Accountancy Ireland

Volume 52
Number 2
APRIL 2020

The life of a leader

Six influential leaders in business and politics share their stories

GOOD GOVERNANCE IN A CRISIS
How to manage your governance obligations through COVID-19

COMBATING CYBER RISK
Why cyber behaviour in organisations is the board's business

A GUIDE TO REMOTE WORKING
How to make remote working work for an extended period

CHARTERED ACCOUNTANTS IRELAND

Welcome to the April issue of Accountancy Ireland.

At the time of writing, efforts to contain the spread of coronavirus are undoubtedly the focus of attention for society and business across the island. This is a very serious and fast-evolving situation, and Chartered Accountants Ireland will adhere to the official advice provided by our respective health services and governments. The safety and health of our members, students and staff are paramount, and that principle guides the decisions taken.

The Institute is reviewing its programme of activities in respect of members, students and external stakeholders. We will be in contact with everyone concerned to advise them of all decisions made.

I would like to take this opportunity to commend businesses across the island for their responsible attitude to their employees and customers in following official guidelines. Such decisive action will, we hope, effectively curtail the spread of the virus.

Paschal Donohoe T.D.

At the start of March, we were honoured to host Minister for Finance, Public Expenditure and Reform, Paschal Donohoe T.D., who addressed an invited audience of Institute members and guests.

Inevitably, coronavirus featured prominently with the Minister predicting that the Irish economy would be impacted by the global slowdown associated with the outbreak. He said: "Many, including the OECD, outline that this outbreak has the potential to slow global growth to its lowest rate since the financial crisis just over a decade ago. To what extent, it is too early to say, but it follows that weaker growth will affect our short-term outlook and my department will update its projects in April".

Turning to Brexit, the Minister argued that while the post-Brexit world will present significant challenges, if managed correctly, Ireland's reputation as an open, adaptable yet stable economy also presents opportunities.

Engagement with US members and politicians

At the time of writing, the Institute's Director of Advocacy & Voice, Dr Brian Keegan, and myself are currently meeting with members and politicians in the USA.

The programme has involved meetings in New York with Northern Ireland Economy Minister, Diane Dodds, and Consul General of Ireland, Ciarán Madden, before moving on to Washington DC for various events including the Irish Business Leaders' Lunch, the Irish Funds dinner and the NI Bureau breakfast.

Throughout the visit, we have had a very warm welcome from members based in the US and some really useful engagement with political representatives from both sides of the Atlantic.

Institute signs climate change pledge

In February, our Institute announced that it is one of 14 accounting bodies worldwide to become signatories to a call to action on climate change issued by Accounting for Sustainability (A4S).

The memorandum of understanding signed by Chartered Accountants Ireland states that signatories will commit to providing the training and infrastructure that accountants need, as well as supporting initiatives and providing the necessary evidence to take action on climate change.

In signing the memorandum, Chartered Accountants Ireland recognises that climate change is an economic, social and business risk and that accountants must take action collectively as a profession and individually as professionals working in the public interest.

The 14 accounting bodies signed up to the agreement represent a total of 2.5 million accountants and students worldwide.

Annual Dinner

Finally, this is my first comment section since our Annual Dinner at the end of January. I would like to record my thanks to the 900 guests who supported the event; to our event partners Dublin Airport, Bank of Ireland, PeopleSource and Toyota; to our special guest, Lochlann Quinn FCA; and, most particularly, to the many corporates who supported the event by hosting tables. For me, it was another great demonstration of how Chartered Accountants are at the heart of our economy, driving Irish business.

Conall O'Halloran
President

Contents

Publisher
Institute of Chartered Accountants in Ireland
Chartered Accountants House
47-49 Pearse Street, Dublin 2
Telephone: +353 (1) 637 7200
Email: hello@accountancyireland.ie

Accountancy Ireland team
Managing Editor: Stephen Tormey
Telephone: (01) 637 7240

Deputy Editor: Liz Riley
Telephone: (01) 637 7392

Advertising Sales: Dylan Conway
Email: dylan.conway@charteredaccountants.ie
Telephone: (01) 637 7241

Website: www.accountancyireland.ie

Subscription rate
1 year: Europe €58, Rest of World €112.
subscribe@accountancyireland.ie

Printing: Boylan Print Group, Drogheda.
ISSN: 0001-4699

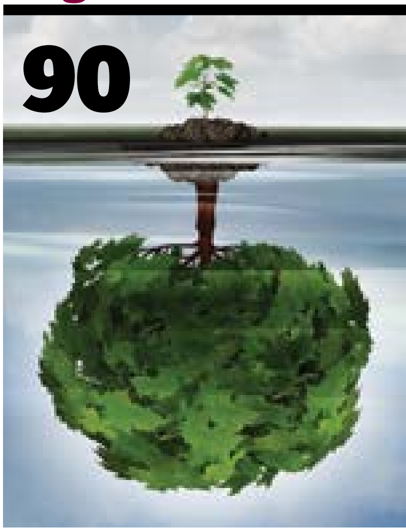
26

Interview

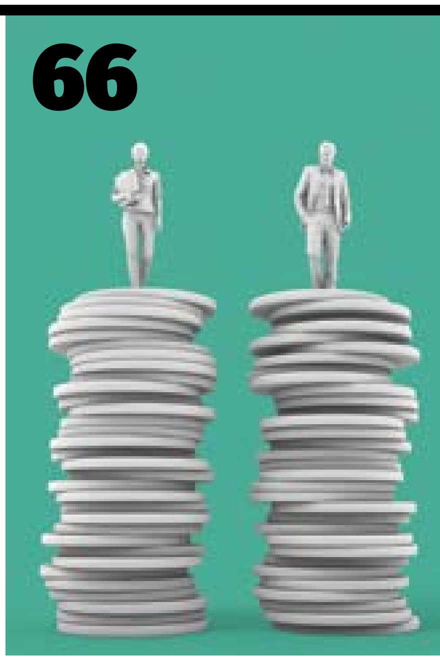
Joan Curry discusses her varied career in the public sector and recent appointment to the board of IFAC.

Regulars

90



Features



Careers

Spotlight

Tax

Our contributors

1. Eimear McGrath

Eimear McGrath is Associate Director at the Department of Professional Practice in KPMG. In her article, Eimear explores some of the key impacts of the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019 and asks to what extent they will widen the financial reporting and filing obligations for partnerships.

2. Ted Webb and Raymond Donegan

Raymond Donegan is Director and Head of Family Businesses at IBI Corporate Finance, and Ted Webb FCA is Managing Director at IBI Corporate Finance. In their article, Raymond and Ted outline a four-step process that, if followed, will maximise the potential for a successful sale of your, or your client's, business.

3. Sarah Hipkin

Sarah Hipkin is Director, Data Protection, at Mazars Ireland. In her article, Sarah argues that organisations must develop a cyber strategy and culture that considers the human element if they are to minimise the associated financial, legal and reputational consequences of potential security breaches.

4. Aoife Newton

Aoife Newton is Head of Corporate Immigration and Employment Law at KPMG Ireland. While the outgoing Government made limited progress in introducing gender pay gap reporting legislation in the Republic of Ireland, Aoife notes that it remains to be seen whether the next government will echo the same commitment.

5. Eugene Moore

Eugene Moore, Corporate Tax Manager at BDO Northern Ireland, looks at the UK's Structures and Buildings Allowance (SBA). With some projects coming into use, it is time for owners and their advisors to consider the significant tax relief available and how best to mitigate the risks of making an invalid claim.

6. Orla Doyle

Orla Doyle, Head of Marketing at Lincoln Recruitment Specialists, explains how Chartered Accountants can harness the benefits of the 80/20 rule in their job search strategy to target the right company, the right culture, the right management team, and help secure the job of their dreams.


ZURICH.
BRINGING CLARITY
TO DC PENSIONS.
Zurich has a mission to make company pensions clear for employers and employees.
Our DC Pension solution keeps things simple and makes doing business with us easier. From our on-boarding proposition, to our award winning 'Personalised GuidePath' investment strategy, and member engagement tools, we'll bring DC Pensions to life for you.
FOR A CLEARER PERSPECTIVE ON DC PENSIONS, VISIT ZURICH.IE/CORPORATE OR CALL ZURICH ON 1850 202 102.
LONGBOAT
ANALYTICS
WINNER
FINANCIAL SERVICES
AWARDS 2017
ZURICH®

News in brief

"This is the second award Mairéad has won in recent months."

Mazars Partner, Mairéad Divilly, scoops Irish Women's Award

Mairéad Divilly, Lead Outsourcing Partner at Mazars, won the Services to Accounting & Finance category at the second Irish Women's Awards 2020, which took place at the Blanchardstown Crowne Plaza Hotel in Dublin recently.

This is the second award Mairéad has won in recent months. In September, she received Skillnet Ireland's award for outstanding contributions at their 20th Anniversary Gala Dinner Celebration.

A Fellow of Chartered Accountants Ireland, Mairéad provides support for companies in payroll, HR, tax compliance, accounting, audit and advisory services and specialises in compliance for corporates establishing operations both in Ireland and other overseas jurisdictions.

Mairéad is a non-executive director of Skillnet Ireland and represents the interest of the Small Firms Association on the Skillnet Ireland Board. She also leads the CSR strategy at Mazars Ireland.

Helena O'Dwyer, Head of wavespace at EY and Frank O'Dea, Chief Innovation Officer at EY.

EY launches wavespace client innovation centre in Dublin

EY launched its new EY wavespace centre in Dublin, expanding its global network of innovation centres that bring EY technology and business experts together with clients to achieve business transformation. EY wavespace provides facilitated sessions to its clients in Ireland that use design thinking methodologies and deep expertise across sectors and technologies.

The firm anticipates that 20% of EY employees will work in technology-focused roles by 2022 and has set a target that 25% of its graduate recruits come from STEM backgrounds in the same period. This is in addition to the investment of more than $530 million globally in upskilling all EY staff in future-focused skills, including emerging technology.

IASB reviews accounting for goodwill

The IASB recently published for public comment discussion paper DP/2020/1 on Business Combinations – Disclosures, Goodwill and Impairment. Comments can be submitted to the IASB until 15 September 2020.

The IASB's preliminary view is that it should retain the impairment-only approach to accounting for goodwill and develop proposals to improve disclosures about acquisitions. The IASB accepts that both the impairment-only and amortisation models for accounting for goodwill have limitations.

The IASB's preliminary view is that there is no compelling evidence to justify changing accounting for goodwill and the costs that such a change would entail. This discussion paper provides stakeholders with an opportunity to explain whether they agree with that preliminary view.

The proposals result from the IASB's post-implementation review of IFRS 3 *Business Combinations* (report and feedback statement published June 2015).

The discussion paper is available on the IASB's website, www.ifrs.org

Crowe presents fundraising cheque to **LauraLynn**

Pictured (from left) are: Claire Shiels, Corporate Fundraiser, LauraLynn with Patrick Foley and Paul Lynch, Crowe.

Crowe employees recently presented a cheque for over €10,000 to the firm's 2019 charity partner, LauraLynn.

Crowe staff participated in a range of fundraising and volunteering initiatives throughout 2019 to help support LauraLynn's children's hospice and all the incredible work they do to help support children with life-limiting conditions and their families in Ireland.

Government announces supports for businesses impacted by COVID-19

The Minister for Business, Enterprise and Innovation, Heather Humphreys T.D., has announced a package of supports for businesses impacted by COVID-19. Supports include:

- A €200 million Strategic Banking Corporation of Ireland (SBCI) Working Capital scheme for eligible businesses impacted by COVID-19. Loans of up to €1.5 million will be available at reduced rates, with up to the first €500,000 unsecured. Applications can be made through the SBCI website.
- A €200 million package for enterprise supports including a Rescue and Restructuring Scheme available through Enterprise Ireland for vulnerable but viable firms that need to restructure or transform their business.
- The maximum loan available from MicroFinance Ireland will be increased from €25,000 to €50,000 as an immediate measure to specifically deal with exceptional circumstances that micro-enterprises – (sole traders and firms with up to nine employees) – are facing. Applications can be made through the MFI website or through your local enterprise office (LEO).
- The Credit Guarantee Scheme will be available to COVID-19 impacted firms through the Pillar Banks. Loans of up to €1 million will be available at terms of up to seven years.

This is a testing time for the local economy

Leading Chartered Accountant says executive must win back confidence with reform

The Chairman of Chartered Accountants Ireland Ulster Society has called on the Northern Ireland Executive to implement "much needed reform" in the health and education sectors and to re-energise the local economy.

Speaking to over 360 guests at the Ulster Society's Annual Dinner, sponsored by Danske Bank and MCS Group, Richard Gillan called on the Executive to provide investment in infrastructure and skills; and to adopt a business-friendly strategy.

Richard said: "This is a testing time for the local economy. Factors such as Brexit and cutbacks in Government spending will be challenging, but our members see the restoration of the Northern Ireland Executive as a very positive move. Whilst the restoration is most welcome, the last three years have left us with a lot of catching-up to do, and the Executive needs to prove itself and show that it can deliver for the wider economy."

Pictured (from left) are: William McCulla, Invest NI; Judith Hartley, British Business Bank; Richard Gillan, Chair, Chartered Accountants Ireland Ulster Society; and Shane O'Hanlon, InterTradeIreland.

Helping SMEs **fund future growth**

An event examining the funding landscape for local small- and medium-sized enterprises (SMEs) took place in Belfast recently.

The 'Access to Finance' event, organised by Chartered Accountants Ireland Ulster Society in partnership with Invest Northern Ireland, InterTradeIreland and British Business Bank, brought Northern Ireland business leaders and advisers together to discuss the range of funding options available.

Richard Gillan, Chair of Chartered Accountants Ireland Ulster Society said: "It's important that businesses and their advisers are not only familiar with the more traditional finance options on offer, but also with the alternative funding solutions available to growing businesses.

"Alternative sources of finance, offered across both debt and equity markets, are now more prevalent in the funding landscape and have a key role to play in allowing businesses to effectively execute their growth strategy."

Irish companies eye international expansion and new service lines despite challenges

Finding, hiring and retaining top talent remains the most significant challenge facing Irish businesses, according to a survey of the 2020 Deloitte Best Managed Companies network. Representatives from almost 100 companies provided their views on the key advantages and challenges facing them in 2020 and on their ambitions for growth in the years to come.

Talent acquisition was noted by 57% as their organisations' biggest challenge, remaining the top challenge when compared to the 2019 results. Geopolitical uncertainty (44%, up from 37% last year) and the development of new products and services (22%) were the next-highest-rated challenges.

Asked to rate the three most significant factors that give a key advantage in their marketplace, the companies identified excellent customer relationships (54%), unique products/services (46%) and their commitment to continuous improvement (43%) as the highest contributors. A good business strategy also rated highly at 32%. Notably, 'lower cost than our competitors' was the lowest-rated factor at 2%.

