, at a minimum, there must be some processing within the UK

(or within the EU, for GB imports). Certain types of minimal processing, such as preservation operations, breaking up or assembly of packages, and simple mixing (along with other listed insufficient processes and operations) are not enough.

Under the Northern Ireland Protocol, there are no customs duties or customs processes for goods moving between Ireland and Northern Ireland in either direction. However, Northern Ireland components and goods are of UK origin, which may be relevant where they are components or included in goods exported to another country, with which the EU has a trade agreement.

Origin issues do not arise where goods merely pass through the GB "land bridge", going from continental Europe to Ireland (or in the other direction), where they have been placed under the customs transit procedure. There is no import at all, and they remain EU goods at all times.

Claiming Origin

Preferential zero origin under the TCA must be claimed. There must be a basis for the claim. The TCA has helpful provisions, potentially allowing reliance on the supplier's declaration and the importer's knowledge in the first instance. For consignments above €6,000 in value, the supplier must be registered to make the declaration. Ultimately, the declaration must be backed by objective proof of origin, usually in documentary form. It may be required upon a border check or in a later Revenue (or HMRC) audit.

It is not mandatory to claim origin. The default position is that ("third country" i.e. no trade agreement) duties will apply, if no claim is made in the import declaration. Importers must engage in advance with the entity within the supply chain who completes the import declaration, in order to give them the required information and arrange that origin is claimed on their behalf. They may agree with the exporter, that a statement of origin will be provided.

Similarly, postponed VAT accounting must also be claimed on the import declaration. Many VAT registered traders have received invoices (principally from parcel couriers), for both duties and VAT, in cases where neither would apply if the appropriate arrangements and claims were made.

Goods Manufactured outside EU and UK

Many goods bought and sold in Western Europe are manufactured outside the European Union, in countries (in particular in East Asia) with which the European Union has no trade agreement. Customs duties may already apply (depending on the EU Tariff terms applicable) when they are imported into the European Union.

After the TCA, customs duties may apply to such goods twice, firstly when they are imported into Great Britain and again when they are imported into Ireland from GB. There is no credit for customs duties paid at an earlier stage in the supply chain.

There may be some potential for mitigation of double duties. The new UK Global Tariff has reduced many lower (so-called nuisance) tariff rates under the EU tariff to zero. In these cases, there may be one charge of duty only. In other cases, the UK distributors may be able to use certain customs processes, to eliminate the double charge of duty. Conditions apply and authorisations are required.

Supply Chains with Distributors in Great Britain

Some importers in Ireland may be hard hit by the origin rules in the Agreement. Many EU manufactured goods are supplied to both the British and Irish markets by UK based distributors. The implications for Irish

supply chains may be very significant in these cases. We have seen already the "Percy Pigs" problem. They are made in Germany and purchased by Marks & Spencer's for distribution in the UK and Ireland. However, when they are re-exported to Ireland from GB, they are not of UK origin, so import duties apply.

The Revenue Commissioners have recognised the very real problems that the rules of origin are causing in Irish supply chains. In eCustoms Helpdesk Notification Ref 14/2021 published on 27 January 2021, they have highlighted some customs processes that might assist. However, the processes and reliefs mentioned are not designed primarily to circumvent the rules of origin in EU trade agreements with third countries, such as the United Kingdom. There are conditions that may be difficult to fulfil in many cases.

One possible mitigation mentioned by Revenue, is the use of warehousing in the course of transit. The EU external transit procedure is designed primarily for movements from one EU state to another, which pass through a non-member state under guarantee and customs control. It will be used primarily by goods vehicles passing to and from continental Europe through the Great Britain land bridge.

There is scope for warehousing in the course of this procedure. The distributor would require a UK customs warehouse authorisation. The conditions under the Common Transit Convention must be maintained. For practical purposes, the Irish importer would require authorised consignee customs status, which has controls and conditions.

The Revenue Notification mentions the possibility of using Returned Goods Relief, which allows goods that have temporarily left the European Union, to re-enter duty-free, subject to conditions. The conditions may be difficult to comply with in many cases. SPS requirements are likely to apply on re-entry in most cases.

The Revenue Notification mentions the possibility of the inward processing procedure being used in some cases, while the goods are in Great Britain. This requires an HMRC authorisation and generally involves the goods being processed under customs control, without being subject to duties.

It may be difficult, impractical or impossible in many cases, to comply with the detailed conditions required to qualify for zero duty, using the above customs processes and procedures.

The goods must remain under a customs control procedure with warehousing and processing relief, while they are in Great Britain. The controllers must be authorised for these purposes and comply with guarantee and security conditions. Strict conditions apply to Returned Goods Relief, which may require extensive record keeping and the disclosure of confidential information.

Customs reliefs must be claimed. Proof of compliance with the conditions must be held. This may be more feasible in the case of larger-scale entities with a significant presence in both Britain and Ireland that move relatively large consignments.

In the case of animals and animal products, they may lose their EU status if they are unloaded and may need to meet EU sanitary and phytosanitary (SPS) import requirements on re-entry into Ireland. This may be particularly cumbersome.

The EU UK Trade and Cooperation Agreement does not remove customs duties in very many cases. Preferential origin may not be available at all. Where it is available, claiming it can be complex and uneconomic, in particular with smaller scale consignments. The changes to the rules of trade across the Irish Sea are profound. Their effect will work out, and may only become fully apparent, over time.

This is a very general overview of the position. Detailed consideration should always be given to the particular circumstances and the possibilities for relief or mitigation that might apply.

Paul McMahon

Paul McMahon is a practising solicitor, tax consultant, and a member of the InterTradeIreland Brexit panel, who has also practised in England and Wales. He has advised on and presented extensively on most aspects of Brexit. He has part written and contributed to, 'Brexit, An Irish Guide' and brexitlegal.ie a website with detailed coverage of all aspects of Brexit.

In Practice News

Audit of less complex entities

The International Auditing and Assurance Standards Board (IAASB) has set out its plan to develop a separate standard in relation to the audit of less complex entities. The proposed standard is to be developed using similar concepts and principles as those in the existing International Standards on Auditing (ISA's).

The audit approach will be risk based to obtain sufficient appropriate audit evidence to express a reasonable assurance opinion. All requirements from the ISA's that the IAASB consider core to an audit of a less complex entity will be contained within a standalone standard.

In 2019, CPA Ireland carried out a survey of members, which highlighted the difficulties in applying the ISA's in the audit of less complex entities and responded to the IAASB's Discussion Paper Audit of Less Complex Entities, Exploring Possible Options to Address Challenges in Applying the ISA's.

However, while the IAASB is to report in 2021 on the development of the separate standard it is likely to be some time before we see the separate standard for the audit of less complex entities being promoted in Ireland.

Source: www.iaasb.org

CRO extends current filing arrangements

Due to the current level 5 restrictions and the challenges of adjusting to the new CORE portal, the Companies Registration Office (CRO) has announced an extension to the current filing arrangements for companies with an annual return date of 30th September or later until 28th May 2021.

The announcement followed representations made by CPA Ireland through the Consultative Committee of Accountancy Bodies – Ireland (CCAB-I) to the CRO in relation to issues raised by members engaging with the new CORE portal.

Source: www.cro.ie

Ethical Standard for Auditors (Ireland) Revised

A revised Ethical Standard for Auditors (Ireland) has been published by the Irish Auditing and Accounting Supervisory Authority (IAASA).

One of the main changes to the standard is the introduction of a new requirement for auditors to report breaches of the Ethical Standard for Auditors (Ireland) on an annual basis to their Competent Authority. For CPA audit firms this will be CPA Ireland. Auditors will also be required to report breaches relating to a specific audit to those charged with governance in the audit client.

The changes are designed to improve audit quality and to enhance public confidence in audit in Ireland, other main changes include:

- Simplification and restructuring, to assist auditors to better understand the ethical requirements and so lead to a higher level of compliance;
- The 'objective, reasonable and informed third party' test has been redefined and additional application guidance inserted;
- Prohibitions on providing recruitment or internal audit services to or acting as the general counsel of an audited entity;
- Enhancements to ethics partners' authority;
- The cooling off period for engagement partners on PIE audits has been amended to 3 years, as provided in EU Regulation 537 of 2014 and a corresponding change made to the requirement for listed entities.

The revised standard is effective for audits of financial statements for periods beginning on or after 15 July 2021. For further information and to access the revised standard please visit the website of IAASA at www.iaasa.ie.

Source: www.iaasa.ie

The Potential Impact of Covid-19 on Audits - ISA (Ireland) 570 – Going Concern

by Umesh Rana

ISA 570 was released In October 2019. There are now additional requirements for directors and auditors. For the auditor this includes an independent assessment of the entity's ability to continue as a going concern. This includes obtaining an understanding of the entity and its environment and its internal control system. The auditor will also need to assess how the entity identifies and address risks.

There are more stringent requirements regarding documentation.

Under the current circumstances, with a worldwide pandemic raging, I believe that this auditing standard will be extremely important. A lot of entities will probably go out of business during the pandemic, some will never reopen, and many will face material uncertainties regarding going concern.

Financial statements are prepared on a going concern basis of accounting unless management either intends to liquidate the entity or to cease business operations or has no realistic alternative but to do so. The going concern basis of accounting should be used even if there are material uncertainties that exist but these will need to be adequately disclosed; more on this later. It is management's responsibility to assess the entity's ability to continue as a going concern.

The term "ability to continue as a going concern" is equivalent to the term "ability to continue to adopt the going concern basis of accounting" in the future.

This involves making a judgement at a particular point in time and must involve all known facts and conditions that exist at that point in time. This might also involve material uncertainties whose outcome and/or monetary values, might not be predictable at that point in time. Examples of these could be the outcome of pending litigation or renegotiation of credit facilities with a financial institution many months later after the approval of the financial statements and the audit report date.

On the other hand, the auditor's responsibility is to be able to obtain sufficient and appropriate evidence and conclude on the appropriateness of management's use of the going concern basis and whether a material uncertainty exists about the entity's ability to continue as a going concern. The auditor cannot predict future events and in the absence of no reference to a material uncertainty does not mean that the auditor guarantees that the entity will continue its operational existence in the future.

I remember arguing with some members of the public who were criticising auditors as "useless" when the financial crisis that started in September 2008, with the collapse of Lehman Brothers in the USA. Their point was how could auditors have given all the Irish banks a clean audit report when they collapsed some months later? How many could have foreseen in the first half of 2008, that a worldwide financial crisis would occur in the second half of 2008 and that the Irish banks would collapse?

As part of planning and performing risk assessment procedures, the auditor should consider if there are events or conditions that may cast a doubt on the entity's ability to continue as a going concern. Included in this assessment is obtaining an understanding of the entity and its environment such as the business model, its operations, financial performance etc.

The auditor should also evaluate the internal control system such as how the entity identifies business risks and takes steps to address them. If management have already performed these procedures, he should discuss these with management.

Some examples of these are as follows:

Net current liability position, adverse key financial ratio's, non-compliance with loan covenants, unplanned sale of non-currents assets, labour difficulties uninsured catastrophic events etc.

When the auditor is evaluating management's assessment, a high level of professional scepticism should be maintained throughout. The auditor must ensure that management have considered all known and relevant factors and there are no indicators of management bias.

The assessment period for going concern should be not less than twelve months from the date of approval of the financial statements. If the period of assessment is less than twelve months, this should be disclosed in the notes. If this shortened period is not disclosed the auditor will consider disclosing this fact in the "Basis of Opinion" paragraph.

If management have not made the assessment for going concern, the auditor should request them to do so. If management are unwilling to make the assessment, as management determine that they do not need to prepare detailed cash flow and other forecasts, the auditor will have to use judgement to evaluate if this constitutes lack of appropriate evidence. Adequate documentation is always required in audit files. The auditor will have to consider impact on the opinion if it constitutes insufficient evidence (qualified or disclaimer).

If events or conditions have been identified which may cast a doubt on the entity's ability to continue as a going concern, the auditor must perform additional procedures which must include the following:

The auditor is required to obtain adequate support from the directors for the going concern assessment including methods, assumptions and sources and the reliability of data used in the forecast.

- The auditor will need to evaluate how the directors have determined the relevance, accuracy and reliability of data used.
- Maintain professional scepticism and ensure that there is adequate support for assumptions used.
- Evaluate management's future plans and assess whether the plans are feasible.
- Consider any additional information that may have become available since the date that management prepared the forecast.
- Request a written representation from those charged with governance about their future plans and feasibility of those plans.

Additional procedures might include:

Consider if management have taken into account all relevant information regarding the cash flow forecast. For instance if they are showing increased sales, have they considered the increase in utility bills, additional material and labour costs?

Review previous years forecasts and compare it to actual numbers as this will provide additional evidence in terms of how accurate the assumptions were.