It pays to pay women the same

Closing the gender pay gap across the OECD could boost female earnings by over 21%, which translates to over US$2 trillion, according to PwC's latest Women in Work Index, which analyses female economic empowerment across 33 OECD countries. Furthermore, if the female employment rate across the OECD matched that of Sweden, OECD GDP could be boosted by over US$6 trillion according to this latest index.

The Women in Work Index is a weighted average of five indicators that reflect female participation in the labour market and equality in the workplace: the gender pay gap, female labour force participation, the gap between male and female labour force participation, female unemployment and the female full-time employment rate.

This year's index has Iceland and Sweden retaining their top two positions for the fifth year in a row, with Slovenia in third place. Although the UK performed above the OECD average and is second only to Canada when compared to other G7 economies, its position has barely budged since 2000 when it stood at 17th position, despite improving its performance across all five indicators.

Ireland recorded the biggest decline (along with Estonia) in the PwC Women in Work Index rankings this year, falling by four positions. Analysis attributes this largely to a widening of the gender pay gap.

Closing the gender pay gap across the OECD could boost female earnings

by over 21%

which translates to over US$2 trillion

Credit Review Office rebrand takes effect

The Credit Review Office has rebranded to be known as 'Credit Review'. First established in 2010 by the Minister for Finance, Credit Review's role is to ensure the flow of credit to viable small- and medium-sized enterprises (SMEs) and farming businesses.

Credit Review provides an independent and affordable appeals process for SME and farm businesses who have either been refused credit or have had existing facilities up to a value of €3 million reduced or withdrawn.

Credit Review appeals are successful in 90% of the cases it supports, with the majority of cases handled for a fee of €100. Larger value cases are charged more, up to a maximum of €250.

Credit Review appeals are successful in 90% of the cases it supports

Pictured (from left) are Sonya Boyce, Director of HR Consulting in Mazars; Fergal Brosnan, Head of Strategy Development at Bank of Ireland; and Helen Downes, CEO at Shannon Chamber.

Gender pay gap reporting is fast approaching

With the Gender Pay Gap Information Bill, 2019 currently in the process of being enacted, companies need to pay more attention to the pay gaps that exist between men and women in their organisations. This was the stark message that Sonya Boyce, Director of HR Consulting in Mazars, gave to a gathering of Shannon Chamber member companies at a recent seminar in Shannon.

Given that Ireland witnessed a 2% increase in its gender pay gap from 12% to 14% between 2014 and 2017; that this figure is above the European average of 16% and will continue to grow without legislative intervention; that only 19% of chief executive positions in Ireland are held by women; and that women represent only 13% of boards of management for Irish listed companies, the issue that companies need to be concerned about is 'when', not 'will', mandatory pay gap reporting come into effect in Ireland.

By year three of its initiation, reporting will be mandatory for companies of all sizes in Ireland with larger companies required to report in the initial two years. "Now is the time to start preparing," added Sonya.

IFAC outlines five factors for high-quality audit

As audit reviews unfold in various national jurisdictions, the International Federation of Accountants (IFAC) has set out its recommendations for achieving high-quality audits. Its five essential factors are: the right process, the right people, the right governance, the right regulation, and the right measurement.

"Audits contribute meaningfully to the functioning of organisations, financial markets, and economies. While many thousands of audits are conducted each year without any issues, improvements are needed to ensure consistent high quality," said IFAC CEO, Kevin Dancey. "This, however, cannot be achieved in a vacuum – all participants in the audit and assurance ecosystem must work together in striving to achieve high-quality audits 100% of the time. It is a vital part of our profession's public interest mandate."

He continued: "We call on regulators and PAOs (professional accountancy organisations) to collect, analyse, and publish more and better data – both aggregate and granular – on audit quality, with the goal of enhancing transparency and promoting higher audit quality."


Rory Finegan, Founder,
Beyond Accounting

News from your **Institute**

Brexit: what does it mean for our members?

The Institute published a special episode of the *Accountancy Ireland* podcast, where Aidan Lambe, Akriti Gupta, Ronan O'Loughlin and Zara Duffy spoke about what Brexit and the ongoing transition period means for members of Chartered Accountants Ireland. The panel also discussed the future of audit and what the Institute can do for its members. Meanwhile, Chartered Accountants Ireland published a series of explainers on the Brexit timeline and the negotiation mandates.

Akriti Gupta reviews the Institute's recent policy and representations activity.

Pictured (from left) are: Conall O'Halloran, President at Chartered Accountants Ireland; Minister Diane Dodds, Northern Ireland Economy Minister; and Dr Brian Keegan, Director, Advocacy and Voice at Chartered Accountants Ireland.

Minister Dodds addresses members at Institute event in New York

Northern Ireland's Minister for the Department of the Economy, Diane Dodds, addressed members at an Institute event in New York.

Speaking at the event, the Minister said she recognised the key role of members of Chartered Accountants Ireland in attracting investment to Northern Ireland, and its strong and influential network. She also reiterated her commitment to delivering business growth and increased investment into Northern Ireland.

Echoing the Minister's sentiments, Conall O'Halloran, President of Chartered Accountants Ireland, reiterated the Institute's commitment to the all-island economy and noted the particular value of the accountancy skillset in contributing to business development.

Minister Paschal Donohoe T.D. addresses members in Q&A session

Pictured (from left) are: Barry Dempsey, CEO at Chartered Accountants Ireland; Conall O'Halloran, President at Chartered Accountants Ireland; and Paschal Donohoe T.D., Minister for Finance and Public Expenditure and Reform.

Minister for Finance and Public Expenditure and Reform, Paschal Donohoe T.D., addressed Institute members and guests in March.

His address, titled *The Irish Economy at a Crossroads: Risks and Opportunities Ahead*, covered the potential global economic slowdown from COVID-19, the outgoing Government's fiscal policy, the requirement for an exchequer surplus, and the ongoing negotiations to form a new government.

London Society rises to the challenge of climate change

The Institute in conjunction with the London Society hosted a panel event for members living and working in London at the Embassy of Ireland in London. Moderated by Dr Brian Keegan, the theme of the event was 'sustainable finance – the cornerstone to better business', and the event saw excellent engagement and discussion. London Society Chair, Peter Keenan-Gavaghan, said: "Sustainable finance is an area where our profession has to be ready to take the lead."

The panel for the evening was Richard Spencer, Head of Sustainability at ICAEW; Hannah Armitage, Project Manager at the Financial Reporting Council; Elaine Deehan, Country Manager of Ireland at Starling Bank International; and Patrycja Jurkowska, Chartered Accountants Ireland Young Chartered Star 2019. Also, in attendance were Economic Counsellor, Páraig Hennessy, and his colleagues from the Department of Foreign Affairs and Trade.

Institute signs call to action on climate change

Chartered Accountants Ireland recently became one of 14 accounting bodies to sign a call to action on climate change. The call was issued by Accounting for Sustainability (A4S), a project promoting sustainability in business. The accountancy profession plays a vital role in achieving climate change mitigation and adaptation. The CEOs of the signatory accounting bodies are committing to support accountants in taking urgent action by providing the training and infrastructure that accountants need, as well as by supporting market-based initiatives and providing the evidence base needed to take action.

Chartered Accountants Ireland inaugurates new Vancouver Chapter

The Institute inaugurated the new Vancouver Chapter on 24 February 2020, by hosting an evening member networking event in KPMG's offices in Vancouver, Canada.

Director for Advocacy and Voice, Dr Brian Keegan, updated the group on the current Brexit position and the opportunities and challenges that come with it. Irish Consul General to Vancouver, Frank Flood, addressed the gathering and highlighted the Institute's strategic position as a key business entity and financial services expert in the business community in Canada.

The evening was a great success and saw many local members coming together for an evening of networking and discussion.

Responding to consultations

The Institute has provided responses to a number of consultations recently.

Under the auspices of CCAB-I, the Institute responded to the OECD Secretariat Unified Approach Proposal under Pillar One to taxing the digital economy; the OECD Secretariat GloBE Proposal under Pillar Two to taxing the digital economy; and Revenue's real-time Dividend Withholding Tax (DWT) proposal.

We also responded to the Department of Communications, Climate Action and Environment consultation on a "proposed increase to environmental levies".

Institute signs MOU with HMRC

The Institute has agreed a memorandum of understanding (MOU) with HMRC, which is now being used to shape future reporting by HMRC to Professional Standards of instances of potential misconduct by our members.

The MOU contains a number of safeguards that mirror those available to our members in instances where the Revenue Commissioners wish to make a report to Professional Standards.

CCAB-I identified as fifth most active lobbying group in Ireland

The second statutory review of the Regulation of Lobbying Act 2015 identified the Consultative Committee of Accounting Bodies Ireland (CCAB-I) as one of the top five organisations in Ireland with the greatest amount of lobbying activity.

This was from a total of more than 40,000 returns, which had been submitted as at 21 January 2020 from over 1,900 persons and organisations listed on the Register.

UK Budget 2020 – top takeaways

The Institute published its analysis of the newly appointed Chancellor of the Exchequer, Rishi Sunak's first Budget and the first UK Budget in over 16 months. It came just weeks after the UK's departure from the EU and amidst the COVID-19 outbreak, with many seeing the Budget as an opportunity to vaccinate the UK economy.

The analysis touched on points such as VAT-postponed accounting, pensions, personal tax, and business tax measures.


Lena Hennessy and Professor Niamh Brennan


Professor Patricia Barker and Past-President Shauna Greely

International Women's Day 2020

80 Chartered Accountants and guests gathered in Chartered Accountants House, Dublin for the first International Women's Day lunch on 9 March 2020.


Derek Reilly


Shauna Greely and Professor Patricia Barker


Barry Dempsey speaks to guests


Paula Houlihan


Chartered Accountants Ireland Deputy President, Paul Henry


Cody Jackson and Roberta Flynn


Aisling Molloy and Orla McGahan


Caroline McGroary


Anna Maria O'Shea


Amy Ball


Michelle Maxwell and Amy Ball


Barry Dempsey and Paula Nyland


Lena Hennessey and other guests engage in a networking exercise


Dearbhla Brennan, Cody Jackson and Sarah Lane


Professor Patricia Barker


Michelle Maxwell

Thanks for the memories?

Some of the commercial habits that are already being formed could serve us well once the COVID-19 crisis is over, writes **Dr Brian Keegan**.

By now, all businesses and institutions have taken some preventative and containment measures against COVID-19 for their staff, but the early adopters of social distancing won headlines and even kudos for so doing. They were the first to tell personnel to work from home, to block staff from hosting or attending large meetings or any type of gathering, and to have placed an embargo on international travel.

Those early adopters had much in common. Typically they were large, multinational, and flourished in the online sales and services environment. By contrast, the indigenous SME sector often operates within a market segment where having people work from home is not practicable. The sector is now suffering the most from the collapse in demand caused by the pandemic.

We have seen epidemics before, but how well did we remember the lessons of Zika virus a few years on? Or SARS? Or swine flu? How much better are we at defending ourselves? At the time, these were serious crises, but they seem to have faded from the collective memory very quickly. That may be simply because their social and economic impact was far less pronounced than that of the current scourge, but I'm not sure the reason is as straightforward as that. It may instead be because they left no lasting behavioural changes in most of the businesses and societies they affected.

Societies that did remember how bad things could get were better prepared for COVID-19. Singapore is not the most open of jurisdictions, but they read the warning signs early. Also the isolation wards built there to tackle SARS in the early years of the century were still available to hold patients ill with COVID-19, and that in turn allowed the authorities to be more prescriptive about quarantining and testing.

No business, nor even a country, can (or even should) sustain the kind of "just in case" procedures, buffers and Singaporean-style infrastructure to guard against once-in-a-century pandemics. This, however, is a crisis for all of us, and we should not waste an opportunity to take some insight from it.

Some of the commercial habits that are already being formed could serve us well once this crisis is over. Because the situation is changing daily, I am hesitant to be too prescriptive and not all these behaviours will sustain or improve the bottom line. Nevertheless, there is already evidence that businesses are accommodating, and staff are delivering through, more flexible working practices. This is not just about working from home where that is possible, but about varied working hours, role definition and service delivery methods.

In days when demand is in decline almost everywhere, the Institute sees an upswing in demand from members for resource materials and online training. This could be down to a desire to fill empty hours, or more positively, it could be down to a broader recognition that additional skills and tools are needed for future survival.

Behaviour is the hardest thing to change. The reluctance to lend or borrow, an antipathy towards speculative development, overcautious economic policy and even the rise of the gig economy can be traced back to the downturn a decade ago. The legacy of the 2007/08 recession sometimes lingers less on balance sheets than it does in the collective memory.

The businesses that bounce back the fastest could well be those who are the early adopters of the new business behaviours prompted by the crisis. Just like the last recession, COVID-19 is now creating memories of its own. We will need to hang on to the positive ones.

Behaviour is the hardest thing to change. The reluctance to lend or borrow, an antipathy towards speculative development, overcautious economic policy and even the rise of the gig economy can be traced back to the downturn a decade ago.

Dr Brian Keegan is Director, Advocacy & Voice, at Chartered Accountants Ireland.

Read more, **faster**

Cormac Lucey helps you turbo-charge your ability to identify and absorb relevant information in three easy steps.

A close friend of mine is a retired journalist. We were in school together for several years in the 1970s. He went into journalism; I went into accountancy. In sixth year, our school won the Leinster Senior Schools cup in rugby for the first time in decades. My pal kept a copy of the following day's *Irish Independent*, complete with match coverage. It disappeared under the mountain of detritus we are all at risk of gathering. Then it re-emerged after both parents had died, and the family home was put up for sale. What struck Peter, in the early part of this century, was just how thin that 1978 edition of the *Independent* was compared to the bulky newspapers we have today. Ironically, our newspapers are bigger and better than ever before, even as they face going down under the online onslaught.

In 1978, nobody was at real risk of information overload. If anything, we suffered from information poverty back then. Today, however, we are forced to deal with an abundance of information. Separating the informational wheat from the chaff is critically important today, as each of us could be submerged in the flow of information pouring our way. I read a lot – both online and in print – and have three key rules for managing the information flow I face.

Rule 1: Learn to speed read and put it into practice

The average best-seller we might take with us on holidays has about 400 words on each page. It is said that President John F. Kennedy could read 2,000 words per minute, equivalent to five pages per minute. I find that hard to believe. But with a disciplined approach, it should be possible to read at speeds of 500-600 words per minute regularly.

What are the core elements of speed-reading? Here is a speed speed-reading course:

a) Develop the good habit of reading in a smooth rhythm; abandon the bad habit of disrupting that rhythm by occasionally going back to reread a passage;

b) Instead of visually absorbing single words, get into the habit of absorbing several (three to five) words with each glance;

c) Measure your reading speed when you're reading a book and focus on getting that speed up; and

d) Practice reading some trashy material at an incredibly fast pace. Then, when you read regular content, you'll find yourself chomping at the bit speed-wise, just like when you come off the motorway and chomp at the bit at the outrageously slow speed limits then imposed.