Where a material uncertainty exists (when the magnitude of the potential impact of the event or condition and the likelihood of occurrence is such) that this must be adequately disclosed.

To assess adequacy of disclosure the following must be covered in the disclosure:

- Description of the principal events or conditions that may cast a significant doubt about the entity's ability to continue as a going concern.
- Management's plans to deal with these events or conditions.
- Disclose clearly that there is a material uncertainty related to the events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.
- Entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

If adequate disclosure is made, the auditor will not modify the opinion. He will include a separate section that follows the basis of opinion paragraph. Its heading will be "Material Uncertainty Related to Going Concern". The auditor will draw attention to the note disclosure and state that a material uncertainty exists that may cast a significant doubt on the entity's ability to continue as a going concern and that the auditors opinion is not modified in this respect.

In the event that the auditor has qualified his opinion on a different matter, the above paragraph will be modified to say that the auditor's opinion is not further modified in this respect.

If the auditor considers that no disclosure is made or if the disclosures are inadequate, the opinion will be modified (qualified or adverse).

Further, in the "Basis for Qualified (Adverse) Opinion" section of the auditor's report, it will state that a material uncertainty exists and that the financial statements do not adequately disclose this matter.

If the auditor believes that management's use of the going concern basis of accounting is inappropriate, there is only one opinion – Adverse!

In situations where there are multiple uncertainties that are significant to the financial statements the auditor in rare circumstances, will express a disclaimer of opinion.

If the auditor agrees that the going concern basis is appropriate, the auditor will include a section in the auditor's report headed "Conclusions relating to Going Concern" and state amongst other requirements that no material uncertainty exists and that the going concern basis of accounting is appropriate.

As usual, documentation is of paramount importance. The auditor should include key elements of the understanding of the entity and its environment, indicators of any management bias, whether or not a material uncertainty exists and the appropriateness of management's disclosures in the financial statements.

Umesh Rana
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Mergers & Acquisitions in the Accounting Profession

by Mark Butler

New technologies and the commoditisation of compliance services present opportunities for Irish accounting firms who are open to growing their business through mergers and acquisitions ("M&A"), says Mark Butler, Managing Partner HLB Sheehan Quinn.

Irish accounting firms are predominantly independent small general practices with a local client base. Many have succession issues, but the pace of consolidation has been slow up to now, well behind that of comparable firms in the UK, or indeed the US, where smaller practices have achieved substantial growth in the last 10 years through merger transactions.

There are several reasons why consolidation in the accountancy sector has been slower in Ireland than elsewhere: market size is a factor as is the fact that most small independent practice firms only offer the services that clients rely on for compliance and reliable financial information for their business. However, practitioners are all too well aware that recent years have brought unprecedented change in our profession and the pace of change will continue to accelerate as new technologies drive commoditisation of compliance services and Artificial Intelligence starts to impact the audit process.

At the same time, practices find themselves operating in an environment where client and employee expectations are shifting. Clients now expect real time financial information to be available from advisors who have a deep understanding of their sector. They want a 'one stop shop' for advice on a broad range of business issues including technology and cyber security, HR, international business, strategic business planning and wealth management. The demand for services like this is only going to intensify and it will become increasingly difficult for small accounting firms to meet complex client needs. Without scale, it is just not possible for an accounting firm to specialise across multiple service lines and sectors.

The Covid-19 pandemic has intensified the need for change. Staff expectations are shifting as employees seek more flexibility about where and when they work. Firms that lack the structures to facilitate a flexible working environment will struggle to hire talent in the future.

Impetus to merge

This challenging environment provides an impetus for practices to consider merging. Firms need to be moving to an advisory rather than compliance model, investing in technology on an ongoing basis, building international connections and positioning themselves to provide M&A, corporate finance, cyber security and technology, sectoral specialisms and wealth management services. Flexibility, the ability to meet changing client needs and adapt to new ways of working will be necessary if firms are to survive and prosper. It is much easier to achieve this by joining forces than by trying to go it alone.

Advantages of merging

In my view, the clear advantages of merging are:

- It provides the scale to specialise. None of us can be an expert in everything. A larger pool of partners facilitates specialism in services and sectors.
- Safety in numbers. The business is not reliant on a couple of key people or a small number of clients.
- Fixed cost allocation across a larger business leaves more capital for investment in areas such as people, technology and digital marketing.
- Staff retention is higher as scale makes it easier to meet the expectations of staff for career development, specialisms and working arrangements.
- It is much easier to win and retain growing clients because a larger practice has the scale to provide them with the services they require.
- As regulation changes there will be greater opportunity to win business which previously went to Big 4 firms. While the Big 4 will remain dominant, changes in regulation and the business environment make it likely that they will be precluded from providing all the services a client may require. This will create opportunities for the next tier of firms.
- Client retention is better in larger practices as growing businesses like to be associated with accounting firms which can embrace and perhaps even lead change.
- Succession planning is easier to manage. Plans can be put in place for retiring partners without impacting client service or the continuity of the practice.
- Scale enables the development of deep knowledge across a firm's chosen sectors enabling individuals

to become thought leaders and offer leading advisory services to clients.

- International connectivity is becoming even more important and clients increasingly operate on a global scale. A larger practice can have global connections.

M&A preparation

Based on experience, when you are embarking on a transaction to buy, sell or merge your practice, my advice is:

Take advice

Whether you are an experienced M&A practitioner or not, and regardless of whether you are on the buy or sell side, you should not attempt to carry out the transaction yourself. As you are emotionally involved in the transaction, you will want it to happen and this can lead you to take decisions that you would not ordinarily take and/or would not advise a client to take. Throughout the transaction negotiations there will be issues to discuss.

It is very beneficial to have an advisor discuss these matters on your behalf just as you would support your own clients when they are involved in M&A transactions. While there is a cost, it is money well invested.

Due diligence

Don't devote too much time to the review of historic audit files or processes. It is much more important to focus resources on determining the compatibility of the client bases from the perspective of fee expectations, sectors, future trends in the client's sector and risk. Team compatibility also needs to be considered. What will be the cross over? Are structures similar?

What about salary scales and charge out rates? Ordinarily, there is some level of pay-out for outgoing partners over a period of time. Debtors may be collected by the firm which is being merged in and there will be work in progress to deal with. This invariably leads to a pinch point in cashflow as it can be some months before cash is contributed from the merged in practice even though costs such as salaries will have to be paid from month 1. Therefore, the cashflow requirements of the combined practice need to be closely considered.

Brand

We all believe that clients are attached to a name and if 'incorporating xyz &co' is not included following a merger that it will be more difficult to retain them. I believe clients are interested in receiving at a minimum the same level of service, for a similar fee and access to people as they require. Once this is managed correctly the goodwill attached to a practice name is not so important. While there is an element of goodwill in all of our brands, in a merged practice it is important to move forward with one name and one brand.

The message to clients should be "Don't worry, same people only now access to wider expertise inhouse".

Communication

Before the transaction, make sure that there is individual communication with all incoming firm's clients by the merging in practice principal to explain the advantages the merger will bring. Ideally, this communication should be done in person but failing that, clients should at least receive a phone call. Where relevant, clients should also be introduced to a new member of the enlarged firm soon after the transaction takes place. Managing this communication is really important as it helps alleviate any fears clients may have about the risk to their service offering. Watch your timing when communicating, clients need to hear it from you and hear a positive message from all your team. Ensure you manage the internal communications first with your team to ensure clients are receiving a common message.

Timing

Don't leave it too late. Many practitioners start thinking about a merger towards the end of their careers. At this stage, the value of their practice may have reduced, or they may not have sufficient time to find a suitable practice to merge with. To maximise the value of what you have built, and indeed to share in the potentially greater profits of a larger business, it is essential to start the process well in advance of when you want to retire.

Conclusion

This article highlights just some of the issues to consider when contemplating accounting firm mergers and acquisitions. There are many more, and as we know from our professional lives, no two transactions are ever the same. With the many changes that are taking place in our profession, I believe the future is bright. I am excited by the evolving environment and being involved in an advisory capacity as clients grow their business. In my view practice is an interesting journey with like-minded professionals who have similar goals.

If you would like to discuss in more detail the experience of merging, or indeed if you are interested in having a confidential conversation regarding merging your practice with us, please do not hesitate to contact me.

Mark Butler
CPA

A member of CPA Ireland, Mark is Managing Partner of HLB Sheehan Quinn focusing on the implementation of the firm's growth objective and leads, its advisory services.

Mark is also the founder and chairman of HLB Ireland, a federation of the Irish member firms of HLB Global.

Value-Based Pricing

by Eoin Healy and Neil Hughes

A major downside of time-based billing is that it punishes efficient and highly skilled operators, who produce their work in less time than their less skilled competition.

What is Value-Based pricing?

Professional services firms face a number of challenges such as increased competition and advancements in artificial intelligence and automation which has squeezed margins and forced the industry into an introspective look at alternative pricing models. There are a number of alternatives that diverge from the traditional time cost pricing and one of the most popular is value-based pricing.

Value-based pricing sets prices based on the perceived value of services to customers or clients, irrespective of the time the delivery takes.

Critical information required:

- Knowledge of competitors historic pricing to ensure you are pitching at the right level
- Industry knowledge
- Specialised expertise to "add value"
- Do your homework on the client and assessment of their payment threshold

Put simply, it is a pricing strategy that tries to capture the extra value that a client associates with a particular aspect of the service you deliver. It ensures service differentiation, giving you a competitive advantage in your market.

How is this different?

Most professional services firms will use one, or a combination, of the following pricing strategies:

1. *Time Cost.* Hourly charge out rates (agreed with the client in advance of assignment via a signed engagement letter) multiplied by the number of hours performed. The hourly rate will vary depending on who is doing the work. Professionals with more experience tend to command a higher rate.
2. *Market Price.* This involves pricing a service at a level that is generally accepted in a competitive marketplace. Usually a generic service offering, which firms price low in an attempt to win greater market share through low margin, high volume.
3. *Fixed Price.* A fixed price service offering can be agreed up front with a client, irrespective of the number of hours, which is attractive to clients as it caps their potential exposure for ease of budgeting etc.

Example of Value-Based Pricing: Bookkeeping and Accountancy Services

In the competitive bookkeeping and accountancy services space, you could offer your clients a fixed cost of €2,500 a month for a basic bookkeeping service. Given the market, a rival firm may charge the same price, making it difficult to stand out from the crowd.

However, let's say you conduct market research and find your clients want a monthly financial reporting and advisory service, in addition to the basic service. You then add this service to your basic package as a bundle offering. This new service bundle may increase your time cost by €500 a month. Thus, the monthly fee would be €3,000.

However, if this additional offering doubles the value for clients (cuts down on double handling information and increases convenience and trust), a value-added pricing strategy would create a new price of €5,000 per month for the segment of the market that perceives the value added.

When is Value-Based pricing used?

It works well for companies with a strong brand identity or those who offer unique, specialised products or services, or offerings that have 'prestige' status.

Often, we may find ourselves paying more for a brand name and the value associated with its offerings over purchasing a similar product/service without the associated brand name (think Apple iPhones, IBM, Coca-Cola etc.).

In a professional services environment, this can translate to a client using a particular firm with a well-known industry specialisation who is willing to pay a higher margin for the increased expertise, but this is not typically suitable for heavily regulated compliance areas in the accounting profession, like audit.

Value-based pricing is best used when scarcity is involved, and it also suits processes where creativity is central. Companies that specialise in certain areas, niche markets and valuable services are also better positioned to take advantage of value-based pricing.

How do you implement a Value-Based strategy?

- You will require a deep understanding of what problem or solution your service is addressing and must determine whether or not clients would be willing to pay a premium for your service. For example, are you addressing a new regulatory amendment that your client needs urgent training on? Does the business face the prospect of insolvency? Does the client require urgent growth, or a cost cutting exercise to right size their profit and loss? Once your service is well defined and desired, you can start to offer clients this amended offering which takes into account the willingness of the client to pay a premium to navigate through these challenges.

- A greater understanding of your own cost structures will help you calculate a margin over and above your overheads and standard profit to charge the client.
- Determine whether or not your service is being offered to multiple clients. Do you need to tailor that service depending on their individual requirements? To know your clients and competitors, market research at this stage is critical.
- Determine the likelihood of success for your client and when pricing & billing, tie their success to your success. For example, if you are implementing a cost reduction analysis, you could link the level of successful cost savings to your fee, as long as this is adequately addressed in the scope and outcomes of the engagement letter.
- Meet with the client, explain your reasoning and show them why this is a service worth paying a premium for.
- Once the engagement is complete, seek constant feedback from your client to remain ahead of the curve.

Benefits

Considers different variables –
There are many factors to be considered when creating a price. It lets you distinguish yourself from the market so it can be more strategic than cost-based pricing.