Rule 2: Focus

When you read something, you are reading it for a purpose. Be deliberate about that purpose. If I'm reading a newspaper, I want useful information and I want entertainment. I also want to limit the amount of time I devote to reading the paper. I am certainly not going to read all of it. The paper owes you a duty – you owe the paper no duty.

Similarly, just because you have started to read a book does not mean you are duty-bound to complete it. Our time and attention are limited. If a book is boring, tedious or just getting you down, discard it and choose another. That book may deserve the dismissive review: "Once I put it down, I couldn't pick it up!"

Rule 3: Discriminate among preferred providers

I follow several financial websites closely:

- RTE.ie – click on "Business", "Broker Reports" and "Goodbody" and you will be directed to a comprehensive review of the previous day's business and economic news refracted through the prism of its implications for corporate value.
- Google "McKinsey on finance" and you will be directed to the website of the management consultants' quarterly report on corporate finance themes. Each quarter, five or six issues are considered in a succinct and intellectually well-founded manner with a focus on drawing actionable conclusions.
- Google "Damodaran online", and you will land at the website of Aswath Damodaran, Professor of Finance at the Stern School of New York University. This site features models, including lots of detailed valuation models; data, including important sectoral cost of capital data; and Damodaran's blog, where he analytically considers important current financial topics.

Separating the informational wheat from the chaff is critically important today, as each of us could be submerged in the flow of information pouring our way.

Cormac Lucey FCA is an economic commentator and lecturer at Chartered Accountants Ireland.

Uncertainty **reigns**

Economic forecasting can be a difficult business, especially when you consider the 'unknown uncertainties' the world is currently facing, writes **Annette Hughes**.

Businesses do not like uncertainty but, at present, that is the prevailing economic theme. An uncertain political situation, ongoing Brexit negotiations and the recent coronavirus outbreak remind us how vulnerable the economy can be to external shocks.

Those in the business of economic forecasting understand this vulnerability very well. The purpose of an economic forecast is to measure the impact of 'known uncertainties' on future economic performance, but the future is unpredictable and this is further complicated by the 'unknown uncertainties' we now face.

Economists, in making their projections for economic growth in 2020, would not have been aware of the coronavirus outbreak until the first reports of a cluster of cases were identified on 31 December 2019 in Wuhan, China. The rapid and continuing escalation of COVID-19 has led economists to revise their economic forecasts downwards, as the initial output contractions in China begin to be felt around the world. It remains unclear what the full effects will be on the movement of people and goods, and economic activity, while the response of policymakers is evolving on a daily basis.

Global economy

In early March, the OECD reported on the considerable human suffering and major economic disruption that had resulted from COVID-19. OECD global growth in 2020 was revised downwards, by around 0.5 percentage points to 2.4%, from an already weak forecast of 2.9%. The adverse impacts on confidence, financial markets, the travel sector and disruptions to supply chains were all factors contributing to the downward revision. However, without knowledge of the full impact of the virus, the OECD acknowledged that, should the outbreak be more intense and last longer than predicted, global growth could drop to 1.5%.

Economists at Oxford Economics believe that the virus will result in Q1 2020 being the first global contraction since Q1 2009, with overall growth of 2% for the year, the slowest pace in the last decade.

Irish economy

The OECD forecast for economic growth in the euro area was revised downwards by 0.3 percentage points to 0.8% in 2020, although, given that the spread to Europe did not materialise until February, this forecast is likely to be subject to further downside risks.

Ireland has an open economy reliant on international trade and global markets to support economic growth. Ireland and its economy accounts for just 0.4% of global GDP and 0.06% of the world's population. However, it still remains vulnerable to the impact of the COVID-19 virus.

Economic growth in Ireland will definitely be weaker than projected should the virus spread for an extended period. The main impacts are likely to be felt through supply chain disruptions, travel and tourism restrictions, and reduced mobility (affecting consumer spending and workers staying at home). There have already been reports of delays in the delivery of imported products in the construction sector, according to the Ulster Bank Construction Confidence Index. It has been acknowledged that Ireland will likely follow a pattern seen in other European countries and the Taoiseach's measures to minimise the spread of COVID-19 could be significant, but much less than the economic and social consequences of acting too late.

The flexibility that Irish businesses have demonstrated in dealing with evolving economic, political and social trends are acknowledged in EY's February 2020 *Economic Eye*. EY Chief Economist, Neil Gibson, correctly pointed to the coronavirus outbreak as likely to damage global growth in 2020, but as a rapidly evolving situation, it is difficult to predict the full economic impact on the island of Ireland. The closure of many public institutions and private businesses in the Republic of Ireland will no doubt further slow growth across the island, but the sectoral and regional impact will vary greatly. It important to remember, however, that this is first and foremost a human crisis, and we must think about people first. Moving away from GDP numbers, we must look at what business, governments and individuals can do together to help get us get through this incredibly difficult period.

Clearly, these are unprecedented times and taking such developments into account makes economic forecasting a difficult business.

Annette Hughes is a Director at EY-DKM Economic Advisory.

The **hazard** of professional advice

With advice comes responsibility as almost all advice has consequences, writes **Des Peelo**.

As a Chartered Accountant, whether in professional or commercial life, our qualification is relied on by others for knowledge and experience when we provide advice.

Advice brings responsibility, as almost all advice has consequences. A course of action undertaken, an investment made, a decision taken, a matter rectified, a risk addressed, and so on. The accountant can sometimes be unaware that somebody has interpreted a comment or course of action as advice. Even responding to a casual enquiry can be an everyday hazard in a complicated and regulatory world.

Letter of engagement

I, in common with other professional advisers, have experienced clients or circumstances where it is later claimed that advice was wrong or inadequate. Thankfully, none developed into legal claims – though I have acted as an expert witness in many such cases. Common factors in these claims included allegations that the client subsequently raised an issue that was not within the original remit, or did not take the advice, or varied its implementation to suit a different purpose.

It may not always be possible in everyday commercial situations, but it is invariably wise to have a clear letter of engagement (LOE) signed as accepted by the client in advance of undertaking the work. The real relevance is that the LOE can avoid any later claim of misunderstanding or ambiguity. The LOE can also state in advance what is to be excluded in the advice, as explained below.

Create clarity

In my experience, it is increasingly necessary to ensure that the recipient understands what the advice is not, as well as what it is. For example, that it is not legal advice, that it is not tax advice as may arise, or that the advice cannot be taken as reassurance to a third party (such as a bank or fellow investors) as to the standing or validity of the circumstances relating to the advice. The advice is for the recipient alone, and there is no responsibility to third parties.

The subsequent written advice to the client may then state: "This advice is provided in accordance with the signed letter of engagement (LOE), dated 1 April 2020. For good order, a copy of the LOE is attached to this letter".

Chinese walls

Experience suggests that most professional indemnity claims for negligence arise through allegations of omission. In other words, some aspect was overlooked or understated by the adviser and should have been appropriately addressed. This, of course, enters into the grey area of opinion of which there is little legal definition beyond a simplistic analysis as to what your peer group would have done in the circumstances.

In the ordinary course of events, a Chartered Accountant is unlikely to face a conflict of interest in giving advice – although a wary eye is necessary for Ireland's relatively small business network. Others may, however, experience conflicts of interest in a different way, as explained by a straight-faced story from the rarefied world of high art dealings.

In a frank memoir, a retired director of a major auction house in London explained 'Chinese walls' as follows: on one side of the auction house, the potential seller of a painting is reassured as to this being the best time to sell a painting. On the other side, in the same auction house, the potential purchaser is reassured as to the wisdom of investing to future advantage in the same painting.

Be brave

Good advice is always worth it, but the advice might be unexpected. A senior politician, for example, battered by the vagaries of the world, remarked to me that if you are 'being an eejit', the best advice sometimes comes when the adviser tells you so in plain terms.

And how much should one charge for all this great advice? A wise PR lady, not entirely tongue-in-cheek, once told me that advice should always be reassuringly expensive.

Des Peelo FCA is the author of *The Valuation of Businesses and Shares*, which is published by Chartered Accountants Ireland and now in its second edition.

The **benefits** of balance

It is important, and indeed useful, to remind ourselves about the business case for gender balance, writes **Rachel Hussey**.

A lot of the recent discussion around gender balance and its importance in business presupposes that everyone believes that working towards and achieving gender balance is a good thing and that we all know why this matters.

A large body of research demonstrates that diversity is good for business. Diversity leads to better decision-making, enhances the attraction and retention of talent and, most importantly, improves the bottom line. For example, McKinsey's recent report entitled *Delivering Through Diversity* shows that companies in the top quartile for gender diversity within executive boards were 21% more likely to outperform on profitability. Investors are increasingly focused on gender diversity, and Goldman Sachs in February announced that it would only underwrite IPOs in the US and Europe of private companies that have at least one diverse board member. And starting in 2021, it will raise this target to two diverse candidates for each of its IPO clients. Closer to home, the Central Bank of Ireland has called out the specific need for diversity across senior decision-making levels based on evidence of increased standards in governance practices and a more balanced risk appetite.

In many industries, a large part of the challenge around achieving gender balance is the small number of women who enrol for or graduate from the degrees relevant to the industry in question. For example, engineering companies find it more difficult to recruit women because of the small percentage of women who study engineering in college, which in turn is as a result of not enough girls taking STEM subjects in school. Furthermore, in law, over 60% of graduates are women, and in 2018 there were more women on the roll of solicitors than there were men for the first time. And this trend has continued. Data published annually by the UK's Financial Reporting Council also indicates that the numbers of men and women opting for careers in accountancy are close to or at parity in recent years.

In contrast, the overall profile of the profession is closer to one-third women and two-thirds men. Anecdotal evidence suggests that the position is somewhat better in Ireland. However, a gender imbalance remains, particularly at more senior levels. This makes the retention of women in the professions a key business opportunity if employers are to harness the full value of the available talent.

A key lever in professional services firms is client demand. Clients are very focused on their diversity ambitions and they expect their service providers to be as well. Firms increasingly see tender documents with questions and scoring for diversity statistics and initiatives. It is not acceptable, nor prudent, to arrive at a beauty parade with an all-male team to discuss a proposal with what is usually a diverse team on the other side. And it is not only in pitch situations. Clients – and in particular, international or global ones – now frequently include requirements around diversity in their terms of engagement. Some conduct diversity audits and evaluate the composition of teams and the numbers of hours worked by both men and women. We ultimately need to focus within professional services on representing the increasingly diverse client base that we serve.

Diversity is also important from a reputational perspective. The media – and the trade press as well – have a keen focus on gender balance and new partner announcements can be the subject of criticism and comment if there is a lack of gender balance, particularly on social media.

Firms that make progress in this area, and are seen to do so, will have a real competitive advantage in what is an asymmetric market. Research carried out by the 30% Club shows equally high career ambitions across men and women. However, the same study also indicates less confidence among women regarding their potential to progress.

This is perhaps a topic for another article, where we might also talk about the practices a modern professional services workplace needs to attract and retain talent – all of which will be tested as we work through the current challenges posed by coronavirus.

I was very pleased to be invited to write articles in this publication on gender balance in business. Since my first article the world has experienced, and continues to experience, unprecedented change and uncertainty and that looks likely to continue for some time. Businesses will have very different priorities in the period ahead and I am writing on the basis that we will return to (perhaps a different) normal and that we can resume the discussion on issues around sustainability (including diversity) in that new normal.

Rachel Hussey is Chair of 30% Club Ireland and a Partner at Arthur Cox.


KBC
Opening doors for business
KBC Business Banking for Professionals.
When you choose KBC you are assigned a dedicated Business Partner. A specialist who understands the Accountancy Sector, available online and in person, so you can spend your time where it matters most.
You focus on your business. We'll focus on you.
1800 804 414
kbc.ie/business
THE BANK OF YOU + YOUR BUSINESS
KBC Bank Ireland plc is regulated by the Central Bank of Ireland.

Making waves in the public sector

Joan Curry, who recently joined the first female majority board of IFAC, discusses her varied career in the public sector.

Joan Curry is Head of Finance at the Department of Transport, Tourism & Sport; ex-chair of the Chartered Accountants Ireland Public Sector Interest Group; member of Council at Chartered Accountants Ireland; and a board member of the International Federation of Accountants. Add to that six children and a keen golfing interest, and one could reasonably say that Joan leads a hectic life.

In terms of her professional career, Joan had an interest in figures and accountancy from an early age. "I was the eldest of five children, and my mother and father both worked outside the home," she recalled. "We swam and my father was treasurer of the swimming club. I helped him with the money, so it was a subliminal introduction really."

At school, Joan and three friends were the first pupils of Mercy College in Coolock to do higher-level maths. "It didn't occur to us that we were trailblazers or anything like that," she said. We just did what we did. I got an honour in maths in the Leaving Cert, so I suppose I always had a head for figures."

NO COLLEGE FUN

Joan planned to do a commerce degree in university when fate took a hand. "My brother's football coach was an accountant and he called to the house one evening and convinced me to become a Chartered Accountant by working for an accountancy firm," Joan said. "I took that advice and qualified with Smith Lawlor & Co., now JPA Brenson Lawlor in 1988."

Joan completed her training contract and qualified in 1988 when she moved into industry with Nokia with a desire to gain commercial experience. Nokia was a tissue paper manufacturer, and Kittensoft was its major brand. The company was a big player in the Irish retail FMCG scene at that time. As a financial accountant, Joan was responsible for budget and financial management including the preparation of accounts for consolidation into the European group headquarters and, subsequently, for the United States when it became part of the James River and Georgia Pacific corporations.

Looking back, Joan reflected: "In practice, you are engaging with clients annually. There is more continuity in industry; you are part of decisions and can see their cause and effect and results."

It wasn't all work in Nokia, however. Joan made up for the lack of fun at college as she met her husband in Nokia. "I married the site engineer after he left the company," she said.

A WIDE AND VARIED CAREER

Joan has spent the past 18 years in the civil service in several roles that have broadened her capacities. She gained extensive experience in multi-disciplinary environments and brings all of that to bear in her current financial role with the Department of Transport, Tourism & Sport.

Joan's career in the public sector began with a contract role as a project accountant for the Department of Finance, as it implemented the JD Edwards financial management system. This was later extended into a contract of indefinite duration. In 2011, Joan moved to the Department of Public Expenditure & Reform on its formation to work in the Government Accounting unit, the standard-setter for government accounts in Ireland. There, she built relationships with colleagues in both finance and internal audit in each government department. Joan also spent three years as Head of Corporate Services for the National Shared Services Office.

A role that Joan particularly enjoyed while working in the Department of Public Expenditure & Reform was a secondment as Secretary to the Public Service Pay Commission. This was a non-financial role, utterly different to anything she had done before, and involved supporting the Commission in its examination of recruitment and retention matters in specific areas of the public service. Joan managed the research, contribution and report-writing phases of the Commission's work and engaged with the public sector employer, union and other stakeholders in the process.