Higher margins –
Returns generated are typically higher using this style of pricing strategy. Customers willing to pay premiums for services due to value obtained and uniqueness of the services offered is beneficial for businesses.

Client alignment –
In a typical hourly billing model, the focus is on the length of time it will take, who will do the work and the charge out rate. The client will also ask themselves: will it be worth the expense? In a value-pricing model, both the client and the service provider are aligned in their thinking, and more importantly, their interests are aligned which leads to increased consultation and results.

Billing predictability –
No client likes surprises when it comes to billing. Value-based pricing, when done correctly, is adequately priced and scope is agreed in advance of starting the engagement. The client has certainty and there are no unexpected charges at the end of the engagement. In time-based billing, clients are often reluctant to pick up the phone and ask more questions at the risk of being charged for the privilege.

Helps create higher quality services – It can help you research the market and competition which will in turn help you to adapt or refine your ideas to offer better customer solutions.

Issues

Price is harder to set / More Subjective –
It can be difficult to estimate the perceived value of a service.

The value-based pricing strategy is not an exact science and involves more planning prior to starting an engagement. It will typically take longer to agree a pricing and billing framework with the client and is heavily weighted towards the customer preferences and willingness-to-pay.

Requires a lot of resources –
A relentless commitment to continuous training of staff and keeping highly skilled professionals on the payroll can be expensive but is often offset by the higher margins derived from value pricing in the long run. Firms may come to the conclusion that a lack of investment in their staff and a generic service offering may be a better use of their time and resources.

Perceived value may change –
It requires consistency and dedication to maintain prices and determine the value of your differentiation. If the price is no longer accurate or reflective of the current market, you could end up losing business. Conversely, if a project takes longer than expected, you are not paid a premium for this extra time and you may also miss out on other opportunities.

Client push back –
Not everyone will appreciate the benefits of value pricing.

Clients may simply reject it as a concept, preferring a more traditional time cost and/or fixed price charging model. Competitive markets and price sensitive markets are not typically suitable for value-based pricing strategies.

Overall, it is clear the most successful professional services firms employ value-based pricing as often as possible. Time does not come into play with value-based pricing. Thus, if companies spend little time coming up with a unique idea, they can use the value-based pricing strategy to their advantage.

One of the major negatives of time-based billing is that it punishes efficient and highly skilled operators, who produce their work in less time than their less skilled competition, who take longer and charge more. This is perhaps the best reason to embrace a future where time cost is not the sole method of billing your clients.

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"Competitive markets and price sensitive markets are not typically suitable for value-based pricing strategies."

Pressures of a pandemic

by Ben Rawal

Coping with our own challenges borne out of Covid-19 is often difficult enough, particularly given the restrictions that we have all experienced during the past 12 months. In this article, Ben Rawal provides guidance on how managers can continue to support their teams with their own levels of stress and anxiety.

Successfully coping with pressure and stress is an essential factor in developing your career as a finance professional. For those of you also responsible for managing a team, good leadership implies a willingness to support your employees without taking on the burden of their problems, emotions or stress itself.

This can often be a difficult balancing act, especially for leaders with high levels of empathy that may sometimes run the risk of becoming too emotionally involved. Conversely, perhaps avoiding conversations around your team's feelings is easier and achieves suitable boundaries? Whatever your approach, it is important to keep one eye on the future and how your legacy as a leader will be remembered long beyond the demise of Covid-19.

Recognising the signs

We all manage stress differently. Although there are many common assumptions and beliefs around how individuals behave under stress, the most important indicator is one of change – unexpected behavioural change.

Regardless of whether your team members are calm and steady, or loud and outgoing, extreme levels of stress are likely to change these behaviours. This is an important point to remember because we often allow our stereotypes of a stressed individual to drive our perceptions.

All of this ultimately means that you need to understand your team – their behaviours when things are going well, and how they act when frustrated, angry, and generally uncomfortable.

Recognising the signs of their stress depends on a careful, analysis of the facts – an area where most accountants will excel! Utilise these strengths that most of you use in a financial environment every day and re-focus your efforts on to your team. Focus on their eye contact (or lack of it), their facial expressions, their hand gestures and changes in their vocal tone, volume and pitch.

This of course will require concentration, effort and a level of intuition – once again, aspects of an accountant's 'toolkit' that is regularly utilised in other settings.

"Look for the unexpected changes in behaviour, rather than the stereotypical signs of stress. We are all different, and deal with stress in various ways – many of which are unexpected".

Beyond normal

Extraordinary times call for extraordinary ways of working, beyond those that most organisations deem standard procedure. Lockdown conditions appear to have encouraged workers to spend longer on their computers, extending working days to an average of 11 hours per day online.

Perhaps this is a change that both you and your teams have experienced, and is an area worth highlighting and discussing. For some, the avoidance of the daily commute has been welcoming, but this is not the case for everyone. Organisations and managers should display a more open-minded approach to how the pressures and strains of lockdown may actually be impacting their teams.

This requires the ability to show empathy and understand how it feels from the perspective of each team member.

It is vital that you maintain contact with your team, beyond the requirements and expectations of the job. As a manager, creating and facilitating opportunities for your team members to come together in a virtual environment will help to promote a sense of normality during strange times. This could take the form of team building events, utilising the excellent breakout room options that are available across most of the virtual platforms.

"Explore how the challenges of working during lockdown and Covid-19 are impacting your team. Be careful not to make assumptions about or 'downplay' their experience(s) and problems". Statements such as "It's difficult for everyone..." are neither helpful or supportive.

How are you?

Beyond your somewhat natural skills in analysing, there will be times where you need to go further than observing and thinking. During these times, the simple question "How are you?" can work wonders.

The research indicates that you may need to ask this question at least three times before you begin to receive a response that is reflective of the individual's deeper feelings and wellbeing. The reason for this is that most individuals will offer a habitual response to the question "How are you?" – including "I'm good", "I'm well thanks", or "Not bad". This question-and-answer routine often forms part of the pleasantries that we exchange with others in both a personal and professional environment – but it offers very little insight into how we are genuinely feeling.

Like peeling an onion, asking variations of the question "How are you?" will generally provide improved insight into the individual's current experiences and emotions at a deeper level.

"Consider that others may not initially provide a deep and genuine insight into how they are feeling. At times, you may need to work at this ".

Listen – with your ears and your eyes!

When talking with our teams, we often miss vital opportunities to genuinely understand how they are feeling. Many of us recognise that we could improve our listening skills – both in and out of work – and frequently miss clues that our team members provide through their choice of words and body language.

For many of us at the moment, video conversations with our team members are two-dimensional at best. In other words, we increase our reliance on listening and where possible, support what we can hear with what we see on camera. There are times however, where cameras are switched off, fail to work, or impact our connection speed – almost creating the same conditions of a telephone call.

Learning and genuinely 'tuning in' to a conversation involving only one of our five senses is often alien to many of us – especially when we place so much reliance on our other senses (most notably sight and touch) to create a more well-informed understanding.

Using our cameras (where possible) will enable an improved insight into your team members' issues and problems – especially when the words you hear fail to match the body language and facial expressions that you see.

"Encourage your team to use their cameras during 1-1 discussions and team meetings. Remember to set an example by ensuring that your own camera is also switched on".

Conclusion

The pressures of Covid-19 are experienced by all in different ways. As a manager, you can support your team members through genuinely showing an interest in how they are coping with the pandemic.

Identifying the changes in your team's behaviours and moods, whilst exploring their feelings will provide a greater insight into what is happening for them. As a manager, be prepared to push the boundaries on being an accommodating boss and genuinely listen to what is happening in their world.

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Top Tips:

A Warning Sign?

Being aware of how your team generally behave and communicate can offer helpful clues to their levels of stress and general satisfaction in their role. Build your own picture of individual behavioural changes, rather than making wholesale assumptions which might miss the mark.

Creating Opportunities

Prior to Covid-19, managing your team in accordance with organisational policies and procedures would have been more predictable and clear. The existing environment requires a change in thinking and a more flexible approach to working together – what opportunities for innovation can you create alongside your team?

Using your Analytical Skills

As accountants, our analytical skills are often taken for granted. Harness these skills with your team members, but focus on analysing behaviours, rather than numbers.

Listen, listen, listen...

Deep listening is a difficult skill, but one that can be learned and developed. Challenge your own listening skills as a manager, and look for other visual indicators that the message you are hearing is consistent with your team members' body

Coping with lockdown:

Manging the psychological challenges of Covid-19

by Mark Smyth

One year ago, none of us could have foreseen how Covid-19 would transform our day-to-day routines on a global scale. It is literally something that none of us have ever had to experience or endure before.

Covid-19 is now a constant on our news, social media and conversations and this means there is a strong likelihood that we will be experiencing a wide range of challenging feelings as a result, with the following being the most likely: anxiety, frustration, anger, irritation, loneliness.

Most of the above will be normal reactions to trying to manage the realities of the stress of Covid-19. What makes it extra difficult is that the degree of uncertainty that exists about how long this has and will go on for or how serious it could get for each of us and our loved ones.

Anxiety is likely to be one of our biggest challenges. It is our bodies response to threat, perceived or real. It is incredibly draining being in a constant state of alertness for threat and danger. We are bombarded by news cycles of infection rates, news of people who have died, enforced closures of places and events which only fuels our anxiety. Limiting our exposure to the news cycle can give us a much-needed break.

Worrying about the worst is an understandable reaction, it would be more unusual if you weren't worried about the implications of Covid-19. It's important when we're feeling anxious to check in with friends and loved ones. There's a high likelihood that they will have been feeling anxious too. It helps to know we're not the only ones that feel a particular way.

Boredom is a sure-fire recipe for anxiety to take a hold in our minds and increase our stress levels. The busier we can be the less time we have to think / overthink. It's crucial to understand what we can and can't control.

Focusing on what is out of our control will only make us feel more anxious. Keeping busy should not be misinterpreted as working more hours, self-care and self-compassion is never more important than now so it's crucial to schedule in down time and enjoyable activities we can still engage in, this won't happen by accident, we need to plan for what we can do and when.

Routines take time to build and develop, they don't happen magically or overnight, we need to put time, planning and effort into them in advance, they rarely if ever sprout up spontaneously.

Now that much of the world is essentially on lock down, the routines we are used to have been pretty much thrown out the window and many people are struggling with this.

At a minimum what we need to do, is plan in advance, either What we need to do is, or preferably plan a few days in advance. This is where technology can be our friend. My go to for routine and planning is my google calendar. I can see briefly when I look at a day / week what's coming up, what I need to do, where I need to be, and what fun / enjoyable things I have coming up.

The key to this is to use different coloured calendars so we can see immediately where things are, especially the fun / enjoyable things.

We don't want to lose our spontaneity, but we do need to find some degree of certainty in our lives when we are currently trying to cope with so much uncertainty. Scheduling in lunch, dinner, chat's, book reading, makes sure that we are less likely to forget the important things. There are four key foundations that give us the potential for not only psychological survival but give us the possibility of enhanced psychological well-being. The analogy I use the most is a table. It has four key legs to keep it stable and strong.

All four are equally important and need to be equal in length for the foundation to be balanced and strong. If any of the four are neglected or if we do too much of any one of them then it will knock us off balance and it will be harder for us to cope with the challenges of everyday life, never mind the enormity of Covid-19.

Let's look at each of them in turn:

Sleep

When we're out of routine we often neglect one of the most important aspects of our self-care, sleep. We might stay up too late watching a box set knowing we don't have to be up in the morning or stay in bed way beyond what we usually would. For a prolonged period of isolation, it is inevitable that there will be some times where we will go to sleep later / get up later. What we need to try and do is make sure that it doesn't become a pattern, for ourselves or our kids. When Covid-19 comes under control, we will need to adapt back to our pre-Covid-19 lives again, this will be easier when our imposed isolation routines are not too out of sync with our previous routines.

The other aspect of Covid-19 that will impact on our sleep routines is worry / anxiety. It is understandable that we are at risk of lying in bed thinking about lots of "what if", what if I get it / a family member gets it / if someone I loves gets so sick they die. No matter how long / how many angles you think about it from while lying in your bed trying to sleep, it won't change the risks or the reality of Covid-19. The only thing it will change is your tiredness levels and ability to think straight and emotionally cope the next day. Prioritise a good sleep routine.

Social

It is crucially important for our psychological well-being to be socially connected to others. With Covid-19 resulting in self or imposed isolation we could go through periods (maybe even an extended one) where it is difficult or not possible to be as socially connected as we are used to. So, what do we do to maintain our sense of connectedness? As bad a rap as it gets sometime this is where technology and social media can play an important interim role.