CURRENT ROLE

Joan joined the Department of Transport, Tourism and Sport as Head of Finance in August 2019 and her role covers "vote and expenditure management, financial management, risk management, and responsibility for the procurement framework". The use of the term "vote" serves to highlight the differences between the public sector and private sector accounting practices. This refers to the financial allocation made to a

In practice, you are engaging with clients annually. There is more continuity in industry; you are part of decisions and can see their cause and effect and results.


Pictured are new IFAC board members Winnie Nyamute (left) and Joan Curry (right) with IFAC President, In-Ki Joo.

department or public body by the government, which is approved by a vote of the Oireachtas.

The differences run deeper than mere terminology, however. The State doesn't utilise private sector financial reporting standards, nor does it prepare its accounts on an accrual basis. Joan is a firm believer that the State's move to re-examine this area and consider the use of accrual accounting is the right one. A change in policy here would be consistent with OECD guidance on the matter Joan stressed.

Joan reflects that, in contrast to government accounting, local authorities have been engaged in an advanced form of accrual accounting since 2002. They prepare their accounts in accordance with an accounting code of practice, which complies with FRS102 where applicable.

The Department of Transport, Tourism and Sport has an oversight role in various bodies under its aegis and at times, Joan's expertise is called on by departmental colleagues directly involved in the oversight function. "It extends into the transport sector – public transport, roads, local authorities, and then we have the tourism industry and Fáilte Ireland and Tourism Ireland and the breadth of activity they are involved in to attract tourists. It goes right down to sport and grants to local clubs. I didn't realise the breadth of services involved until I started working in the department."

The State doesn't utilise private sector financial reporting standards, nor does it prepare its accounts on an accrual basis. Joan is a firm believer that the State's move to re-examine this area and consider the use of accrual accounting is the right one.

And unsurprisingly, there is no such thing as a typical workday for Joan. "There is a huge variety on any given day," she said. "I try to look at it in its different compartments – vote management, financial management, risk management, and procurement. Those are the four key areas I try to interface with every day."

At the time of writing, the COVID-19 pandemic was taking up much of Joan's time. "We have been engaged in emergency planning and contingency planning and arranging for staff to work remotely and so on. The staff here have been really fantastic," Joan said.

Joan is also working daily with critical stakeholders on liquidity funding strategies to keep key transport systems and supply chains going – getting people and goods to where they are needed in light of COVID-19.

VOLUNTEER WORK

Joan is a Fellow of the Institute and a Member of Council at Chartered Accountants Ireland. She is also a member and former Chair of the Public Sector Interest Group and recently became a member of the International Federation of Accountants (IFAC).

Joan describes her initial introduction to the Institute's Council as the result of 'a tap on the shoulder'. "I was approached to run for Council and I agreed. It all goes back to networks. I play in the Chartered Accountants Golf Society and have made some great contacts there. Within an hour of seeking nominations, I had ten nominations and I only needed seven."

Joan's next step came when she was asked to go forward for the IFAC board. "I was nominated by Chartered Accountants Ireland and was short-listed. I went for the interview and was fortunate enough to be invited to join the board. Being there for Ireland is an immense honour, and being able to contribute that public service perspective is also very important to me."

The 23-member board includes 12 males and 13 females. "It's gender-balanced, and the overall diversity is great," she said. "I have four girls and two boys, and I have always stressed to them the importance of equality."

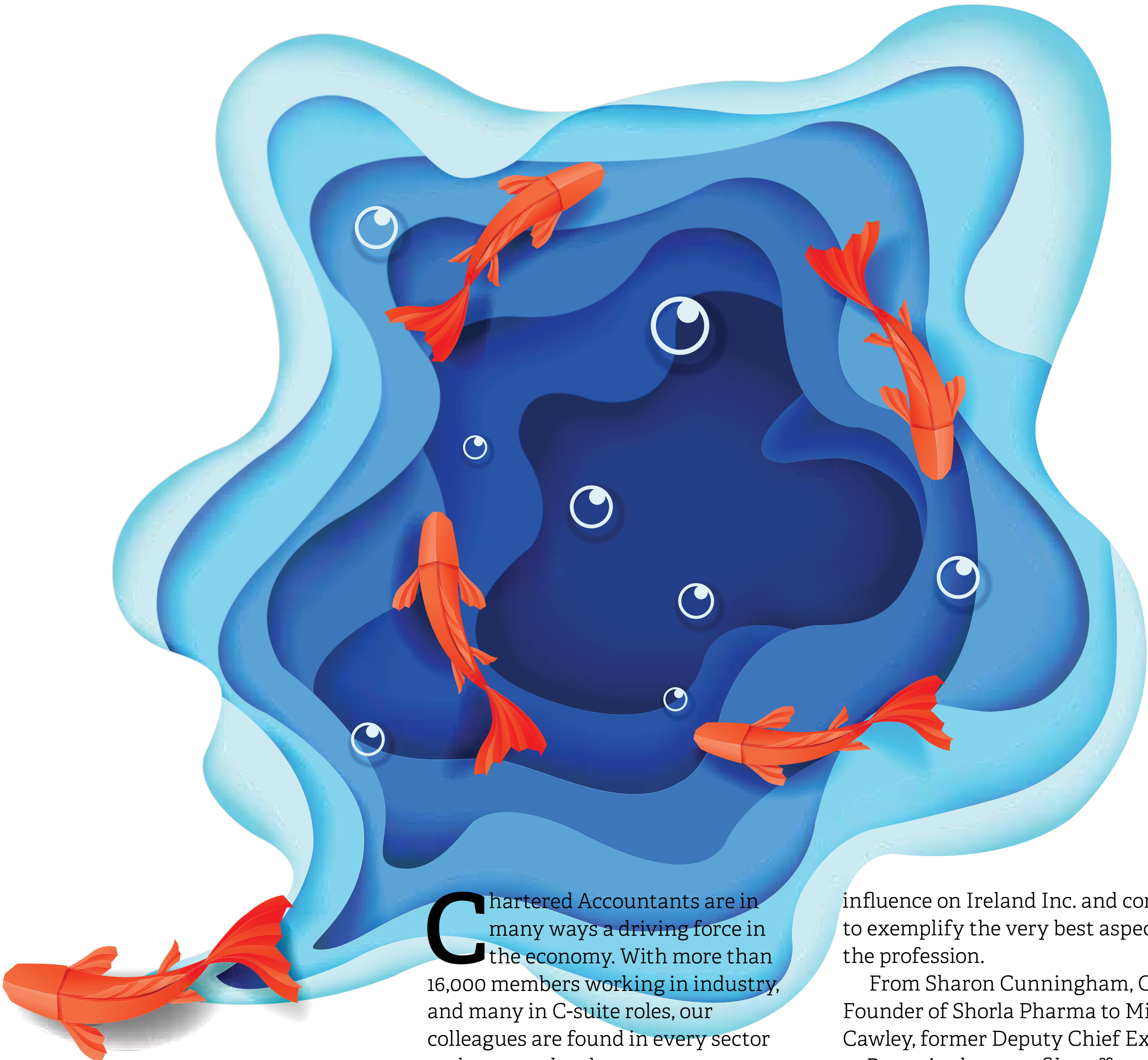
LIFE OUTSIDE THE OFFICE

In Joan's view, one of the best things about working in the public service is the scope offered to do other things. "The support I have received over the years has been invaluable," she said. "I got better at managing my time and learned that I don't need to be involved in everything that's going on. I have improved at delegating and saying no. I have also learned that the time you spend on yourself is good for you and your employer. If you're not feeling good, you won't perform at your best."

When her children – Aisling, Ciara, Dearbhla, Shane, Sonia and Karl – are not keeping Joan busy with various college, school and extracurricular activities, she can be found on the golf course. "It's the perfect place for headspace for me," she concludes. "And a little competition as well!"

The **heart** of the economy

Six influential Chartered Accountants in business and politics share their stories.



Chartered Accountants are in many ways a driving force in the economy. With more than 16,000 members working in industry, and many in C-suite roles, our colleagues are found in every sector and at every level.

In the pages that follow, we meet a number of trailblazing Chartered Accountants at various stages in their career. Each has had a significant influence on Ireland Inc. and continues to exemplify the very best aspects of the profession.

From Sharon Cunningham, Co-Founder of Shorla Pharma to Michael Cawley, former Deputy Chief Executive at Ryanair, these profiles offer a snapshot of the talent and influence within the membership – qualities that will be in high demand in these uncertain times.

Senan Murphy

The CRH Group Finance Director discusses his journey from technical subject matter expert to general manager and leader.

CRH Group Finance Director, Senan Murphy, divides his career into five chapters, beginning with his education and training as a Chartered Accountant and culminating in his current role. "I was interested in maths, business and science in school and did a BComm in UCD," he recalls. "You could take a number of routes after that, but Chartered Accountancy looked the most interesting to me. I did a Diploma in Professional Accounting, which took the first three years out of the accounting exams at the time."

Senan joined Arthur Andersen in 1990 when it was one of the so-called Big 8. "I stayed there for five years and it was a very good place to work. It was a great transition from college into the real world. I moved into industry in 1995."

That saw him move to GE and begin chapter two. "Practice is a great experience, but you are an adviser. I wanted to be part of the execution and implementation; not just give advice and come back the following year to see how it worked out."

His GE career took in finance, acquisitions and business development in Europe and then the US, before moving back to Europe to what became GE Money. But the call of home was loud, and he moved back to Ireland with his wife and children in 2003 to begin the next chapter with Eddie O'Connor in Airtricity. "I stayed and helped grow the business until it was sold to SSE in 2008," he said.

That saw the beginning of chapter four with Senan moving into banking, first with RBS Ulster Bank and then Bank of Ireland. "2008 was an interesting time for the sector," he noted with at least a hint of humour. "When something is in a crisis, you learn more than when things are going smoothly. It was a tough time for the banking industry but an interesting time to be part of it."

He sees the transition from subject matter expert to general management as quite natural for a Chartered Accountant. "The move from accountancy to financial leader to general management happens naturally. You start off learning about the financial side, but most of the job is about managing people. It's about collaborating, working in teams and leading teams. As a financial manager, you get more and more involved in the commercial and operational sides of the business. In Airtricity, I became more and more involved in growing the business.

"In some ways, it's good to leave the numbers behind," he continues. "As you go on, it's about building good teams around you. The expertise around you comes from them. You become an orchestrator in a way. Accountants all start off the same way, and a lot of Chartered Accountants own their own business or end up running businesses. We don't all stay in the financial world."

His fifth chapter sees him back in the role of Group Finance Director with CRH. "It's a large organisation with lots of operating companies around the world. My job is to help drive performance and improve the business, but I also help to recruit, develop and promote talent globally. I also spend a fair amount of time talking to the owners of businesses. We have lots of shareholders around the world who want to hear from us."

For Senan, the people agenda is the most enjoyable. "That's the part I enjoy most. I'm always pleasantly surprised by the people coming through the system who are more capable than their years might suggest. I also enjoy meeting shareholders. Some are supportive; some are quite challenging. Those two parts are very enjoyable."

He believes Chartered Accountancy has provided a good grounding for his career. "When you come out of college, you have to decide if you want to go into a business or go into practice and train as an accountant there. Practice is a good place to start with people of a similar age. You have to be a team player and learn to work with others. You have a number of clients and you have to build relationships with them. You're not quite in a sales role, but you are really."

Michael Cawley

Michael Cawley recalls his unorthodox path to Chartered Accountancy and life as the second in command at one of the world's most successful airlines.

With the candour we've come to expect from people associated with Ryanair, Michael Cawley says his reasons for becoming a Chartered Accountant were mostly materialistic. "My sister had a few boyfriends who were accountants and they had cars," he says. "That was quite impressive, and it stuck out as most people didn't have cars at that time."

Having never studied accountancy in school, Michael chose to pursue a commerce degree in UCC. "I liked it, and I went to Coopers & Lybrand afterwards. I spent three years auditing, and I hated it with a passion! The moment I qualified and finished my training contract, I walked out the door."

After a year teaching in UCC, he went into industry with the Cork-based motor dealer, Frank Boland. "I wanted to be in the middle of the action rather than just recording what had happened. I worked there until 1981 when I moved to Dublin to work for Kodak for five years."

His next move was to Athlone Extrusions as Managing Director. He led a management buy-out (MBO) of the company in 1990, the biggest such transaction in Irish corporate history at the time. The company later went on to a public flotation. After that, he moved back to the motor industry with Gowan Group in 1993. "I enjoyed my time there, but it was a family-owned company, so there was no prospect of a stake in the business," he says.

His move to Ryanair in 1997 as CFO and later, Deputy Chief Executive and Chief Operating Officer had its roots in the Athlone Extrusions MBO. "I worked on it with Gerry McEvoy in KPMG and Tony Ryan was one of his clients. I stayed in contact with him and he knew I had ambitions beyond the Gowan Group. I was 42 or 43 at the time and I wanted to really have a good lash at something. Ryanair was about to float at the time."

That connection led him to join the airline at a crucial stage in its history. "Incredible as it may sound, I got on with Michael O'Leary from day one. I had a good few rows with him over the years as well, of course. It was always exciting, sometimes frustrating, but I was extremely lucky to be involved. It suited me from the outset."

He describes it as a phenomenal opportunity. "Low fares were in their infancy back then. We transformed air travel across Europe. I have dealt with more than 300 airports across Europe; lots of them were a bit like Knock back then, small with a few connections. We breathed life into many communities and helped them build up tourism industries. Bergamo in Italy had 130,000 passengers when we started there; that increased to 13 million by 2014. Charleroi grew from 30,000 to 7.5 million."

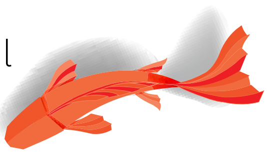
He stepped down from his executive role with Ryanair in 2014. He took up several non-executive directorships with a wide range of organisations including the Gowan Group, Kingspan plc, Fáilte Ireland and, of course, Ryanair.

"I was 60 and grandchildren had started to come along," he explains. "When I joined, we had 3.5 million passengers, and when I left, we had reached 83 million. It was 142 million last year. I'm delighted to still be on the board. I'm in and out every five or six weeks to catch up, so I haven't really left. I've also been lucky enough to have become involved in a number of very fine businesses."

Michael concludes by emphasising the need to keep pace with change. "You have to be open to change. Despite the advent of artificial intelligence and so on, accountants will still be able to master their environment. But we have to stay up-to-speed and be flexible and humble about the need to change. You can be top of the pyramid today, and irrelevant in six months' time."

Ronan Dunne

Ronan Dunne, the self-declared "accidental accountant", has taken opportunities as they arose – and to great effect.



A stellar career that has seen Ronan Dunne become Executive Vice President and CEO of Verizon Consumer Group, the largest division of the world's biggest telecoms company, could have been very different if not for a teachers' strike back in 1981.

"I was all set to do Law in UCD, but there was an examiners' strike the year I did the Leaving Cert," he says. "The papers couldn't be marked and there were no college offers."

And then fate took a hand in the form of intervention by Terry O'Rourke, Managing Partner of Touche Ross, and a past pupil of his school. "He contacted the Dean and said if anyone was interested, they had three to four unfilled slots for trainee accountants. I was one of those kids who was always fascinated by finance. My dad worked for Shell in a finance role and I was always interested in it."

A phone call from the Dean and a chat with O'Rourke sealed the deal. "It sounded like an interesting opportunity, so I decided to give it a go. I am an accidental accountant."

Six years later, the newly qualified Chartered Accountant was about to experience his next encounter with fate. An injury in his final year at school had put paid to a promising rugby career, but he was also an excellent soccer player and went on to play at senior level for the Mount Merrion club in south Dublin.

"We were playing in a soccer tournament in Wales, and I visited my brother in London as part of the trip. I was sitting in his apartment when my mother rang, saying a lady had called about a job interview. The job was in London so I borrowed a suit and tie from my brother, went for the interview that afternoon with BNP and by 4.30pm had a job offer. It was 1987 and the markets were on fire. They couldn't recruit fast enough. I signed a contract, went back home and packed my bags, and returned to London three weeks later."

Rapid promotion followed, and by the age of 25 Ronan had become the chief accountant at the bank. He then switched to the banking side of the operation where he dealt mainly with major US corporates with operations in Europe. And then came a call to jump the fence.

That saw him switch to senior finance and treasury roles, first with Waste Management International and then with transport and logistics group, Exel.

Dunne's next move saw him follow his former boss at Exel into BT Mobile, which was about to become O2 and de-merge from its parent. "In 2005, O2 was acquired by Telefónica and I became CEO of Telefónica UK in 2007," he says. "That was an interesting back story. When I became CFO in 2004, my boss gave me responsibility for legal and regulation, then procurement, and then asked me to take on HR as well. After a while, I pointed out that I was doing all the heavy lifting and doing three jobs instead of one. He said I had missed the point. I clearly had the capability to be a general manager, and he was getting me ready to be a success in such a role. I still thought my future was as a big public company CFO. My boss and my chairman saw my potential before I did."

Dunne's departure to Verizon followed a blocked sale of the business to Hutchinson in 2015. "I had decided to leave once the deal was closed. I had a fairly extensive non-compete agreement, so I had to move sector or move geography. Verizon is the largest telecoms company in the world and when I got that approach, there was no way I would turn it down. In late 2016, we headed off to New Jersey."

"My training as a Chartered Accountant has been incredibly valuable at every stage in my career," he adds. "It really is best-in-class, and I don't think there is a better skillset out there. In my opinion, a good Chartered Accountant is better than any MBA from any business school in the world. It's the best business qualification out there."

And he has some advice for his fellow accountants. "The biggest challenge and opportunity for accountants is to realise that your success is measured not by what you do, but by what you can make happen and the influence you have on people. Building teams, coaching and developing them, and bringing them on a journey with you is what's most important."

Sharon Cunningham

Ambition and tenacity helped Sharon Cunningham forge a path from practice to the cutting edge of pharmaceutical innovation and entrepreneurship.

Award-winning entrepreneur, Sharon Cunningham, learned about business and accounts literally at the kitchen table. The Shorla Pharma founder was interested in business from a very early age. "Both of my parents owned companies, and it was ingrained in us from a very young age. They did the books on the kitchen table. I used to go to the accountants with my mother and was fascinated by the questions the accountant would ask. My mother was focused on things like sales and cash and had her own goals. The accountant was asking about things like profit margins, inventory management and so on."

That early inspiration led her to a degree in finance in UCC. "I wasn't 100% sure what I was going to do when I went to college at first, but by the time I finished I knew I wanted to be a Chartered Accountant and wanted to get a training contract, preferably with one of the Big 4."

Sharon went to work with PwC in Waterford initially but soon found herself travelling to Dublin, Chicago, New York and London. "It was fun but difficult; it was lots of hard work, but it was great. I went on an international secondment to an investment fund in Manhattan. That was a great experience."

Her move to industry came about almost by chance. "At the height of the recession in December 2010, I was working on a very challenging audit. A colleague of mine got wind of a job going in a pharmaceutical company I had never heard of in Waterford. I met with the co-founders of EirGen, Tom Brennan and Patsy Carney. They are very inspirational people, and I joined the company."

Having spent seven years with the company, initially as a management accountant and later as Head of Finance, Sharon decided that it was time to start her own venture with her colleague, Orlaith Ryan. "EirGen was sold to a multinational in 2015 for $135 million in a very successful exit," she explains. "After the takeover, the company started to change and was no longer the entrepreneurial organisation that we knew and loved. The excitement wasn't there anymore, and both of us knew it was time to move on."

Their idea was to establish a speciality pharmaceutical company based in Clonmel, which would develop a pipeline of innovative oncology drugs for women's and children's cancers.

"We spent two years planning Shorla at night and in our spare time, and we launched the company in January 2018," says Cunningham. "Both of us would say that at no point were we scared. We believed in ourselves and our vision for what we wanted to do; we never thought it would fail."

That confidence was well-founded. "We don't have billions of dollars and 20 years to wait like major pharmaceutical corporations. We are not a major corporation, nor are we a generics company. We are somewhere in between. We take existing active substances and do something novel with them. We put them to different uses and make them less toxic to the patient. The time to market is much quicker. Business is great and we are very busy. We are in the middle of multi-million euro 'Series A' funding round and we are growing and scaling up for the US market launch of our first product, a breast and ovarian cancer drug."

It is a bit unusual for a Chartered Accountant to set up a pharmaceutical company, she concedes. "But accountancy is a very useful skill to have in any industry. The Chartered Accountant qualification gives you a certain degree of confidence when you talk about numbers; people listen to you and don't tend to probe too much. They accept and trust what you say. The profession as a whole has a very positive impact on society."

Sharon's experience has taught her the value of planning. "It's much more beneficial to work smarter, not harder," she says. "Everyone should sit down and decide what they want to do and what they want to be, and then map out a way to get there. Don't get bogged down in small details; don't sweat the small stuff."

Michael McGrath

Having moved from practice to politics via industry, Michael McGrath has brought his training and experience to bear in his role as Fianna Fáil's finance spokesperson.

One of the most prominent faces in politics in recent years has been that of Fianna Fáil finance spokesperson, Michael McGrath. The Cork South Central deputy has earned plaudits for his work on tracker mortgages and the regulation of so-called vulture funds, among other pressing issues. And he attributes at least part of that success to his training as a Chartered Accountant.

"There is no doubt about it, the training I received as a Chartered Accountant has proven to be far more valuable than I ever thought it would," he says. "It equipped me with the skills to get to grips with the finance portfolio. It also makes you comfortable with numbers and reaching informed decisions. The analytical skills you acquire are hugely valuable when it comes to problem-solving."

He started out on his professional and political journeys at a very young age. "I was the first member of my family to go to college when I went to study Commerce in UCC having just turned 17," he recalls. "My first election was a contested role in the Commerce and Economics Society, and I won."

Having completed his degree in 1997, he joined KPMG in Cork. "I wanted to stay in Cork and was keen to get a professional qualification. I stayed for four years and was fortunate to work with a number of companies and organisations in a variety of sectors."

Then came the move into industry. "Following the end of the training contract, an excellent opportunity came up to join Red FM, a new start-up commercial radio station in Cork. I joined as Financial Controller in late 2001. The station had yet to go on air, and I was involved in helping set up the processes and systems to run it. It was great working for a station with a youth focus. I was reporting to the CEO and the board, and I enjoyed the diverse range of responsibilities. It was very nice having a company car as a 25-year-old, of course. I didn't think things could get much better."

He left Red FM for a relatively short stint in the UCC finance function. "It was quite a senior role and a step up for me," he notes. But the call of politics was loud.

"I always had an interest in politics in parallel with my working life," he explains. "I was fortunate to live in a town that still had a town council. That provided a fantastic platform for a young person to contest an election. A few hundred votes was all you needed to get elected. I ran in 1999 at the age of 22 and managed to get elected. My heart was set on politics after that."

Michael was elected to Cork County Council in 2004 and quickly realised he couldn't continue working full-time. "I resigned from UCC in 2005 and found some part-time work to tide me through the next year and a half."

Election to the Dáil in 2007 followed. Re-election in 2011 was an altogether more difficult proposition, however. "It was an incredibly tough election. Fianna Fáil lost over 50 seats. At a time when the party vote collapsed, I managed to take the fifth and final seat. I focused on playing my part in rebuilding the party after that. Brian Lenihan passed away in June 2011, and I was appointed spokesperson on finance."

He enjoys his role as a public representative. "It is an enormous privilege to be a member of Dáil Éireann, and I still pinch myself walking in as a member. As a T.D., I am juggling a number of responsibilities. I have the finance portfolio and at a local level, I try to serve people to the best of my ability. What I get most out of it is being able to help people. Very often, people come in with difficult and sensitive issues. Sometimes they need guidance; sometimes they need someone to fight their corner."

Serving in government remains an ambition, of course. "Having spent nine years as finance spokesperson and four years involved in confidence and supply, to present a budget as Minister for Finance would naturally be an ambition," he says.

Fergal O'Dwyer

Fergal O'Dwyer is one of the driving forces that helped turn DCC into the industrial powerhouse it is today.

DCC is one of those quiet Irish success stories. Since its flotation in 1994, it has grown into a significant force in the energy, electronics and healthcare sectors with a substantial presence in 17 countries. From an investor perspective, the company delivered returns of nearly 7,000% up to the beginning of 2020.

One constant throughout that success has been Chief Financial Officer, Fergal O'Dwyer, who joined the company in 1989 when it was still a venture capital firm. "Shortly after I joined, the company decided to change its colours and become an industrial group," he recalls. "That required a complete transformation. We had a number of minority investments and had to decide which ones fitted in with the new strategy and which did not. Between 1990 and 1994, we spent our time moving out of some of them and moving to ownership positions in the others. I am not aware of other companies that made that strategic change."

He began his accountancy career with Craig Gardner (now PwC) almost straight out of school due to a natural aptitude. "I did maths and accountancy subjects at school and was always going to head towards finance or accountancy. I didn't have a burning desire to be an accountant or anything, I sort of gravitated towards it."

O'Dwyer qualified as a Chartered Accountant at the age of 21 with a year or so of his training contract remaining. Ireland was in the depths of a recession at the time, and the search for opportunities took him overseas. His search took him and his wife to South Africa. "After we got married in 1983, we headed off to South Africa. I worked for three years there for Thomson McLintock, which represented KPMG at the time, and came back to PwC in 1986."

That move back led him indirectly to DCC. "I had clients who were looking for development capital, and I had worked on a number of deals on their behalf with DCC and they had worked out well for everyone. In 1989, I got a call from the founder and former CEO of DCC, Jim Flavin, who asked me to join the firm."

That was a major change. "I became an associate director of a venture capital company. I was dealing with entrepreneurs and building relationships with them. I learned about the venture capital focus on return on capital employed. That's still the same mantra in DCC to this day. What is the return we are going to get on every euro? We aim to get a circa 15% return because we want returns well in excess of the cost of capital."

He describes the transformation from venture capitalist to industrial group as "very exciting", but the flotation in 1994 was not without its challenges. "The flotation was a success, but we didn't raise any capital, and our share price didn't perform for quite a long time. We wore out a lot of shoe leather explaining our business and strategy. It has been all about constant delivery over the years, getting investors to listen and building a following. We were growing revenue, growing profits, growing cash flow, but still were having to work hard to sell the story. It was frustrating, but we had to accept that the market is always right."

His advice to other Chartered Accountants starting out on their careers is to keep learning. "The qualification equips you to do much more than just the numbers. You've got to interpret and advise on them. I still learn every day and you have to try to learn all the time. And you've got to learn from your mistakes. You can find business to be stressful, but if you put in the work and effort, it can be rewarding and fulfilling."

Innovations IN THIRD-LEVEL ACCOUNTING EDUCATION

A recent Irish Accounting and Finance Association (IAFA) workshop on teaching and learning accounting at third-level tackled some unpalatable truths to create a vision for an undergraduate curriculum that produces more rounded graduates.

BY MARGARET HEALY, HUGH McBRIDE, ELAINE DOYLE, PATRICK BUCKLEY AND MICHAEL FARRELL

While the knowledge base of the accounting profession is one of its distinguishing features, educators increasingly face tensions between teaching the breadth and depth of the technical aspects of accounting while also facilitating students' engagement with the broader context in which the accounting discipline is applied. Teaching the digital natives of today's classrooms can also leave educators struggling to find ways (other than assessments) to engage and motivate their students.

Future accounting graduates need to be not only technically excellent but also have the ability and confidence to question the status quo, critically evaluate alternatives, think and behave ethically, work effectively as part of a team, and be open to and embrace change. Contemporary accounting teaching must, therefore, create classroom environments that generate enquiry by continually challenging and stimulating students. Educators must strive to develop deep, active and reflective learning experiences that engage this new generation, creating learning platforms that encourage interaction and blend with students' evolving learning styles.

On 29 November 2019, Chartered Accountants Ireland hosted a workshop on higher-level accounting education run by the Irish Accounting and Finance Association (IAFA). Over 50 participants were involved in the day from numerous higher education institutions (HEIs) on the island of Ireland, representing most of the professional accounting bodies, as well as Institute staff members from the Education and Exams departments. Summarised here are the main themes, issues and innovations arising from the presentations and group discussions.

Catching and holding students' attention

Learning is arduous and cognitive effort is required. Neither students nor teachers should lose sight of this in the pursuit of quick fixes or using the latest technology for its own sake. Describing learning motivation as being cognitive, situated and dependent on the subject matter, Professor Martin Valcke of Ghent University in Belgium addressed the importance of creating a mental model that draws students into the material by leveraging what they might already know to 'catch' their attention and then ensuring that their attention is maintained. Lecturers need to first 'catch' and then 'hold' students' attention and focus. Numerous techniques were suggested to achieve this.

Hugh McBride, senior lecturer in business at Galway-Mayo Institute of Technology, uses various techniques to foster awareness of ethical concepts and considerations in the classroom. The focus is on moving students from 'confusions of understanding' to 'understandings of confusion' as they grapple with the complexity of dealing with the lack of 'a right answer'. As a preparation for their ethics module, this approach engages students, builds their confidence and trust in the process, and identifies issues of concern for discussion later, thus acting as a learning mechanism for the lecturer as well as the students.

Dr Emer Mulligan, senior lecturer in finance and taxation at NUI Galway and Dr Kim Key, PwC Professor of Accounting at Auburn University, Alabama, USA, run an intercultural teaching exercise in international taxation. With a shared desire to reflect the reality of tax in practice for their students, their group-based project involving students in the US and Ireland seeks to increase awareness of ethical issues as well as an understanding of international

> **Ensuring that students have 'skin in the game' is also a vital means for engaging students, using approaches such as those outlined above, as well as co-creation and self-directed assignments.**

corporate tax planning opportunities and techniques. They recommend that educators start by using a case study that has already been published and is well-validated, with teaching notes available. Keeping the requirements simple at the outset improves the ease of implementation. Trade-offs between traditional teaching methodologies, and a focus on grading, versus the broader, real-world experience their teaching exercise provides must also be considered and negotiated with students. While lecturers will want to ensure that the students engage with real-world issues to enhance the relevance and development potential of the case study, this must also be balanced with how students are graded across different institutions.