I think many of us can relate to zoom fatigue because we're often using it for work but also it remains an important facility to maintain safe social contact with others irrespective of where we are or what our medical status is. It will never replace face to face person to person contact, but as a temporary measure it can meet our needs for social connectedness and reduce risks of isolation and loneliness. People have adapted to this new way of communicating and are organising virtual playdates, coffee (or wine) video chats.

Exercise

Exercise is a well-known mood enhancer. With isolation we might be at risk of telling ourselves I can't go the gym / football training so I can't exercise. A quick google search or any free exercise app on our phones will give us a myriad of exercises that we can complete at home or, weather permitting, in our gardens. Regular exercise will protect both our physical and mental health.

Food

When we are out of routine our healthy food habits and routines can slip also. We need to try and maintain our routines around eating and also resist the temptation to overindulge in alcohol or caffeine (both will negatively impact on our mood and anxiety levels).

No one of the above will exclusively protect us psychologically, at different times different combinations will be more effective. The one constant that will protect us more than anything? Hope. It's crucial, it gives us energy to keep going, for ourselves and others. When we feel despair at the latest catastrophic headline, we need to try to keep hope, hope is our psychological antidote to anxiety, sadness, and despair, when we can't find it in ourselves reach out to others, we don't need to be alone, we shouldn't be, together we will find a way to get through this, our strength is in our collective unity and out willingness to be there for each other.

We are going through (literally) a world of pain right now and pain and death are inevitable parts of the human experience. In saying that, the level of pain and death currently occurring is on a scale not witnessed in many generations. As tragic as this is it doesn't mean that we have to suffer. The antidote to suffering is hope.

When we keep hope that we will get through this it will give us the energy to get up in the morning, to volunteer, to support our friends and families, to keep trying, to survive the grief and losses that could accumulate and risk overwhelming us. Hope is the indomitable spirit that endures, hope is what will ultimately be the bedrock upon which we will rebuild our lives and our world post Covid-19.

Mark Smyth,
Consultant Clinical Psychologist & Past President Psychological Society of Ireland

The future is now – the 'new world of work' and how CPA Ireland is supporting accounting talent

by Chantal Haynes-Curley

In January 2021 CPA Ireland launched 'Trainee Remote' an online program supported by Skillnet Ireland, which is aimed at assisting CPA students and members to adapt to the 'new world of work', a world expedited by Covid-19 and continued remote working.

Trainee Remote is a beneficial tool to support employers and employees in proactively preparing for the implementation of the Irish Governments National Remote Work Strategy, seeking to support participants in understanding and using the tools required for collaborative working in a remote setting, together with training on fundamental practical skills for trainee accountants.

'Making Remote Work' The National Remote Work Strategy

On 15 January 2021, Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar, launched the 'Making Remote Work' National Remote Work Strategy, which aims to ensure that remote working "is a permanent feature in the Irish workplace ". Five million euro has been earmarked within Budget 2021, for the development of remote hubs and a review of the treatment of remote working for tax and expenditure purposes is expected within Budget 2022.

This strategy will strengthen the legal rights of employees to request remote work and will be supported by legislation expected to come into force during Q3 2021. To comply with impending legislation and to adapt to the changes this strategy presents to work practice, employers must act.

The National Remote Work Strategy stems from the Irish Government's 2019 'Future Jobs Ireland' report which found that 'If remote work is embraced as part of innovation and technological change, it has the potential to increase participation in the labour force, improve productivity, widen the talent pool across Ireland, stimulate regional growth, lessen accommodation pressures and support a greener economy.' Just a few months after the report was published a significant segment of the labour force took up homeworking across Ireland due to Covid-19 restrictions.

Increased home working during the pandemic cultivated a reform in attitudes toward remote work and acted as a test run, for the reorganization of work away from the traditional office environment. As stated by Leo Varadkar, "The pandemic has been an accelerator… [it]has been such a disruptor that in many ways it has already done the work for us". However, while Covid-19 has garnered support for reforming of work practice, the caveat outlined in the 2019 'Future Jobs Ireland' report, of remote work as 'part of innovation and technological change' needs some attention, something CPA Ireland has worked to support employers and employees with via the Trainee Remote program.

Remote work and the Workplace Relations Commission

Upcoming legislation will provide employees with the right to request remote work and recourse against their employer, via the Workplace Relations Commission (WRC), should their request for remote work be denied without a robust justification. In January 2021, the WRC ordered an employer to pay compensation to an employee whose request to work remotely was denied during the first Covid-19 lockdown. While the basis for this ruling was specific to the circumstances of the Covid-19 pandemic and not a general right to work from home, there is no doubt that 2022 will see similar hearings once remote work legislation is implemented.

While the feasibility of implementing remote work has previously elicited dichotomised opinions and was rarely practiced across the accountancy profession, this strategy has quashed any prospect of a collective return to traditional, full time, office-based work. Any such assumptions should be approached with caution by employers, as opinions polls suggest most employees will wish to continue remote work once Covid-19 is over. The latest National Remote Working Employee Survey found that, post Covid-19, 94% of workers would like to work remotely some or all the time. As employees continue to work from home during lockdown restrictions, they are forming a strong argument for continuation. Employees will likely be able to evidence that they have continued to efficiently perform their roles from a remote location and in the face of this substantiative evidence, and without a solid rationale for refusal, employers could find themselves on the losing end of a WRC hearing.

Preparing for the new world of work

Forward-thinking organisations such as US-based OUM & Co-CPA-Accounting Services, are ahead of the curve in adapting to the 'new world of work'. Like many businesses they had to rapidly adapt during the onset of Covid-19, but rather than wait for the pandemic to pass they made proactive strides to embed remote work practice. Speaking to AccountingWeb.com the firm's managing partner Chris Millais said, "This required us to re-think how we operate ...we concentrated on accelerating and enhancing our employees' software tools related to client service, collaboration, communication, organization, added technical and softs skills education".

Recognising that 'work-from-anywhere' is likely to become the norm post Covid-19, they are focusing on how to preserve continuity, promote collaboration, and maintain their organisational culture in a dispersed work environment.

The 'new world of work' is upon us and it is a direct outcome of the Fourth Industrial Revolution, ushered in through the emergence of technologies which continue to disrupt economies, businesses, industries, societies, and personal lives.

Technology has made it possible to conduct business across multiple continents without leaving home, widened the talent market, and has the potential to revitalise businesses and communities. However, obtaining the opportunities created by technologies requires a proactive effort to reorientate, those who do will be less impacted by the rapid onset of uninterrupted change prompted by this revolution.

The World Economic Forum Future of Jobs report (2020) shows that by 2025,44% of the skills that employees need to effectively perform their roles will change. The report estimates by 2025 15% of workforces are at risk of disruption and 6% are expected to be fully displaced.

Technology is augmenting work, which will disrupt employment and the availability of talent unless employers support employees to obtain the skills required to adapt. Working from home during emergency response measures does not constitute a considered and strategic implementation of remote working, which is what is necessary now that the remote work strategy has been announced.

As it stands, a vast majority of those working from home are still lacking the fundamental skills and practices required to work remotely. A recent poll of six thousand EU office-based workers conducted by Sharp found 51% were anxious about a lack of up-to-date skills training. In line with the pace of change, employers have a responsibility to ensure employees are being upskilled continually.

Providing access to remote work without providing training and resources to enable remote work is akin to giving a person the keys to a car without any lessons in how to drive it.

Can remote working disrupt future accountancy talent?

Employers should also be looking at the impact this remote work strategy will have over access to future talent, which is at risk unless employers adapt training methods to accommodate remote mentoring and supervision. Accountancy talent became a casualty of the last major economic disruption, the 2008 recession, a sharp decline in the number of trainee accountants and ensuing decrease in the number of qualified accountants resulted in accountancy becoming a critical skill within the Irish labour market.

In September 2020, the Institute of Student Employers (ISE) identified a 23% reduction in student and graduate recruitment for 2020, a forecasted 12% reduction in graduate recruitment for 2021 and 40% fewer internship placements. Unless employers adapt to remote recruitment, onboarding, and training the risk of a further reduction of qualified accountants is a very real prospect, a catastrophic impact on a profession that cannot afford to lose any more graduates.

Employers cannot opt out of change, agility and a proactive approach are imperative to retain talent, protect access to future talent and remain active. There are major gains to be had by those who are agile and willing to adapt as Covid-19 is disrupting the brain drain owing to a lack of travel.

This has stopped the migration of talent to overseas economies, providing opportunities to attract talented graduates to the profession. Recruitment at global industry level has halted, according to a recent article in The Times at least three of the big four are delaying graduate start dates. In the UK, KPMG is reportedly offering to finance graduates' master's degrees if they defer their placements, while Deloitte scrapped its summer internship programme. Competition for high-quality graduates has hit a 10-year low with an average of 93 applications per graduate job according to careers website Bright Network.

For those brave enough to face the new world of work and train remotely they will reap the rewards. Graduates who would normally get snapped up are now finding themselves competing for placements providing an excellent opportunity for smaller and/or independent employers looking to add value to their workforce.

CPA Ireland Trainee Remote

CPA Ireland is committed to supporting its members, students, and the accounting profession. As such CPA Ireland has recently launched Trainee Remote - a fully funded online course supported by Skillnet Ireland, which is aimed at assisting CPA trainees to identify, develop, and apply the skills and competencies required to effectively operate as a CPA Trainee Accountant within a remote work environment. This is part of an ongoing strategy to support the smooth transition to the 'new world of work' for the accountancy profession.

If you would like to know more about this course, or how CPA Ireland is supporting remote work across the sector please contact Chantal Haynes-Curley at chaynescurley@cpaireland.ie or Caroline Moloney cmoloney@cpaireland.ie

Chantal Haynes-Curley

Chantal Haynes-Curley is CPA Irelands human resource business partner and careers advisor. Chantal is a qualified member of the Chartered Institute of Personnel Development (CIPD) with qualifications in human resource management (HRM) and law; she has worked within HRM and talent acquisition for many years across a range of sectors, settings and countries including UK Government, NGO and the private sector

Digitising all your selling opportunities - A case for thinking in the long term

by Vinny O'Brien

On 1st February 2021, the government announced a €55m grant with Tourism Ireland, aimed at bolstering the beleaguered, but critical economic sector. It was the latest in a wide-ranging number of grants being administered through government agencies over the last 12 months in particular. This type of support has existed for decades, but the sheer volume in 2020 was impressive.

In quarter four of last year, we counted over 70 available grants through agencies that could be utilised, if appropriate for businesses in Ireland. Personally, I have worked on the retail side of this grant process for over 3 years now and guided over 350 recipients in relation to how they should spend this funding in relation to their digital requirements. I am determined to deliver this article without mentioning the unmentionable, but the last 12 months has accelerated our online efforts anywhere from 2 -10 years in that period. The best statistics on this look like there was the equivalent compound annual growth rate of between 2- and 3-years growth across all categories during the period.

Grant aid and government supports play a key role in the growth of the SME sector in particular. In normal circumstances, there is time to build and understand the rationale and time to work with your regionalised representative to determine the best path forward. Last year that became survival, which meant, in my opinion, that decisions on spending were not wholly appropriate. Let me explain.

When we enter into survival mode, we make decisions based on a limited data set. Our thinking therefore is limited to that frame of reference. When I first worked in "multi/omni channel" retail with eBay in the UK, it was 2008, the last recession. This idea of expanding into new sales channels became the norm quite quickly. I remember working with Superdry and adding a sales revenue of close to £8m over a 9-month period on eBay, new, incremental revenue. Argos have typically driven approx. £30m+ in this channel in the UK almost every year since. Yet in Ireland, we still question the validity of the brand, eBay. My point being, if we have a limited experience to draw on our solutions will be limited by this lack of experience.

When the global pandemic took hold in 2020 and funding became available, many didn't even reply (or apply?). I have learned that the best approach to this is to correctly diagnose the problem first. This enables true strategic thinking and gives us a pathway towards better investment decisions and the types of projects we should explore. Over the last 12 months, through a partnership I hold with BDO Eaton Square (part of a consulting arm of BDO Ireland), I have worked with over 20 brands/ retailers in Ireland in helping shape those investment decisions. I have guided the projects and designed the strategies with them. I have witnessed the results, and this is my approach to where and how to use these government instruments.

Approach and considerations for projects

Invite your agency partner to come and do an analysis of your business, there is a lot that can be learned about your approach, business model and capability. This is the first step in understanding what is available to you.

Give ownership to an internal champion. This should be more than a title, this person needs to lead not just the project, but a cultural change. This role is critical to the long-term viability of the project.

Focus on business foundations. Jumping straight to advertising or selling first may not solve core challenges. Ensure an adequate portion of the spend has been allocated to getting processes, operations and financial structures in place to make this a viable and sustainable solution.