It can be challenging to get students to engage with the broader, real-world context of the subjects they study. For example, undergraduate tax students often pay little attention to the national budget, despite its critical importance to the work of tax practitioners. Dr Patrick Buckley, lecturer in information management at the University of Limerick, uses gamification to encourage students to engage with and learn more about this critical real-world event. A group decision-making tool called a 'prediction market' requires students to investigate policy debates and make forecasts about the measures that are likely to be introduced in the Budget. While the approach has been effective in motivating students, Dr Buckley notes that not everyone enjoys gamified learning; it must be used as part of a suite of learning interventions to improve engagement and motivation.

Peter Weadack at the Institute of Art, Design and Technology in Dún Laoghaire uses a narrative or 'storytelling' approach, involving the five essential elements of a story (characters, setting, conflict, plot and resolution) to help students understand the contents and use of financial statements. After all, he says, "even accountants don't dream in PowerPoints and T-accounts!"

Doing more with less

Teaching and learning in contemporary higher education take place under numerous constraints, including pressures on time and financial restrictions. More worrying, perhaps, are the increasing administrative burdens imposed on teaching faculties due to evolving bureaucracy and accreditation demands in addition to diversity issues within the classroom, which increasingly involves catering for a broader range of student needs (or demands).

Smaller class sizes, space within modules to cover a broader range of topics in more depth, work placements for students, and the freedom to introduce more research into the curriculum are high on the wishlist for lecturers. Using technology to optimum effect is considered critical in addressing some of these issues. Ensuring that students have 'skin in the game' is also a vital means for engaging students, using approaches such as those outlined above, as well as co-creation and self-directed assignments.

Re-thinking the undergraduate curriculum

A third theme that emerged on the day was the nature of the relationship between the professional accountancy bodies (PABs) and HEIs, a key feature of which is the influence PABs have on accounting degree programme curriculum design, delivery and assessment within the HEI context. While this influence and its impact on professional exemptions are considered to be beneficial to the HEIs in promoting their degree programmes, it also has a restrictive influence on the nature of undergraduate education. The high quality of the various professional syllabi benefits the HEIs in designing their programmes and course modules by 'piggybacking' on the prior work of the professional bodies. It is of concern, however, that the focus of HEIs on obtaining and maintaining exemptions has skewed the academic curriculum excessively towards a narrow, technical education, including restricting the variety of assessment instruments used and stifling experimentation and innovation in approaches to teaching and learning.

In a contemporary context where there is tension between the demand for technical skills and the need for students to develop transferable skills, broader-based undergraduate accounting education is desirable. It should incorporate an emphasis on understanding the business environment and conceptual frameworks, and on developing a more rounded graduate with a range of interpersonal and self-management skills, affective dispositions (in particular, critical thinking) and professional attributes. The difficulty for individual HEIs, however, is the risk of losing exemptions and damaging the relative attractiveness of their particular programmes in the short-term if they unilaterally redesign their curriculum to incorporate this broader perspective. In this context, it was suggested that there might be scope for the HEIs to approach the PABs to discuss rethinking the undergraduate curriculum collectively. Chartered Accountants Ireland expressed a willingness to engage in such a dialogue.

A date for your diary

Feedback for this event has been extremely positive, with attendees indicating that the content and format was useful and thought-provoking. In particular, the opportunity to interact with other educators and representatives of the various professional accountancy bodies was welcomed. Participants were anxious for this event to become part of the annual IAFA calender. To this end, we are delighted to announce that the second IAFA Teaching and Learning in Accounting Day is scheduled for 27 November 2020 at Chartered Accountants House.

The changing face of your Profit and Loss Account

Recent proposals from the International Accounting Standards Board could have dramatic effects on how companies present their financial performance.

BY TERRY O'ROURKE AND BARBARA McCORMACK

When Gary Kabureck, a board member of the International Accounting Standards Board (IASB), presented an update on IFRS developments in Chartered Accountants House last October, he alerted us to the impending proposals from the IASB on how companies' financial performance should be presented in the profit and loss account (or to use the IFRS term, the 'statement of profit or loss'). Sure enough, just before Christmas, the IASB issued a 200-page Exposure Draft proposing substantial changes in response to demands from users for better information on financial performance, which would reduce the diversity of presentation and enhance comparability between companies.

At a high level, the profit and loss account would be required to classify income and expenses into the following categories: operating, investing, financing, associates and joint ventures, income tax, and discontinued operations. However, the level of prescription and definition underpinning the presentation of income and expenses in these categories is quite detailed and could cause significant changes in how companies present their results.

Operating profit

A key proposal is that the operating category, which is intended to include all income and expenses from the main business activities, would be the default category, to include all income and expenses that are not defined in one of the other categories. This would include items such as restructuring costs and goodwill impairments, irrespective of whether they are regarded by management as once-off or exceptional. The resultant operating profit or loss would be presented on the face of the profit and loss account. While many companies currently choose to present operating profit, its composition may well be different under these proposals.

For example, associates and joint ventures would be split into those that are integral to the entity's operations and those that are not. The results from those that are integral would be presented as a separate line item after operating profit while those that are not integral would be included in the investing category. The investing category would also include returns, and related expense, from other investments that are generated individually and largely independently of the entity's other resources.

Prohibiting the use of columns

Many Irish and UK companies make use of columns on the face of the profit and loss account to present adjusted profit measures such as operating profit before exceptional restructuring or impairment expense.

The proposals in the Exposure Draft include a prohibition on the use of columns to present management performance measures in the profit and loss account. The proposed definition of management performance measures would likely include such adjusted profit measures and they would therefore be prohibited from being presented in columnar format on the face of the profit and loss account. The Exposure Draft notes that "a few entities use a columnar approach" to present management performance measures based on a sample of 100 large companies from around the world. However, had the sample been taken from Ireland and the UK, it may well have shown a much greater incidence of columnar reporting. The IASB notes that the prohibition would be a change for some companies "operating in jurisdictions where the use of columns is common".

It will be interesting to see if stakeholders request further clarity from the IASB on what, if any, types of measures can be included in columnar format in the profit and loss account.

The IASB considers that prohibiting the use of columns in the profit and loss account for management performance measures will help address the concerns of some stakeholders that including those measures gives them undue prominence and also improves the comparability of information provided in the profit and loss account.

Figure 1 shows what an extract from the face of a profit and loss account using columns to strip out exceptional items might look like, while Figure 2 shows the numbers without columns. There will undoubtedly be companies who consider that the columnar format in Figure 1 provides more useful information about their performance, particularly in relation to the year-on-year comparison.

It is notable that if the Brexit transition period ends on 31 December 2020, it will be for a newly established UK IFRS Endorsement Board to decide whether to adopt new IFRS standards in the UK having consulted with UK stakeholders. Consequently, if the IASB proceeds to include its current proposals in the final IFRS and the EU adopts that Standard, perhaps during 2021, there is no guarantee that UK listed companies will have to comply with all the requirements of the eventual IFRS Standard.

The Exposure Draft proposes that, where a company uses management performance measures to communicate with users, those measures should

Figure 1

	2019			2018		
	Pre-exceptional	**Exceptional**	**IFRS**	**Pre-exceptional**	**Exceptional**	**IFRS**
Revenue	400	-	400	350	-	350
Operating costs (analysed by function or nature)	(300)	(200)	(500)	(250)	(50)	(300)
Operating profit/(loss)	100	(200)	(100)	100	(50)	50

Figure 2

	2019	2018
	IFRS	**IFRS**
Revenue	400	350
Operating costs (analysed by function or nature)	(500)	(300)
Operating profit/(loss)	(100)	50

be included in a note to the financial statements with a reconciliation to the most directly comparable IFRS number, and other information including an explanation as to why those measures are useful. Because EBITDA is a commonly used measure in communications with users, the IASB considered defining EBITDA. But it is instead proposing that operating profit or loss before depreciation and amortisation would be specified as not being a management performance measure and therefore, would not need the above-noted reconciliation and explanation.

The Exposure Draft proposes to continue to permit the inclusion of adjusted earnings per share measures in the notes to the financial statements, with appropriate explanation and reconciliation. However, it proposes that such measures would not be permitted to be presented on the face of the profit and loss account.

Unusual income and expense

The Exposure Draft proposes to define unusual income and expenses as those with "limited predictive value" and that this is the case "when it is reasonable to expect that income or expenses that are similar in type and amount will not arise for several future annual reporting periods". The amount and nature of items of unusual income and expense would be set out in a single note to the financial statements.

The proposed definition of unusual items, with its focus on predictive value, may cause some companies to change their assessment of what unusual items need to be disclosed.

Analysis of expenses

The Exposure Draft proposes that operating expenses would be analysed in the profit and loss account using either the nature of expense method (e.g. raw materials, employee benefits, depreciation) or the function of expense method (e.g. cost of sales, administrative expenses). However, companies would not have a free choice of which method to use. They would have to assess which method provides the most useful information to users by reference to a number

"The IASB considers that prohibiting the use of columns in the profit and loss account for management performance measures will help address the concerns of some stakeholders...

of considerations set out in the Exposure Draft. Using a mixture of the two methods would be specifically prohibited, with very limited exceptions. Where the function of expense method is used in the profit and loss account, an analysis of total operating expenses by nature would be required in the notes, with new criteria designed to curtail the amount labelled "other".

A number of companies that highlight the effect of exceptional items by including line items or sub-totals, rather than columns, in the profit and loss account would have to be careful to comply with the proposed more prescriptive rules on the layout and content of the profit and loss account.

Other proposals

The Exposure Draft is titled *General Presentation and Disclosures*, and is intended to replace IAS 1 *Presentation of Financial Statements*. Although the 200-page Exposure Draft makes a number of proposals in relation to the statement of financial position, the statement presenting comprehensive income, the statement of cash flows and the notes to the financial statements, as well as related changes to other IFRS standards, we have sought in this article to focus principally on some of the key proposals that would affect how the profit and loss account is presented by many Irish listed companies. The IASB has set 30 June 2020 as the date by which it requires comments on the proposals in the Exposure Draft.

The IASB has included illustrative examples in the Exposure Draft to show how its proposals should be used by banking, insurance, and property investment companies.

Practical implications

The IASB notes that, although the proposals do not affect the recognition or measurement of assets, liabilities, income, or expense, they would have a number of practical implications that would give rise to additional costs for preparers. Examples of costs that may arise include the cost of process or system changes necessary to identify and capture the various types of income and expenses to be separated and disclosed, training costs for staff, and the costs of communicating the reporting consequences to stakeholders. The effect on covenants in banking and loan agreements may also need to be considered. Nonetheless, the IASB considers that the changes are desirable in order to respond to the demands of users and it notes specifically the benefits for the quality of electronic reporting, including comparability and consistency.

Conclusion

It is notable that the IASB has issued an Exposure Draft, rather than a Discussion Paper, indicating it has reached an advanced stage of confidence that its proposals should be implemented. It will be interesting to see the level of support or otherwise the IASB receives on its proposals from companies, investors, and other stakeholders. Given the scale of the changes proposed in the Exposure Draft, we can expect the reaction of the board of the IASB to comments to be closely monitored by companies whose reporting would be significantly affected, and by investors whose demands and expectations the IASB is endeavouring to meet.

Terry O'Rourke FCA is Chair of the Accounting Committee at Chartered Accountants Ireland.

Barbara McCormack FCA is Technical Manager, Advocacy and Voice, at Chartered Accountants Ireland.

CHARTERED ACCOUNTANTS SUPPORT

CA Support

You can count on us

Who we are

–

Life can throw us all kinds of challenges. We don't always know what's around the corner. Redundancy, bereavement, depression, illness and family crisis can happen to any one of us, when we least expect it. Should you find yourself in a difficult situation, CA Support is here for you.

CA Support is a registered charity that exists solely for the purpose of providing emotional, practical and financial support to Chartered Accountants, Accounting Technicians, students and their families, for life.

Services we offer

–

- Professional counselling
- Wellness coaching
- Career service and coaching
- Mentoring Programme
- Wellbeing and mental health workshops and events
- CA Support website
- Short-term financial support

How do I get in touch?

–

Contact our confidential service below:

Chartered Accountants Support
47/49 Pearse Street, Dublin 2

Manager: Dee France

T (+353) 1 637 7342
M (+353) 86 024 3294
E casupport@charteredaccountants.ie
W www.charteredaccountants.ie/casupport

CA Support is funded solely by the generosity of members and member firms. If you would like to make a donation please visit our website www.charteredaccountants.ie/casupport

CA Support proudly supporting members and students of: CHARTERED ACCOUNTANTS IRELAND Accounting Technicians Ireland

Charity number
CHY 8941 (Republic of Ireland)
101453 (Northern Ireland)

The 2019 Partnerships Regulations

Eimear McGrath explores some of the key impacts of the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019 and asks to what extent they will widen the financial reporting and filing obligations for partnerships.

Signed into law at the end of November 2019, the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019 (S.I. No. 597/2019) (the 2019 Regulations) came into operation on 1 January 2020. The effect of these Regulations is to bring the statutory financial reporting and filing obligations of certain "qualifying partnerships" more in line with those of companies formed and registered under the Companies Act 2014 (the 2014 Act), the main aspect being the requirement for qualifying partnerships to file and make public their financial statements.

This article explores some of the key impacts of these Regulations on such qualifying partnerships in respect of their financial reporting and filing obligations. It may be of particular interest to professionals that organise their business as a partnership.

What were the financial reporting and filing obligations of partnerships until now (under the 1993 Regulations)?

Prior to the commencement of the 2019 Regulations, the European Communities (Accounts) Regulations 1993 (as amended) (the 1993 Regulations) set out the scope of partnerships that were subject to requirements for the preparation, audit and filing of financial statements that were generally equivalent to those applying to companies under the 2014 Act.

In summary, the requirements of the 1993 Regulations applied to any partnership (both general partnerships established under the Partnership Act 1890 and limited partnerships established under the Limited Partnerships Act 1907), all of whose partners – and, in the case of a limited partnership, all of whose general partners – were limited corporate bodies or other entities whose liability was limited. It also required that such partners or general partners that were limited corporate bodies, or other entities whose liability was limited, were registered in an EU member state.

Therefore, for example, such partnerships using limited companies registered in the Isle of Man or the Channel Islands did not have to file their financial statements.

These 1993 Regulations are revoked by the 2019 Regulations, except to the extent that they relate to the financial years of a "qualifying partnership" commencing before 1 January 2020.

What is a qualifying partnership under the 2019 Regulations?

The 2019 Regulations introduce a new definition for a "qualifying partnership", which is set out in Regulation 5. The definition does not ultimately change the previous requirement in the 1993 Regulations of bringing certain partnerships whose members enjoy the protection of limited liability into scope for the preparation, audit and filing of financial statements. However, it does extend the definition in the 1993 Regulations and has been reworded to address the other entity types as defined in the 2014 Act. It incorporates partnerships (both general, established under the Partnership Act 1890 and limited, established under the Limited Partnerships Act 1907), all of whose partners and, in the case of a limited partnership, all of whose general partners, are:

- limited companies;
- designated unlimited companies (designated ULCs);
- partnerships other than limited partnerships, all of the members of which are limited companies or designated ULCs;

- limited partnerships, all of the general partners of which are limited companies or designated ULCs; or
- partnerships including limited partnerships, the direct or indirect members of which include any combination of undertakings referred to above, such that the ultimate beneficial owners of the partnership enjoy the protection of limited liability.

Regulation 5(2) also further extends the above list to include any Irish or foreign undertaking that is comparable to such a limited company, designated ULC, partnership or limited partnership. However, the reference to such foreign undertakings having to be registered in an EU member state has been removed.

It is worth explaining some of this in further detail. A limited company is any company or body corporate whose members' liability is limited. Designated ULCs are defined in Section 1274 of the 2014 Act and include, amongst other entity types, unlimited companies that have a limited liability parent. Such designated ULCs are not exempt from the requirement to file financial statements with their annual return.

In considering whether an undertaking is "comparable", Regulation 5(3) sets out certain guiding principles that would suggest comparability while Regulation 5(6) states that in making the assessment, regard should be had to whether the liability of persons holding shares in the undertaking is limited. The reference to shares is cross-referenced to Section 275(3) of the 2014 Act, which sets out the interpretation of the meaning of "shares" and mentions that, in the case of an entity without share capital, the reference to shares is to be interpreted as a reference to a right to share in the profits of the entity.

Regulation 5(5) defines "ultimate beneficial owner" as meaning "the natural person or persons who ultimately own or control, directly or indirectly, the partnership or undertaking". The concept of "ultimate beneficial owner" is also referred to in Section 1274 of the 2014 Act, which provides that certain designated ULCs must prepare and file statutory financial statements with their annual return. The types of entities that fall under the definition of a designated ULC in Section 1274 are clearly set out and the definition specifically includes a guiding principle whereby if the ULC's ultimate beneficial owners enjoy the protection of limited liability, they will fall under the definition of a designated ULC. There is, however, no definition of "ultimate beneficial owner" provided for in the 2014 Act. It has generally been interpreted to incorporate not only natural persons, but also orphan entities that directly or indirectly enjoy the benefits of ownership. It is clear from the definition in the 2019 Regulations that the "ultimate beneficial owner" must be a natural person. Whether the definition of "ultimate beneficial owner" in the 2019 Regulations carries through to the interpretation of "ultimate beneficial owner" in Section 1274 of the 2014 Act in the context of ULCs will need to be further considered.

What are the consequences of being a qualifying partnership in respect of financial reporting and annual return filing obligations?

Qualifying partnerships will apply Part 6 of the 2014 Act, which addresses the accompanying documentation, including financial statements, required to be annexed to the annual return. Existing partnerships that fall within the scope of the 1993 Regulations have generally been required to meet such obligations. However, the extension of the definition of qualifying partnerships means that many more partnerships (such as those using limited companies registered in a non-EEA member state, for example) will now be required to file financial statements and make them publicly available.

The application of Part 6 of the 2014 Act to qualifying partnerships is addressed in Part 4 of the 2019 Regulations. The general principle of the 2019 Regulations, as stated in Regulation 7, is to apply Part 6 of the 2014 Act to a qualifying partnership as if they were a company formed and registered under that Act, subject of course to any modifications necessary to take account of the fact that the qualifying partnership is unincorporated.

Part 4 further goes on to modify or dis-apply certain provisions of Part 6 of the 2014 Act for qualifying partnerships. Some notable modifications and dis-applications are discussed below.

INTERPRETATION OF TERMS

Regulation 8 outlines certain terms in Part 6 of the 2014 Act pertaining to "companies" that should be construed differently for the purposes of qualifying partnerships.

Where Part 6 of the 2014 Act refers to the directors, secretary or officers of a company, it should be construed as a reference to members of a qualifying partnership (i.e. in the case of a partnership, its partners and in the case of a limited partnership, its general partners).

Any duties, obligations or discretion imposed on, or granted to, such directors or the secretary of a company should be construed as being imposed on, or granted to, members of the qualifying partnership. Where such duties, obligations etc. are imposed on, or granted to, such directors and the secretary jointly, they shall be deemed to be imposed on, or granted to (i) two members of the qualifying partnership, where it is not a limited partnership; and (ii) in the case of limited partnerships, if there is only one general partner, that partner; or if there is more than one general partner, two such partners.

References to the "directors' report" of a company should be construed as references to the "partners' report" of a qualifying partnership, unless otherwise provided. The date of a company's incorporation will be construed as the date on which the qualifying partnership was formed.

Any action that is to be, or may

be, carried out at a general meeting of the company will be deemed to be any action that is to be, or may be, carried out at a meeting of the partners, or otherwise as determined in accordance with the partnership agreement.

DIS-APPLICATION OF CERTAIN PROVISIONS IN PART 6 OF THE 2014 ACT IN RESPECT OF FINANCIAL STATEMENTS

The 2019 Regulations dis-apply certain provisions that are contained in Part 6 of the 2014 Act to the financial statements of qualifying partnerships. Amongst these are:

- the general obligation to maintain and keep adequate accounting records and the statement in the directors' report pertaining thereto; and
- the requirement for Companies Act financial statements to comply with applicable accounting standards, to provide a statement of such compliance, and to disclose information in relation to departures from such standards.

In reality, these dis-applications arise as a result of a legal technical issue. Regulations brought into law by virtue of a Statutory Instrument are often used to implement EU Directives. Such Statutory Instruments may not include provisions that do not form part of the underlying EU Directive. The purpose of the 2019 Regulations is to give further effect to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (the 2013 EU Accounting Directive). The general obligation to maintain and keep adequate accounting records and the requirement for Companies Act financial statements to comply with applicable accounting standards did not derive directly from that 2013 EU Accounting Directive. However, since qualifying partnerships are required to prepare statutory financial statements that give a true and fair view, it stands to reason that they will need to maintain adequate accounting records to support the preparation of such financial statements, and will also need to comply with applicable accounting standards in order for the statutory financial statements to give a true and fair view.

There are additional dis-applications arising from the fact that certain provisions will not apply in the case of a qualifying partnership, such as the requirement to provide details of authorised share capital, allotted share capital and movements therein, the requirement to disclose information on financial assistance for purchase of own shares, and the requirements in the directors' report to disclose directors' interests in shares and interim/final dividends, among other items.

The relevant dis-applications and modifications are set out in detail in Part 4 of the 2019 Regulations.

APPLICATION OF OTHER COMPANY LAW TO QUALIFYING PARTNERSHIPS

Part 7 of the 2019 Regulations provides for the application of the European Union (Disclosure of Non-financial and Diversity Information by certain large undertakings and groups) Regulations 2017 [as amended by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (Amendment) Regulations 2018] to qualifying partnerships as if they were companies formed and registered under the 2014 Act.

Part 6 of the 2019 Regulations also imposes the requirements of Part 26 of the 2014 Act in respect of payments made to governments on certain qualifying partnerships.

These are subject to any modifications necessary to take account of the fact that the qualifying partnership is unincorporated.

ANNUAL RETURN FILING OBLIGATIONS

The requirements in relation to the obligation to make an annual return are set out in Regulation 21 of the 2019 Regulations, which state that the annual return of a qualifying partnership is to be in the form prescribed by the Minister for Business, Enterprise and Innovation. Qualifying partnerships will be required to submit to the Companies Registration Office (the CRO) their annual return accompanied by financial statements, and by a partners' report and auditor's report, where relevant, for each financial year-end. The CRO notes that the relevant form for filing the annual return is Form P1, which requires details of the partnership name and its principal place of business. The annual return form required to be filed by companies is Form B1, which requires additional information such as authorised and issued share capital, members and their shareholdings, for example.

Conclusion

So, what actions should members of the Institute take?

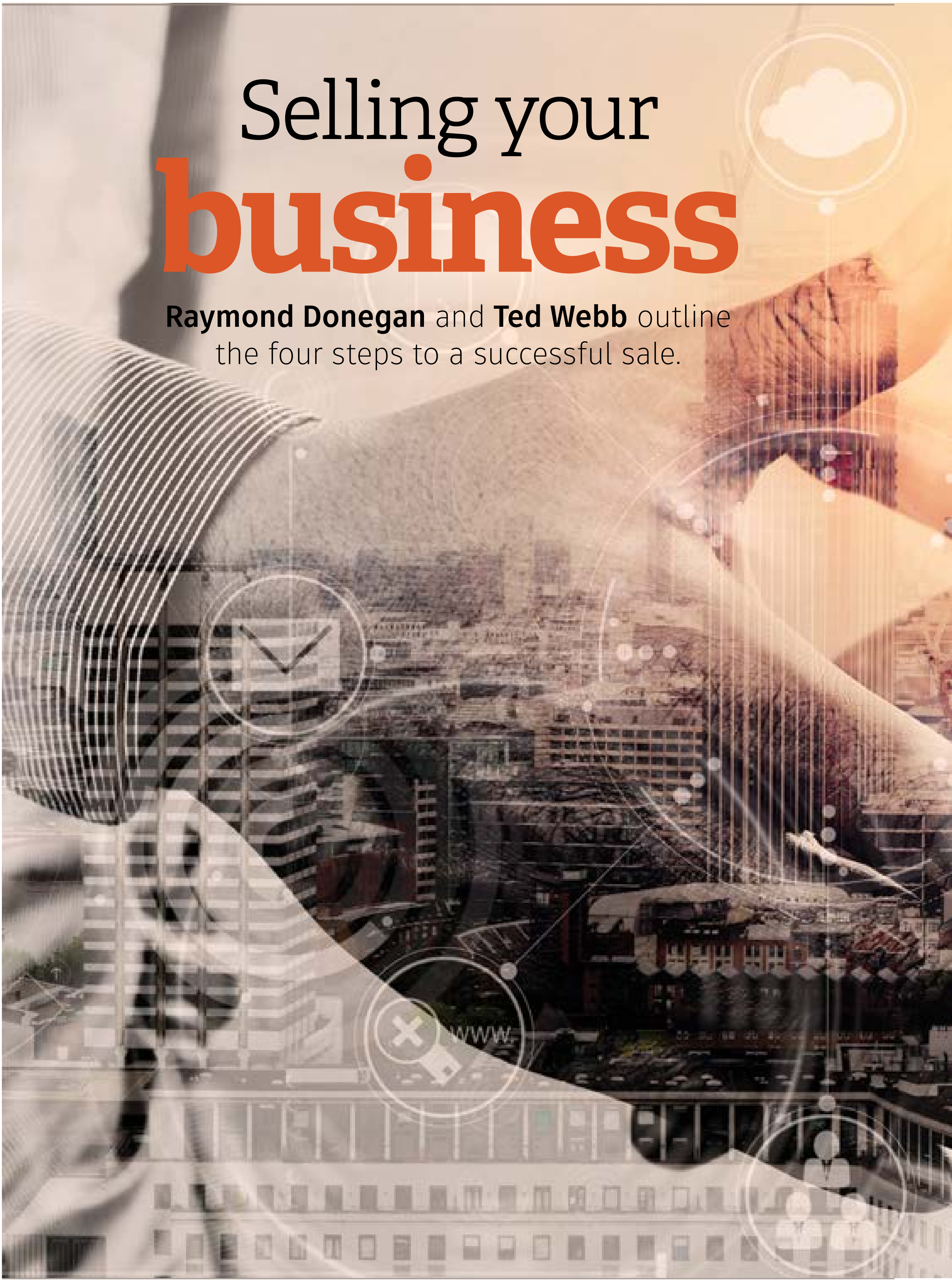
Members should familiarise themselves with the requirements of the 2019 Regulations. While this article explores some of the financial reporting and filing provisions in the Regulations, it does not touch on other aspects such as those regarding the audit of financial statements and reporting by auditors.

It is clear, for example, given the extension of the definition of qualifying partnerships by the 2019 Regulations, that Institute members should check whether partnerships they are involved with, either in an employment or in an advisory capacity, will now be required to file and make public their financial statements, with effect from financial years commencing on or after 1 January 2020. Failure to comply with this, and other specified provisions of the 2014 Act will result in an offence being committed and therefore, legal or professional advice should be sought where necessary.

Eimear McGrath is Associate Director at the Department of Professional Practice in KPMG.

Selling your business

Raymond Donegan and **Ted Webb** outline the four steps to a successful sale.



As a business owner, selling up is probably the most significant decision you will make in your working life. It is a difficult and often emotional process. However, with the right guidance, it can be navigated over a period of roughly six to eight months to everyone's satisfaction.

Four steps, if followed, will maximise the potential for a successful sale.

Step 1:
Preparation

The preparation stage sets the tone for the sale. At this point, your corporate finance adviser will draft an information memorandum with your assistance. This should be a compelling document, which will generally contain an executive summary and details of:

- business history;
- products or services offered;
- customers and market;
- future opportunities;
- overview of management, staff and facilities; and
- recent and forecast financial information.

In addition to drafting the information memorandum, a comprehensive list of potential buyers should be drawn up by you and your corporate finance adviser.

It is better to sell a business that is enjoying a period of growth with some suggestion of future growth remaining for the next owner. Also, if you want or need to retire by a specific date, it is best not to leave the sale too late.

Specific areas of preparation to address include financial items such as fixed assets, working capital such as debtors and creditors, operating expenses, and shareholder costs. It is also crucial to assess the status of non-financial items, including management structure, intellectual property, tax status, and the business' online presence.

Step 2:
Value the business and make initial contact with potential buyers

The key drivers of value from a potential buyer's perspective are the ability of your business to generate cash and its future risk and growth prospects.

Several valuation methodologies can be used, including EBITDA (earnings before interest, tax, depreciation and amortisation) multiples, EBIT (earnings before interest and tax) multiples, and discounted cash flow.

Once value has been established, it is time to contact potential buyers. The decision on which parties to approach will depend on the nature of your business and the type of sale process you are planning.

Generally, the best result comes from a controlled auction process where several potential buyers are contacted. The benefit of this process is that, by the time the sale goes through, you will definitively know the market value of the business.

Your corporate finance adviser will ensure that interested potential buyers receive an information memorandum after signing a confidentiality agreement. Prospective buyers then have approximately four weeks to respond with non-binding indicative offers, and once the offers are received, you and your adviser will decide whom to meet.

Step 3:
Management presentations and preferred buyer selection

There is no substitute for face-to-face meetings; this is arguably the most critical stage of the entire sales process. Afterwards, your corporate finance adviser will request revised offers from interested parties.

Now, you and your corporate finance adviser will decide on the preferred party. The price will play a large part in that decision, but other vital factors may include the structure of the deal and bidders' plans for the future.