Think in the medium to long term. Designing a 5-year strategy right now is not the right approach, however, align yourself to projects and partners that have scope to grow with you beyond the project. The partners should be able to guide you past the immediate issue and help you to understand how the steps you take are appropriate for you in the long term. Do long term things with long term people.

Developing a digital plan is now a necessity. When we look to how consumers have responded, we can say confidently, that technology adoption across most sectors was welcomed. We will always have a need for "regular" business interactions, but our ability to manage digital and present good customer experiences will be the accelerator of growth and the foundation to strong customer experience. Regardless of sector or maturity, the idea of improved customer experience will be the barometer we need to watch closely.

eCommerce tools have become easier and quicker to deploy and there is an ever-increasing blurring of the lines of digital and regular commerce. Watch for the "e" to be dropped soon. And as a consultant in eCommerce, I can say it will be a positive step forward.

Companies such as Shopify have created a technology ecosystem that means that you no longer need to be a tech expert or hire a long-term development agency to deliver strong and robust solutions. Technologies are being delivered every day that require simple deployments, sometimes in minutes. This means you can learn quickly, keep costs down and test and learn with minimal risk. This type of approach is becoming the norm.

Patience. There is no silver bullet. We have to prepare to play the long game and realise that transition takes time. In Ireland we added over 5,000 new eCommerce businesses last year, in the UK that number was just shy of 100,000. The market is crowded, and advertising is more challenging.

More mature digital companies

Focus on optimisation and measurement. Using the tech approach mentioned above means that you can test more, quicker. Technologies such as Salesfire, Shopbox and Styla allow you to understand what people are doing on your digital properties and make decisions to affect change.

Optimisation is a key word to understand as it delivers on two fronts. Improving customer experience is beneficial to your end user and will be the reason they come back. But getting more efficient at delivering these experiences will keep your long-term marketing costs down and we have seen companies reduce their marketing costs by 40% and still doubling revenues over a 12-month period. This type of measured approach is possible with the right tools in place.

What are you doing to keep your customers? A clear retention strategy will come from really understanding your customers. We recommend proper customer profiling, surveys and segmentation as key areas in understanding how to build a retention strategy. Typically, we start with an internal desire and turn this into a customer goal. We need to understand that the customers point of view needs to be the guiding rationale and build your strategy around this.

A customer first approach is a universal and now mandatory approach for strong digital marketing.

Be where your customers are. Be prepared to work in channels that today maybe do not even exist. Instead of being multi or omni channel, we need to be open to the idea that our customers/consumers have many engagement points and that places a responsibility on us to be where our customers are. Creating a catalogue that is easily adaptable to channels is key and remember anything that can b e digitised now as a product, will be. It is expected that Amazon will open their Irish distribution centre and by extension become competition for everyone trying to grow in eCommerce in Q1 or early Q2 2021. We need to plan for working with Amazon, not looking the other way, in hope.

Let' talk Amazon briefly. There are many ways to work with Amazon and I have been doing this for 15 years. Yes, it is big and time consuming, but treated as a proper channel, can provide a global outlet for your products. Amazon will measure you on those pillars I wrote about earlier, this is their essence, so fail to prepare, prepare to fail. Marketplaces present a wonderful opportunity to test your market assertions. If you cannot do it on Amazon, chances are you will struggle on your own site too.

Finally, the race for talent is going to be a considerable challenge in 2021.

The sheer volume of requirements means you may need to hire agencies in the interim. Hiring policies need to be reviewed and domain expertise sought. This is where the challenge lies in 2021. If 2020 was the year of survival, then 2021 will be no different.

Homegrown

There is a huge number of tech companies in Ireland who provide all the solutions we need now and are providing world class solutions, across all sectors – Sensorpro – email marketing, Webio – Conversational commerce and chatbots/payments, Flexifi – flexible point of sale payment options and many more.

But we don't need to look too far beyond our doorstep to deliver what we need, we just need to look in the right direction.

Summary

Government funding options are providing a lifeline to organisations that didn't have investment capital to start on their journeys. This funding should be seen as a stepping-stone to something better or the step you felt you couldn't take.

These grants should not be considered in isolation and the possibility of qualifying more than once should be discussed and worked out. This is our approach. Ongoing funding is required beyond the project. All government agencies will want to see a coherent vision with measurable impacts along the way. You should think about your project in same way.

Vinny O'Brien

Vinny O'Brien is one of the UK and Ireland's leading eCommerce experts, with specific expertise in automotive, fashion, hard goods & home and proven results with FTSE 100 retailers, eBay and FMCG brands like Pepsi. Vinny lectures in eCommerce across the UK and Ireland, he is an investor and advisor in DTC eCommerce Start-Up, Crua Tents and Irish Auto Parts and is also an expert in Six Sigma and LEAN.

From Shoe Box to Inbox - Keeping in Step with the Times

by Noel J. Delaney

The role of the professional accountant is constantly changing, we are key financial and business advisors ensuring that businesses and their owners are informed, compliant, and prepared. It is essential therefore that we keep ourselves and our firms up to date with the latest developments, especially advances in technology and what Artificial Intelligence ("AI") tools have to offer us, our staff and most of all our clients.

Evolving Environment

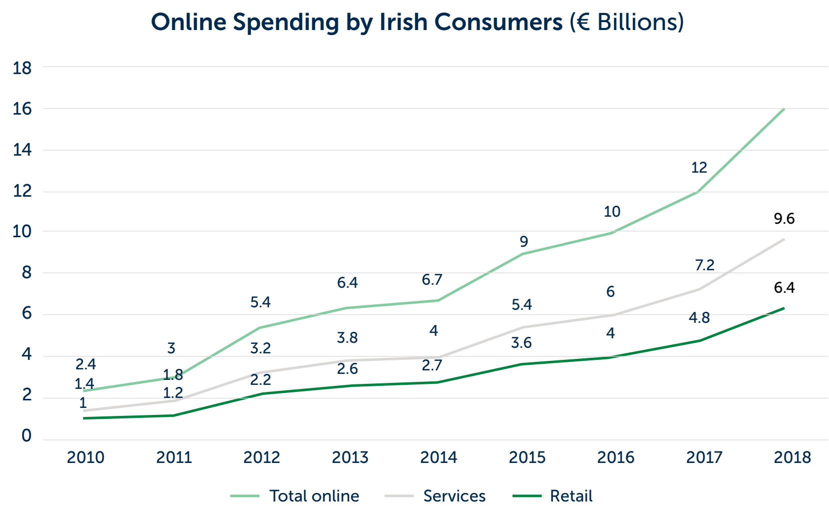
I previously worked as a confectioner in a bakery and shortly after it closed in 1989, I joined the accountancy practice of Kenny, Whelan & Company as a trainee accountant. As you can imagine it was a total culture shock, but in order to survive I quickly adapted. Thirty-two years and innumerable deadlines later that office life has evolved and adapted with the times, I too have, and continue to adapt and evolve. Remember getting client's records in an old shoe box or similar container (occasionally these still appear!), filling out paper tax returns and delivering same in bulk to the tax office at the stroke of midnight? The principal drivers of change over those years were the introduction of the internet, ROS and the ever-increasing requirements of both tax and corporate compliance. Accountancy firms and their clients have had to adapt fast to meet these increasing demands. In the main it was, and remains so to this day, the accountants that drive and strive to keep their clients compliant.

With the onset of the internet the world has become so much smaller thus enabling businesses to trade within multiple marketplaces right from their kitchen table. This in turn has increased the demands on the accountant in practice. Years ago, we were a local firm looking after local clients doing local business. While we may still be local, our clients are now both local and international businesses doing local and international trade. As businesses move towards online platforms we also need to move, if not ahead of them, with them. Figures from the CSO (Central Statistics Office) clearly show the upward trend by enterprises towards online platforms as set out in the table below:

Purchase of Cloud Computing services by enterprises, 2014 to 2020			
	2014	2020	Growth
Purchase of any cloud computing services	28%	51%	182%
of which Storage of files	20%	44%	220%
Email	16%	43%	269%
Office Software	10%	28%	280%
Hosting the enterprise's database(s)	10%	30%	300%
Finance or accounting software applications	7%	24%	343%
Customer Relationship Management (CRM) software	6%	18%	300%
Computing power to run the enterprise's own software	5%	15%	300%
Please note that the enterprises may avail of more that one type of Cloud Computing Services. Source: CSO			

This trend is only going in one direction as consumers themselves increasingly move towards online shopping. This was the case even before the current pandemic and with the promise of ever faster broadband, 5G and more people becoming connected, you can only imagine how the graph below will look in five years' time.

Their role has been to get an understanding of our long-term business goals and to align us with the appropriate ICT solutions to help us meet those goals. This proved to be an excellent move and they continue to be our I.T. support team.



Our practice embraced the use of computers and accounting software at an incredibly early stage, (remember those floppy disks?).

However, while we might have adopted these advances in the early days, we were slow to change thereafter. The old adages "if it's not broken don't fix it" or "better the devil you know" applied. While the hardware may have kept pace with the times the same could not be said for our accounts production and billing software, these continued to be used well past their best before dates!

Time to Step Up

So, when we took over the practice a couple of years ago our first task was to review the I.T. hardware and reconfigure the I.T. systems. This was necessary to ensure that they met current standards from an operational, functional, and security point of view. A crucial part of this process was engaging the right team to take control and drive it forward. Having enquired with fellow professionals we were pointed in the direction of Gavin Dixon, Paul Byrne and their team in Business I.T. Solutions (BITS).

While BITS were able to assist with the technical side of our practice needs, we alone had to establish what software and other tools from an accounts production, bookkeeping and practice management point of view would best suit our firm and our clients. A challenging task because it is not a case of one size fits all. With that in mind we set about reviewing and researching the various options on the market. In the past when it came to accounting software, we were a jack of all trades. You name it we have dealt with it. However, this time we wanted to encourage our clients to converge, where possible, to a single platform that could meet ours and most of all our clients' requirements.

The first part of this decision was deciding on what new accounts production software we should use. This in turn guided us towards the bookkeeping and practice management software choices.

There were many excellent products out there but in the end, we settled on Relate Accounts Production ("RAP"), Surf Accounts and soon to be added to the suite, is Drive CRM and Practice Management.

The main criteria for our decision were their focus on the Irish market, local compliance requirements and the overall integration of the different platforms, working off a single SQL database server.

Another deciding factor was that we felt it would be easier dealing with a local software firm that would be willing to take onboard our feedback and suggestions for improvements. As with many choices, this was no panacea, and you only truly get to know the pros and cons of your decisions with experience.

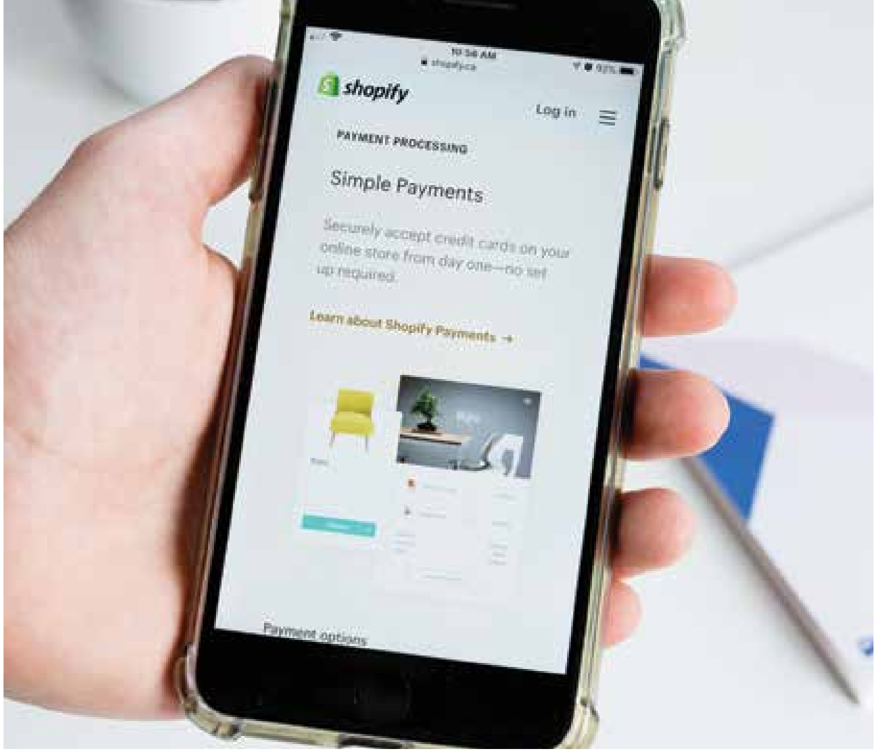
Step by Step

We have implemented these steps on a gradual basis as in most cases when changes are introduced there is a steep learning curve for all involved including management, staff, and clients alike.

First was the introduction of RAP as our main accounts production software. This proved to be a great tool in streamlining the output of the various year-end reports and financial statements for our wide range of clients. The ability to import trial balances from the various accounting software speeded up data input and minimised human error in transferring the information. Confidence in knowing that the reports were up to date with local statutory requirements. While this software will produce the final reports, it is essential that the reporting accountant uses all available resources, knowledge, and oversight to ensure that full reporting requirements are met.

With the accounts production taken care of the next step was moving our bookkeeping clients over to Surf Accounts. The bookkeeping software was the steepest learning curve and the one that needs greater ongoing feedback to the developers. Unlike programmers, as accountants we best understand the intricacy of recording daily transactions and are therefore best placed to assist them in enhancing their product and ultimately, our workflow.

Therefore, I would encourage all accountants to be proactive in this process and to provide feedback no matter how small it may seem.



Ongoing Advantages

Like all software there are regular updates and changes, none better than the integration of tools such as Plaid, the open banking platform. This pulls in the clients' bank transactions directly to the software, no more manual bank reconciliations! Another is Receiptbank, whereby supplier invoices received by various means and using optimal character recognition technology extracts the relevant information. This is then imported directly to the bookkeeping platform along with a digital copy of the document. While these are all great tools that can improve efficiencies there is again a learning curve involved that needs both client and staff buy in:

1. clients accept and use the tools accordingly by granting permission to Plaid, taking the time to upload, scan and email supplier invoices to ReceiptBank, and

2. staff pay attention to detail when processing the documents and transactions through the system.

These platforms do not know the limitations of VAT deductibility and will extract the relevant VAT amount whether deductible or not! This is where staff knowledge and management oversight come into play.

By using the built in AI tools such as "Rules" the software will remember the settings you have previously applied to the individual supplier and transaction and overtime efficiencies will grow. Staff knowledge and training is vital in obtaining these efficiencies. Helping them to clearly understand the different nature of transactions, tax deductibility, and how these may vary on a client-by-client basis is essential. The time spent on training will be rewarded.

Now that we have a better understanding of the accounts production, bookkeeping software, and the associated tools our next step will be to implement our practice management software. This was to have happened sooner but like everything else these days, other priorities took precedence. Some people might say that this should have been the first step. However, I genuinely believe that getting the practice management tool in place will be more time consuming and intricate than what has gone before. We can now give this our undivided attention knowing that the other tools are in place and running effectively.

Rewards

As we all know well by now, nothing stands still and the one thing that is constant is change. This has never been more evident since the onset of the current pandemic. By having adapted over the years and by engaging:

- A reliable I.T. support firm.
- The use of the latest AI technologies.
- Online Software.
- Virtual Private Network ("VPN") tools.
- Microsoft 365 online and associated apps such as Teams.
- Voice over Internet Protocol ("VoIP") Telephone System.

We were best placed to cope with everything that the pandemic entailed.

I anticipate further changes soon with the next step involving moving away from physical servers and PCs and transferring over to platforms such as Microsoft Azure, moving our VoIP services to Teams further consolidating our technology stack in one collaborative platform from Microsoft.

The overall driving force of these changes was change itself, forever changing and growing client base, their needs, and the need for flexibility. Maintaining efficiencies is crucial as all software comes with increased costs and therefore must be managed to be cost effective. In addition to the increased flexibility and efficiencies you will be enhancing your clients' experiences and the training of your staff. This in turn should help in the retention of both.

I would encourage all firms to take the necessary steps to keep pace with the times and to finally give those shoe boxes the boot.

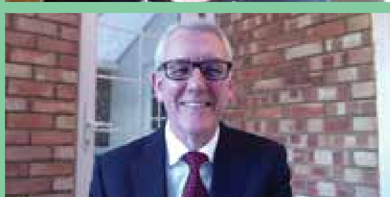
Noel J. Delaney
Principal Partner

Noel is the Principal Partner of Kenny, Whelan & Company Accountants and is a qualified CPA with 32 years of experience in practice

Institute News

Liam Donnelly Award for Outstanding Accomplishment

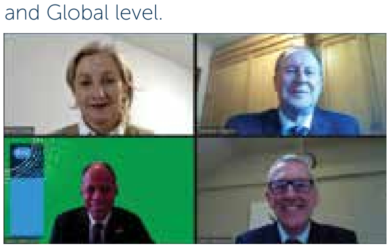
The Liam Donnelly Award is presented to the 1st placed student worldwide in the CPA Ireland Professional 2 Stage examinations. CPA Ireland Skillnet sponsored this award and were delighted to present the award to Angela Hewitt who studied with Griffith College. Angela works for Amatino Partners who provide accounting, tax and advisory services to businesses.

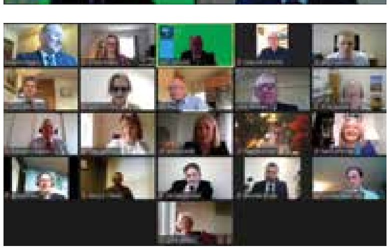


Pictured: John Devaney, President, CPA Ireland and Angela Hewitt.

President of IFAC, Alan Johnson with the Council of CPA Ireland

The Council and Executive Team of CPA Ireland were delighted to have a virtual engagement with Alan Johnson, President of the International Federation of Accountants, in December 2020 to explore how CPA Ireland can best contribute to the profession and to the public interest on both a National level and Global level.





Congratulations to our new members!

CPA Ireland would like to congratulate all the students who were conferred and officially became new CPA Ireland members on Saturday 5th December 2020 through our first ever virtual conferring ceremony. List of new members:

First Name	Last Name
Catherine Marie	Allison
Rupa	Anand
V.K.	Anil Kumar
Mihaela	Balasca
Mary	Beausang
Leon	Burke
Nuala	Callaghan
Serena	Carmody
Ciara	Collins
Daniel	Conville
Elizabeth	Cooke
Aine	Corbett
Michelle Marie	Cronin
Mercia	De Wet-Hanekom
Jonathan	Doran
Shane	Fitzmaurice
Edward	Fogarty
Nadine	Frei
Judy	Griffith
Deirdre	Hennessy
Angela	Hewitt
Yazmin	Ibague Solaque
Kamile Kotryna	Juozapaviciute
Emer	Kenny
Mary	Kenny

First Name	Last Name
Michael	Kenny
David	Mac Nally
Ann-Marie	McArdle
Calum	McClean
Declan	McInerney
William	McShane
Ger	McWey
Annie	Monaghan
Leanne	Moore
William	Murphy
Meadhbh Mary	O'Callaghan
Joanna	O'Keeffe
Uche	Oparaji
Gerard Jose	O'Reilly
Carolyn	O'Riordan
Mark	O'Sullivan
Tanya	O'Sullivan
Miriam	Rea
Claire	Reilly
Eoin	Scanlon
Kian	Walerowski
Amanda	Walker
Veronica	Ward
Darragh	Whitney
Ben	Woods

FRC approves the CPA Ireland qualification as a third country qualification in the UK

The FRC (Financial Reporting Council) in the UK has made a declaration approving the audit qualification of CPA Ireland which is a recognised accountancy body (RAB) in the Republic of Ireland. In making the declaration the FRC is satisfied that the CPA Ireland qualification affords an assurance of professional competence equivalent to that afforded by a recognised professional qualification in the UK.

John Devaney, President of CPA Ireland, has stated that 'this announcement follows on from a detailed evaluation of the CPA Ireland Qualification by the FRC in 2020. This significant development for CPA Ireland, will have a positive impact on CPA Ireland members in the UK and in Ireland and I would like to thank both regulatory authorities, IAASA and the FRC for their contribution. Being based in the UK myself, I am delighted that both regulators have reached an agreement on reciprocity in respect of auditors in both the Republic of Ireland and in the United Kingdom which gives certainty post Brexit".

Additional information is available at https://www.frc.org.uk/getattachment/7dbf0e3e-2fb9-4847-be28-5ebe500b8d85/Declaration-Of-Approval-Of-Third-Country-Qualification.pdf

Conferring ceremony 2020

Sponsored by JDM Insurance

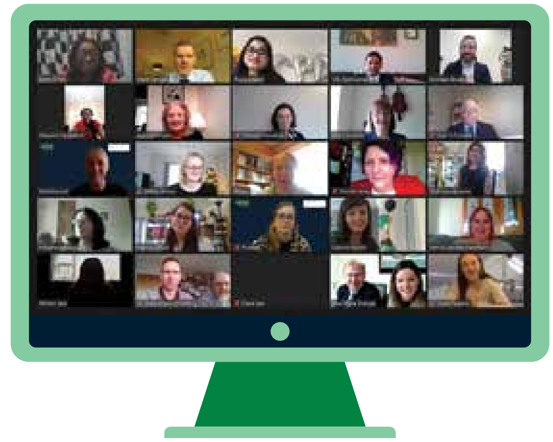
CPA Ireland held its first ever virtual conferring ceremony on Saturday 5th December 2020.

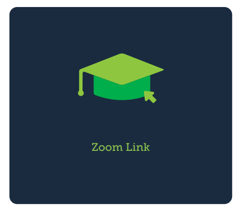
At the conferring, the President of CPA Ireland, John Devaney, challenged accountancy firms of all sizes to embrace the opportunities of remote learning. Speaking at the annual conferring ceremony, he said that small and medium sized firms can level the playing field by instilling a culture of remote learning but warns that those who fail to do so will slide into irrelevance when it comes to attracting new staff.

Mr Devaney told the CPA Ireland Class of 2020 that they should consider this the start of their learning journey.

"The finance profession is constantly changing. While at its core the role of the accountant will always be one based on strategic advice and financial acumen, we must constantly develop new skillsets such as in disruptive technologies including AI, Blockchain, and Fintech."

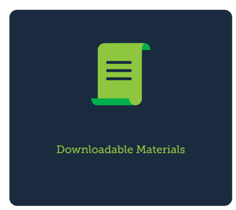
Mr Devaney commended the graduating group saying "Each and every one of you has lived through the most dynamic period of change in human history. To conclude your studies, you had to adapt quickly to online assessment during a period of social isolation, uncertainty, remote working, economic chaos, and the greatest health risk in our lifetimes. That spirit of adaptability and flexibility is one you need to implant across your new profession as you progress through your career."



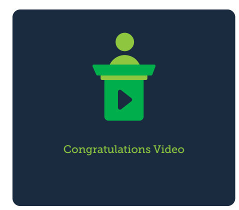


Click here to access the live Conferring Ceremony

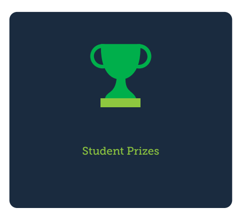
Click here to access the Induction Training Course



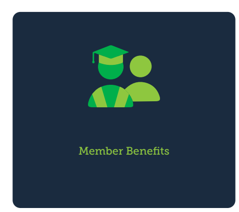
Click here to download the Conferring Booklet



Click here to access your Conferring Video



Student Prizes and JDM Sponsor Hub



Member Benefits & Supports

CPA Ireland Membership Changes

Resignations:

002065 John Slye 06/11/2020
005202 Catherine Buckley 06/11/2020
002465 John P. Chisholm 16/11/2020
008290 Joanne Brennan 09/12/2020
011617 Jasmin Krukowski 31/12/2020
002857 Marian P. Hayes 06/01/2021
002554 Eilish O'Rourke 06/0/2021
006371 Kathleen Mulvin Brady 11/01/2021
003950 Angela Helena Lee 01/02/2021

Removals:

000525 John P. Hand 07/12/2020
001377 James P Barrett 07/12/2020
001664 Patrick J. Holland 07/12/2020
001783 John Mangan 07/12/2020
002285 Teresa Igoe 07/12/2020
001373 Richard Bambury 09/12/2020
001375 Charles P. Barker 09/12/2020
006203 Jennifer Duffy 06/01/2021

Deaths:

015295 Mark O'Riordan 05/02/2021

CPA Ireland launches Trainee Remote Course

2020 saw a huge surge in employer demand for solid core remote working skills, which are becoming increasingly invaluable to employers.

That is why CPA Ireland was delighted to announce the launch of CPA Trainee Remote in January 2021, a remote working skills course for CPA Ireland students that will support CPA trainees in the development of remote working and core Accountancy trainee skills.

Sponsored by CPA Ireland Skillnet, this course supports CPA students in identifying and establishing the key skills needed to secure a trainee accountancy role and successfully work as a CPA Trainee in a remote setting.

Further details of the programme benefits and modules are available at https://www.cpaireland.ie/become-a-student/CPA-Qualifications/cpa-trainee-remote

ifac wins at Irish Accountancy Awards 2020

Ifac, Ireland's farming, food and agribusiness specialist professional services firm has won a top award at the Irish Accountancy Awards 2020. Ifac's Food and Agribusiness team led by David Leydon has been named Advisory Team of the Year 2020.

The fifth annual awards ceromony recognised excellence in the accountancy profession in Ireland and celebrate firms and individuals who have provided the highest quality of service and value to their clients.

Ifac's Food and Agribusiness Advisory Team was established in January 2018 to address a gap in the food and agribusiness sector for a specialist professional services provider with a deep understanding of the farming, food and agribusiness environment. Having already established a major footprint within the farming community across Ireland over the past 45 years, ifac now covers all aspects of the supply chain from primary production right through to the consumer.

CPA Ireland launches Digital Badges in association with Accredible.

CPA Ireland has launched Digital Badges in association with Accredible, the world's most comprehensive badge and certificate service, allowing people to showcase their post qualification specialisms attained from CPA Ireland.

These easy to download online digital badges are beneficial in building career profiles and can be easily retrieved to share details of your achievements with both current and potential employers.

The advantages of digital credentials are numerous, they can be shared in many ways including email, LinkedIn feeds, LinkedIn profiles, social media channels and also added to email signatures. They provide tangible digital proof that you have enhanced your qualifications and developed new skills.

The digital badges are linked directly to CPA Ireland, so not only are you sharing well-deserved accomplishments, but you are also promoting your own Institute.

For people who have received multiple badges, they can be seen on their Accredible page and people can also make their credentials private should they wish to do so. Accredible's digital credentials are secure, verifiable, and cannot be falsified.

CPA Ireland is currently offering digital badges for the below qualifications in addition to a physical certificate:

Certified Tax Adviser (renewable each year)

Diploma in Data Analytics

Diploma in Forensic Accounting

CPD News

Save the dates!

CPA Ireland Annual Conference

17th September 2021

"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

Irish Accountancy Conferences

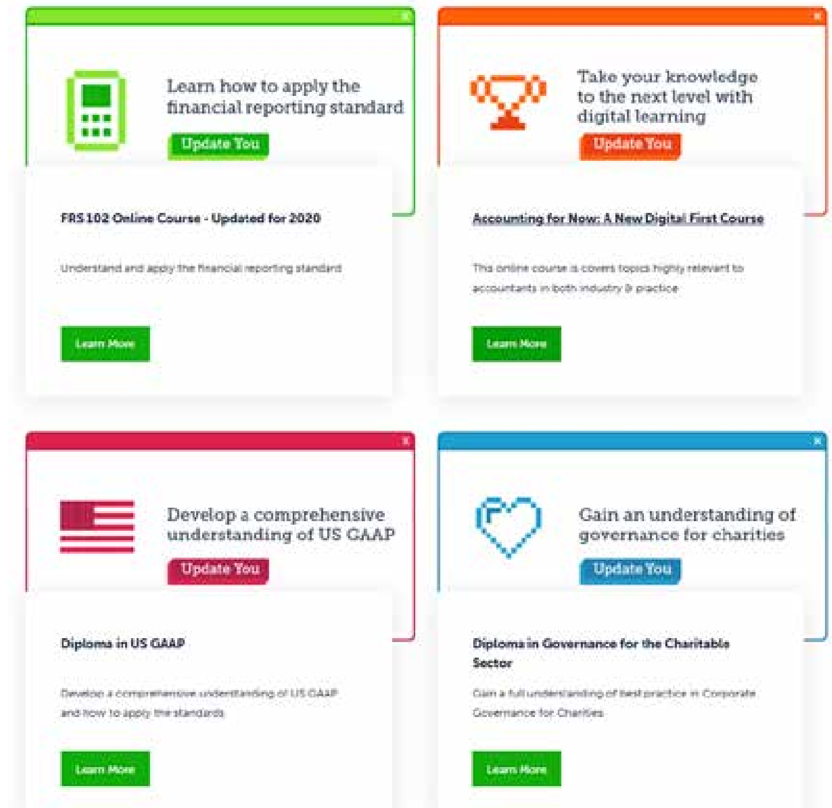
8th & 9th October 2021

"An excellent day's conference and so professionally done. You should all be very proud of the way the whole day worked seamlessly."

– Irish Accountancy Conference 2020.

New and Improved FRS102, US GAAP, Charities

Our online courses in FRS102, US GAAP and Governance for the Charitable Sector have all been recently updated and reflect all new developments in these areas. Further details on these courses can be found at http://www.cpaireland.ie/CPD/Specialisms/Online-Courses.



Accountingcpd.net – Accountants Update Programme 2021

There is still time to register and catch up online on the new and Improved Accountants Update Programme 2021.

As the pace of change in the accounting world accelerates, it's difficult to know what's around the corner. The new & improved Accountant's Update Programme 2021 is designed to help you navigate the year ahead.

Delivered entirely online, the Accountant's Update Programme 2021 (Ireland) will keep you fully up to date all year round, providing 2 CPD hours of content every month. From the latest news to regulation changes & updates, all accompanied by expert analysis, this programme is your guide to navigating 2021 successfully.

About this Programme:

Method: Online Learning

CPD Credit: 22 hours/ 2 hours per month

Cost: €380 + VAT

You can learn more about the Accountant's Update Programme 2021 and the indicative syllabus at https://www.accountingcpd.net/accountants_update_programme_2021

Accounting for Now - A Digital First Programme for Accountants

Family Company Reorganisations and Tax Reliefs – Mairead Hennessy, TaxKey

This module looks at the tax implications of Family Company Reorginisatons. Learners will gain a knowledge of what is meant by corporate reconstructions from a tax perspective, and the typical reasons in practice for companies engaging in a reconstruction.

The module provides an overview of the tax legislation and current Revenue practice in relation to reconstructions and how it applies in practice. Learners will also gain a high-level understanding of the commercial considerations that arise in practice when deciding whether a reconstruction is appropriate for a company.

Business Turnaround – Tom Murray, Friel Stafford

This module examines the legal aspects of a business turnaround and the matters every accountant should consider before engagement.

Learners will gain an understanding of the elements of a successful business turnaround, including the financial, marketing, and operational actions to increase profitability and support business restructuring and the key methods to improve working capital management, restructure outstanding debt and finance a turnaround. Learners will get insights on how to get to the root of the problem in order to identify remedial action for a company in financial difficulty.

Financial Reporting - Alan Bailie, CPA Ireland

This module examines the classification of Investment Property under FRS 102, providing an overview of how to account for investment property, including deferred tax implications and disclosure requirements for investment property, as well as how to account for transfers to and from investment property.

The module will also look at Provisions and Contingencies, covering the disclosure requirements, circumstances in which a provision should be recognised in financial statements, initial and subsequent measurement of provisions, and requirements of FRS 102 in relation to contingent liabilities and contingent assets.

Strategy Beyond Numbers – Conor Carmody, Strategic Solutions

This module looks at the tax implications of Family Company Reorginisatons. Learners will gain a knowledge of what is meant by corporate reconstructions from a tax perspective, and the typical reasons in practice for companies engaging in a reconstruction.

The module provides an overview of the tax legislation and current Revenue practice in relation to reconstructions and how it applies in practice. Learners will also gain a high-level understanding of the commercial considerations that arise in practice when deciding whether a reconstruction is appropriate for a company.

Getting the Right Things Done When Working from Home – Sean McLoughney, LearningCurve

This module helps you to identify the Time Management challenges that working from home presents compared to the challenges you face in the office environment and introduces you to tools and techniques to move away from outdated "to do lists" and start planning and scheduling your day, week and month which ensures better results and stay ahead of deadlines, whether at home or in the office. The module also highlights the importance of setting aside some "me time" to ensure you maintain your drive and motivation as you transition to a new working environment.

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	Monday, March 22, 2021	Guide to Creditors Meetings	€29.00	€36.00	1 hour
Webinar	Tuesday, March 23, 2021	e-Briefing - Q1	€29.00	€36.00	1 hour
Webinar	Thursday, March 25, 2021	Economic Update -Q1	€29.00	€36.00	1 hour
Webinar	Monday, March 29, 2021	Members Voluntary Liquidation	€29.00	€36.00	1 hour
Webinar	Wednesday, March 31, 2021	My performance: making a real impact	€105.00	€130.00	5 hours
Webinar	Thursday, April 08, 2021	IFRS Webinar Series	€29.00	€36.00	1 hour
Webinar	Tuesday, April 13, 2021	Spring Taxation Webinar Series - VAT Update	€29.00	€36.00	1 hour
Webinar	Tuesday, April 13, 2021	Spring Taxation Webinar Series	€105.00	€130.00	4 hours
Webinar	Thursday, April 15, 2021	IFRS Webinar Series	€29.00	€36.00	1 hour
Webinar	Tuesday, April 20, 2021	Spring Taxation Webinar Series - Income Tax & CGT Update	€29.00	€36.00	1 hour
Webinar	Thursday, April 22, 2021	IFRS Webinar Series	€29.00	€36.00	1 hour
Webinar	Tuesday, April 27, 2021	Spring Taxation Webinar Series - Capital Acquisitions Tax and Stamp Duty update	€29.00	€36.00	1 hour
Webinar	Thursday, April 29, 2021	IFRS Webinar Series	€29.00	€36.00	1 hour
Webinar	Tuesday, May 11, 2021	Spring Taxation Webinar Series - Corporation tax update	€29.00	€36.00	1 hour
Virtual Classroom	Friday, May 14, 2021	Full day event - 2 speakers	€225.00	€275.00	8 hours
Webinar	Wednesday, May 19, 2021	Women in Business - Interactive Event	€50.00	€75.00	3 hours

Advanced VAT for Accountants

Book your place now!

Due to the success of the first running of the Advanced VAT for Accountants course in 2020, we are delighted to once again be offering this course, commencing in April 2021.

This course provides an in-depth analysis of Advanced VAT Issues and will equip participants with the knowledge and confidence to deal with them.

Advance your knowledge on high level VAT issues

Update You

Key Details:

Method: 3 full days plus online assessment

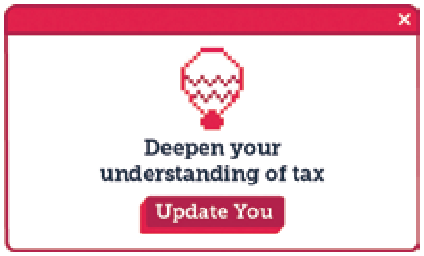
Location: Online via live streaming

Date: April 2021 to June 2021

CPD Credit: 24 hours

Cost: €850

Certified Tax Adviser



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.

We are now taking bookings for the 2021/2022 course which is commencing in September 2021. Attend in class in Dublin, online via live streaming or a mixture of both options.

Participants will be given access to CPA Ireland's online learning platform, Canvas, where you 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 exams and assignments.

Book your place now!

Key Details:

Method: Dublin and Online via Live Streaming

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

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.

Book your place now!

Key Details:

Method: 5 full days & assessment

Location: Dublin & online via live streaming

Date: September 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

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.

Book your place now!

Key Details:

Method: 5 full days & assessment

Location: Dublin & online via live streaming

Date: October 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

Student News

April 2021 Examinations

The April 2021 examinations will take place from 21 - 30 April. The full timetable of examinations can be found on the CPA Ireland website.

The examinations will be held online with remote invigilation. Many resources are available on the CPA Ireland website (https://www.cpaireland.ie/Current-Students/Syllabus-Exams) to assist students in preparing for these examinations including a tutorial outling the online system, past papers and sample online practice papers.

The results of the April 2020 examinations will be published on **Friday 11 June 2021.**

For queries regarding examinations please contact Lisa Kelly at lkelly@cpaireland.ie

CPA Ireland wishes all students well in their examinations.

New Student Dashboard

Following the launch of the new syllabus in 2020, the MyCPA portal has been updated to show the new syllabus subjects which are displayed in our newly designed dashboard. Students are easily able to see the next papers they are eligible to apply for, the number of attempts left for each subject as well as the date by which they must complete their examinations. The dashboard also shows contact details, employment details and a "gentle reminder" of any fees outstanding.

Students are reminded of the importance of updating this profile to ensure that the Institute has correct contact details, address and employment information. These can be easily updated through the new dashboard.

It is particularly important that we have your up to date:

- Employment details – this should match any training records submitted. Your Employment History should include all relevant employment. Please indicate if you are currently unemployed.
- Home address, phone number and personal email.
- Employer address, phone number and email – please indicate whether you wish the Institute to use your work or personal contact details for correspondence.

Training Records

CPA Ireland is pleased to confirm the launch of a new version of our online training record system which is accessed via the MyCPA portal. This new version of software will make it easier for students to submit their training for approval and to monitor their progress as their training continues.

Students will be able to get an immediate summary of their training via the new dashboard.

CPA Ireland would like to remind you, as a student, of the importance of maintaining your training record as you progress through the CPA qualification. The primary responsibility for the maintenance of your training records rest with you. Keeping an accurate record of your training and reviewing it on a quarterly basis with your supervisor enables you to receive structured feedback on your performance and facilitates planning for your training in the next quarter and beyond.

Training records must be approved by a mentor who is a qualified accountant and it is important that you register your mentor on the system so CPA can approve your mentor before you start to log your training.

Students who have not yet submitted training for 2020 are advised to contact the Institute as soon as possible.

Trainee Remote Course – free to all CPA Ireland students

2020 has seen a huge surge in employer demand for solid core remote working skills, which are becoming increasingly invaluable to employers.

That is why CPA Ireland is delighted to announce the launch of CPA Trainee Remote, a remote working skills course for CPA Ireland students that will support CPA trainees in the development of remote working and core Accountancy trainee skills.

This online course is kindly supported by Skillnet and can support CPA students in identifying and establishing the key skills needed to secure a trainee accountancy role and successfully work as a CPA Trainee in a remote setting.

This is an online, self-paced course on our award-winning learning management system, Canvas.

The course topics are listed below:

- Communication in a remote setting
- Essential and practical excel skills for accountants
- Double-entry bookkeeping techniques, working with ledgers correctly, creating profit & loss and balance sheet reports
- Understanding and using the tools required for collaborative working in a remote setting, identifying and mitigating against cyber security threats
- Accessing and processing returns through Revenue Online Systems

Publication Notices

Investigation Committee – Consent Order

Ref.:Invest/03/20

At a meeting of 6 October 2020, the Investigation Committee found prima facie evidence of misconduct by a Member, Mr Greg Walsh of Walsh Gibbons, 3a St. Brendan's Avenue, Artane, Dublin 5 in that in his capacity as a liquidator to a client company in liquidation he:

1. Failed to hold an annual meeting of creditors in 2016; 2017; 2018 and 2019; and
2. Failed to file liquidator's statement of proceedings and position of winding up in a timely manner for the relevant periods in 2017; 2018 and 2019.

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

- Reprimand;
- Fine €1000;
- Contribution of €2,000 towards the Institute's costs

And that details of this Consent Order be published in Accountancy Plus with reference to the Member by name.

Disciplinary Tribunal

Ref: Invest/01/20

At a hearing of 21 October and 6 November 2020, a disciplinary tribunal found the following charges of misconduct proven against a Member and Firm, Glen White; Glen White Accounting and Taxation Services, Suite 3, 148 Phibsboro Road, Phibsboro, Dublin 7:

1. That in breach of bye law 7.4, the Firm failed to carry out their work according to accounting standards issued by the Financial Reporting Council (FRC) or the International Accounting Standards Board (IASB) as relevant, the auditing and ethical standards issued by the FRC or the Irish Auditing and Accounting Supervisory Authority (IAASA) as relevant, quality control standards issued by the FRC or IAASA as relevant and the applicable Code of Ethics and relevant legislation.
2. That in breach of bye law 13.33.1 the Member failed to maintain competence by failing to make arrangements so that all principals and employees conducting audit work are, and continue to be, competent to carry out the audits for which they are responsible or employed and in breach of bye law 13.33.2, Member failed to maintain an appropriate level of competence in the conduct of audits.

Accordingly, the Member acted in breach of bye law 6.5.1 by failing to comply with these presents.

The Tribunal ordered the following: -

- That the Auditing Certificate issued to Glen White Accountancy & Taxation Services be withdrawn;
- That a severe reprimand be imposed on the Member;
- That a contribution of €5,800 towards the Institute's costs in this case be paid within 6 months from the date of this order
- The Tribunal imposed the following Orders in accordance with bye law 6.32.1 (f): -

1. That all legal obligations including Companies Registration Office filings etc in respect of auditor resignations should be addressed no later than 30 November 2020;
2. That the Member submit a sample selection of anti-money laundering files to the Institute for review in advance of the renewal of his Practising Certificate for 2021.

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

Disciplinary Tribunal

Ref: Invest/12/18

At a meeting of 22 October 2020, A disciplinary tribunal found the following charges of misconduct proven against a Member, Mr. Michael Rowsome, of Hourigan Rowsome Limited, 3rd Floor, Riverfront, Howley's Quay, Limerick:

That by failing to conclude the liquidation of a client company:

1. He provided financial services in connection with a matter in which he has been engaged and these services were inadequate and not of the quality that could reasonably be expected of him (bye law 6.5.1.(d))
2. He has performed his professional duties inefficiently or incompetently to such an extent as to bring discredit to himself, the Institute, and the profession of accountancy. (bye law 6.5.1.(e)

The Tribunal ordered the following: -

- That a severe reprimand be imposed;
- That a fine of €5,000 be imposed; (payable over 12 months commencing from the date of this order);
- That a contribution of €10,000 be paid towards the Institute's costs in this case – (payable over 12 months commencing from the date of this order).

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

1. That Mr. Rowsome be prohibited from taking on any new appointments as a liquidator, receiver, or examiner for a period of at least three years from the date of this order and thereafter only after completion of at least 12 hours continuing professional development in corporate restructuring/ insolvency.
2. In relation to the liquidation of the client in question:
   a. That a joint liquidator or replacement liquidator be appointed to complete the liquidation of the client company as soon as possible at no incremental cost to the liquidation;
   b. That all of the outstanding liquidator's statutory filings be completed in relation to the client company and any necessary meetings held, before the 31 January 2021, at no cost to the liquidation in respect of late filing fees or time spent conducting this work;
   c. That a progress report be sent to the Secretary of the Institute every 30 days in relation to the conduct of the liquidation.
3. That a practice review by the Institute be facilitated at Members cost, in respect of all other liquidation, receiver or examinership cases ongoing the Members practice.

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

Publication Notices

Disciplinary Tribunal

Ref: Invest/08/20

At a meeting of 7 December 2020, a disciplinary tribunal found the following charge of misconduct proven in accordance with bye law 6.5.1(c) against a Member, Mr. John G. O'Riordan of O'Riordan & Associates, 3rd Floor, Centre Park House, Centre Park Road, Cork, that he failed, refused, or neglected to comply with orders duly made pursuant to bye law 6 in respect of the following disciplinary cases:

Invest/09/14

- Failure to discharge three judgement debts totalling €86,972 before 15 November 2018.
- Failure to discharge costs imposed of €12,000 before 31 December 2019

*Invest/10/17**

- Failure to comply with a review by the Institute in January 2020 of compliance with all the Orders of Disciplinary Tribunals.

*Invest/21/17**

- Failure to comply with a review by the Institute in January 2020 of compliance with all the Orders of Disciplinary Tribunals.

*Invest/23/17**

- Failure to comply with a review by the Institute in January 2020 of compliance with all the Orders of Disciplinary Tribunals.

Invest/14/18

- Failure to complete the liquidation of a client company and file all documents in the Companies Registration Office before 31 December 2019.
- Failure to provide all incomplete liquidation files for inspecting to the Institute between 1-29 February 2020.

Invest/11/15

- Failure to pay fine and cost imposed before 31 December 2019

Invest/08/16

- Failure to pay Costs imposed before 31 December 2019

The Tribunal ordered the following: -

- That a severe reprimand be imposed;
- That a contribution of €6,831 be paid towards the Institute's costs in this case (payable by 30 June 2022).

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

- That Member be ineligible for receipt of a Practising Certificate from 1 April 2021 unless the following conditions are satisfied:

1. That all incomplete liquidation case files as per the order in Invest/14/18 are provided to the Institute in accordance with the terms of that order.
2. That evidence is provided to the satisfaction of the Institute Secretary of the existence of an agreement and Members compliance with same agreement from either Solicitors for the Revenue Commissioners or the Revenue Commissioners in relation to the order of Invest/09/14 that three judgements debts totalling €86,972 have been discharged or are being discharged.

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

Investigation Committee – Consent Order

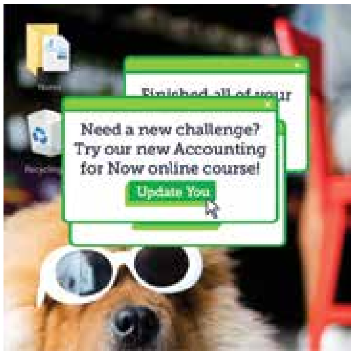
Ref.: Invest/10/20

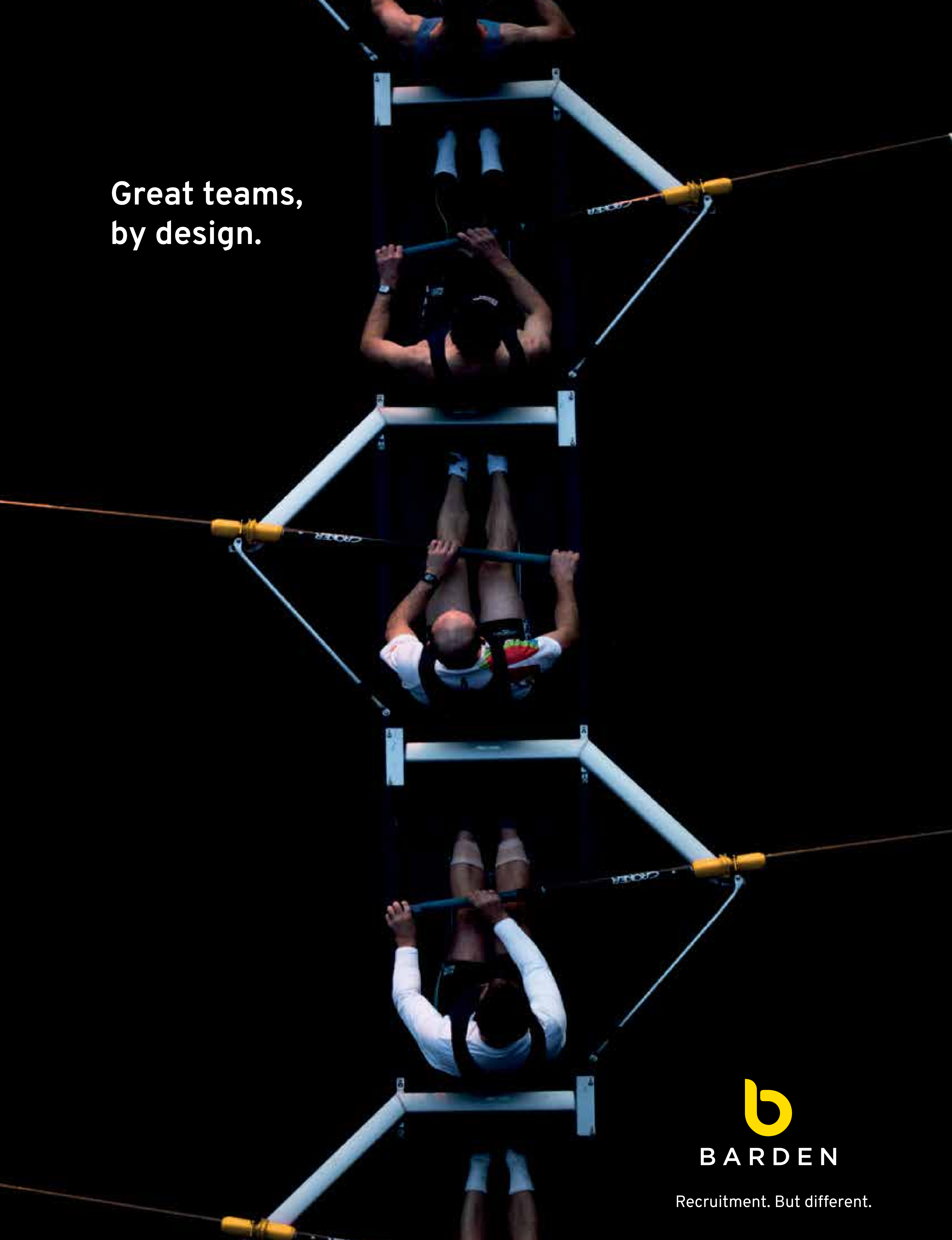
At a meeting of 14 December 2020, the Investigation Committee found prima facie evidence of misconduct by a Member, Mr Paul Conaghy of Dempsey Mullen Accountants, Unit 3E Fingal Bay Business Park, Balbriggan, Co. Dublin in accordance with Section 110 of the Institutes Code of Ethics, in that he failed to disclose the fact that he had been the subject of disciplinary action by another body, when he was completing his fit and proper declarations when applying for the renewal of his Practising Certificate, which he would have known or ought to have known was relevant.

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

- Reprimand;
- Fine €1,000;
- Contribution of €2,000 towards the Institute's costs

And that details of this Consent Order be published in Accountancy Plus with reference to the Member by name.




Great teams,
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