You will naturally prefer to be paid in full immediately, whereas the buyer will prefer to pay over time. Ways to reach a compromise include:

- **Deferred consideration:** when an element of the consideration is paid after an agreed period; and
- **Earnout:** when the payment of deferred consideration is conditional on achieving specific financial targets such as an agreed level of sales or profits, or non-financial milestones such as renewing a contract.

Once a preferred party is chosen, the heads of terms will be negotiated. This is a short document, which details the key financial and commercial terms of the deal.

Step 4:
Due diligence and negotiations

The final stage of the process involves the preferred party undertaking due diligence on the target business, and all parties negotiating the necessary legal documents to conclude the transaction.

Due diligence is akin to an invasive audit, but it is a necessary evil. It usually lasts six to eight weeks and covers several areas including financial and tax, commercial, products/services, legal/intellectual property, human resources and pensions, environmental, technical and property. Remember, the potential buyer's view of your business can be positively reinforced if you can provide the information promptly.

After three to four weeks of due diligence, the buyer's lawyer will produce the first draft of the legal documents that will give effect to the sale. Assuming you are selling a company, these documents will include a share purchase agreement and a tax deed but may also feature other documents.

Conclusion

Selling a business is a complicated, lengthy exercise that most business owners will only do once in their lifetime. There can be a significant difference between a well-run, competitive sale process and a poorly executed transaction.

An experienced team of advisers will know the best techniques to enhance value and mitigate risk for you and your business. Only by engaging with such a team can you expect to maximise your position.


Raymond Donegan is Director and Head of Family Businesses at IBI Corporate Finance.

Ted Webb FCA is Managing Director at IBI Corporate Finance.


Common mistakes

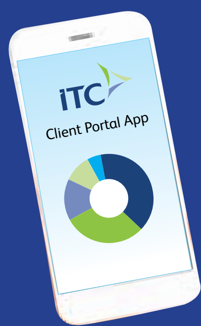
Some of the more common mistakes business owners make during the pre-sale planning and preparation stage, and how one might avoid them, are set out below.

ISSUE	REMEDY
Over-reliance on the key shareholder	A buyer will want to make sure that there is not an over-dependence on a single shareholder, particularly if that person is going to receive a large amount of money as part of the sale. A well-developed management team mitigates this and will enhance value.
Waiting too long	Take advantage of a company's past performance, coupled with good growth prospects. A buyer must believe that there are further growth opportunities for an acquired business. Selling a business that has gone ex-growth will impact value.
Not making the company an attractive acquisition target	Conduct a comprehensive operational analysis to ensure that the company is an attractive acquisition target. Focus efforts on initiatives to retain major customers and key employees.
Focusing only on the income statement	The balance sheet can be a significant source of value. In particular, working capital should be actively managed in the 12 to 24 months before a sale.
Not availing of tax planning	With appropriate tax planning, shareholders can benefit from available tax reliefs to maximise post-sale proceeds.
The distraction of the sales process	The sales process will inevitably become something of a distraction for the business owner. However, it is vital that running the business remains the key focus for the owner as a drop in performance during the sales process may negatively impact on the buyer's perception of the business and, consequently, its value.
Not retaining competent advisers	Experienced and objective corporate finance, tax and legal advisers can generate significantly more value than they cost.

Have you considered property in your client's pension?

Some advantages of using ITC are:

1. Client can choose the property.
2. Purchase residential or commercial property.
3. Scheme exempt from income tax and capital gains tax.
4. Income tax relief on employee and employer contributions.
5. Seamless transfer of property to ITC ARF at no cost.
6. Borrowing can be used to assist funding the purchase.
7. Client can monitor rent and expenses via the ITC Client Portal.



A pension scheme with Independent Trustee Company offers your clients control over their property investment. You can tailor the pension to suit their needs. The ITC SSAS* has 4 key features:

• Control • Transparency • Flexibility • Security •

For further information contact us on 01 661 1022
or email JustAsk@independent-trustee.com

www.independent-trustee.com

**Occupational Pension Scheme

Independent Trustee Company, Harmony Court, Harmony Row, Dublin 2, www.independent-trustee.com

ITC
Your future. Our focus.

Quality Assurance Inspector

Permanent role

Home based

Chartered Accountants House
47 Pearse St,
Dublin 2, Ireland

Chartered Accountants Ireland ("The Institute") is a membership body representing 27,000 influential members throughout the globe. Our role is to educate, represent and support our members.

The Role

The Professional Standards Department of Chartered Accountants Ireland, along with relevant compliance and disciplinary committees, is responsible for the delivery of the Institute's regulatory and disciplinary obligations which derive both from statute and its own Bye-Laws and Regulations.

Quality Assurance inspections is the means by which the Regulatory Board ensures professional services provided by members and member firms are of a high standard, by monitoring compliance with the Standards of Professional Conduct through a system of returns and inspections and taking regulatory action when necessary.

All members who hold a Practising Certificate (PC) and their firms are included within the Board's programme of Quality Review which is the term used to describe the programme by which the Board assures itself as the quality of services provided by PC holders and their firms.

The Professional Standards team is seeking to recruit a **Quality Assurance Inspector**, to review compliance with Chartered Accountants Ireland Regulations and Code of Ethics.

The Expectations

Main duties and responsibilities of the role include:

- Conducting monitoring visits to Chartered Accountant Ireland member firms
- Reviewing firms' processes and methodologies in relation to practising activities
- Reviewing firms' compliance with the Institute's rules and regulations
- Critical assessment of the work carried out by practising firms including judgements made by principals on key issues, including audit and accounting issues
- Interviews with principals and other team members
- Reporting on the visit including findings and recommendations to the firms
- Adding value by making recommendations to firms aimed at improving quality

You will perform a wide range of challenging work and gain:

- A unique insight into how firms operate and respond to current issues facing practice
- An up to date knowledge of business, accounting and regulatory compliance issues of relevance to the profession
- A detailed knowledge of leading methodologies including audit, non-audit, investment business, insolvency and anti-money laundering

The Candidate

Essential

- The successful candidate must be a member of a Recognised Accountancy Body with a minimum of 5 years' post qualification experience in a practice or regulatory environment.
- An excellent knowledge of professional, technical and ethical standards together with excellent organisational, communication and influencing skills and a good level of IT literacy will be required.
- The candidate should be able to demonstrate an ability/provide evidence of communicating effectively on sensitive matters with credibility at all levels.
- Demonstrable experience of report writing for technical and other professional audiences
- The candidate must be capable of working on their own initiative. They must be able to take ownership of the role, and be capable of making key decisions while also actively collaborating within a team focussed on results and targets.
- Have an analytical and process-driven approach, while being capable of exercising judgement.
- A strong focus on attention to detail and results is required.
- An ability to take on new duties and support others when required within the team.
- Experience of management of multiple deadlines.
- The candidate must have excellent interpersonal skills and be highly motivated and resilient.
- Requirement to travel (predominantly within island of Ireland) – full clean drivers licence.

Flexible working arrangements considered.
Chartered Accountants Ireland is an equal opportunities employer.

Not all talk is cheap...

John Kennedy explains how to turn a casual chat into a steady flow of high-quality clients.

A common problem that limits the success of many practices is also one of the most damaging, but happily, it is also one of the easiest to fix. In this article, I will show you how to turn an informal chat into a positive client relationship.

When you master this structure, you will be able to manage any conversation so your potential clients will understand how they will benefit from working with you.

THE SELF-DEFEATING SPIRAL

A typical self-defeating spiral causes significant damage, and it goes something like this:

- I don't feel comfortable talking about myself.
- When I meet potential clients, I often don't know what to say.
- I wish I had more clients and more high-quality clients with whom I like to work.
- I don't feel successful, so I lack confidence when I talk to potential clients about my practice.

For many years, I have focused on identifying what sets high achievers apart. There is overwhelming evidence that the ability to shape and structure a casual conversation is perhaps the single most crucial skill. This skill is not a result of natural talent, charisma or charm – it is a strength that is practised and learned.

SUCCESSFUL CLIENT CONVERSATIONS

It may seem obvious, but a fruitful conversation involves two people taking turns at listening and talking. Yet time and time again, when the pressure of wanting to make a good impression takes over, we make the same mistake. And, odds are, this has happened to you.

It is easy to fall into the trap of believing that your task is to list the many reasons why the other party should become your client. You say more and more about what you think you should tell them until you reach the point – and this can sometimes come frustratingly early – where you run out of things to say or, worse, you keep talking without feeling in control of the conversation as an unwelcome unease inside you begins to grow.

Mastering this skill is easier than you think. A fruitful conversation is about listening and talking. You need to understand how to do both effectively and appreciate how each fits together. So, here is the structure of a successful client chat.

1 PREPARE

The first stage of the conversation takes place when you are on your own. There is no talking or listening, just thinking things through and creating an approach that works.

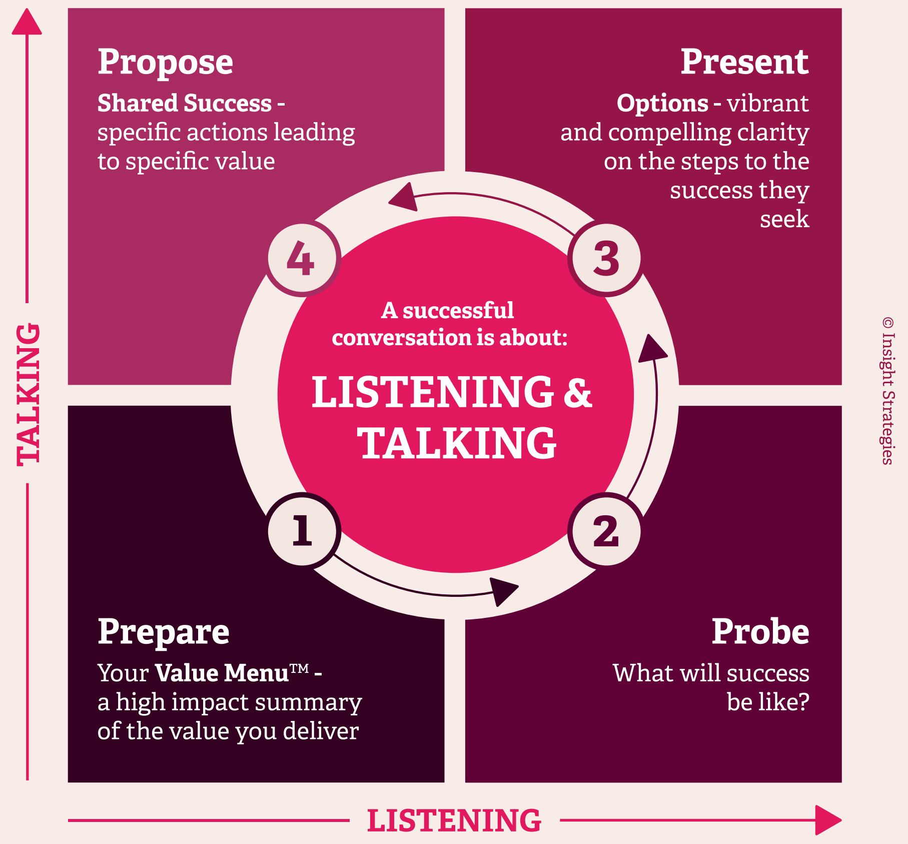
To master the skill of turning casual chats into client contracts, you need to structure your thoughts. You need to understand how best to probe the value your potential client is seeking, the best way to present the value you can offer, and how to propose the next step in what will lead to a long-term, mutually rewarding relationship.

2 PROBE

The conversation begins here. This stage mostly involves listening and knowing how to

© Insight Strategies

LIKE EVERYTHING ELSE, SUCCESS IN THIS HAS A STRUCTURE. SO YOU PREPARE FOR AND IMPLEMENT THE FOUR ELEMENTS IN A STRUCTURED WAY.



> **The critical thing to remember is that you are in the driving seat, choosing the route, and setting the speed – but your client gets to adjust anything that makes the journey comfortable for them, such as opening the window or choosing the music.**

guide the other party so that they talk about issues that move the discussion into 'productive' territory.

Your main task is to keep the conversation casual, interesting to your client, and moving towards an understanding of the value they can achieve by working with you. You do this by asking high-quality questions.

As you chat, gently guide the other party through a series of casual questions in a way that helps them clarify their thinking and reach a more valuable understanding of the outcome that is most important to them. The ability to do this effectively is a skill that takes time and practice. However, three fundamental questions form the bedrock of every successful client conversation:

- What will success look like?
- How will you know if we have achieved the success you seek?
- What is most important to you about achieving that success?

You probe your potential client's thinking by asking these – and related – questions to help them think in a more structured way about their goals. Most clients are unclear as to what they want to achieve, so helping them identify their priorities will encourage them to talk with you more. You don't do this by telling them how clever you are or by providing all the answers. The real skill and value lie in allowing potential clients to experience your proficiency by helping them structure and organise their thinking.

When you master the skill of eliciting the most precise answers possible to these three fundamental questions, you will set yourself apart. By taking this approach, potential clients will experience the value of your expertise, and you will demonstrate that you are focused on helping them define, and then achieve, the success they seek. These are the firmest possible foundations for a high-value client relationship.

3 PRESENT

Only now do you begin to talk more than you listen, and you keep asking questions to maintain focus on the critical issues. In this phase, your task is to help the client see how they will benefit from working with you. You may be inclined to talk about what you will do, but technical considerations are not very motivating for potential clients. Your critical task is to increase their motivation to the point where they decide to work with you.

You do this by giving examples, by telling stories of how you helped others facing similar issues, and by focusing on how things will improve. This evidence is already captured in your value menu, where you prepared a store of material that will help your client feel they are in good hands. The stronger they feel about the specific value they will achieve by working with you, the more you will stand out as someone they can trust.

4 PROPOSE

In this step, you move the relationship from talk to action. By probing how the other person currently sees things, and how they would like things to be in the future, you are helping them untangle the issues and identify the outcomes about which they feel most strongly. These are the foundations of a strong, trusting relationship.

At this point, you may suggest talking further – but before then, you will send a brief note indicating how you can help achieve the success they seek (this is very different to the standard 'letter of engagement'). The purpose of the note is to confirm that you have fully understood the outcomes your client desires.

A succinct note about the value they will receive will move you from a casual, theoretical chat to a highly practical and highly focused discussion on the specific reasons you should both work together.

LIKE A ROAD JOURNEY AT NIGHT

This is likely to be very different to the path you have followed up to now. The traditional, and often ineffective, model tells you that you should outline your expertise at every opportunity; that you should see every conversation as a sales opportunity and sell from the outset. Sometimes this sales "advice" is even more aggressive with outdated jargon that speaks of "closing the deal" or trapping the potential client in the "killing zone". This is hardly a basis on which to build a high-quality practice with the right clients and high-trust relationships.

Instead, the Practice Builder approach outlines the specific steps you should take to help a potential client identify and access the value that is truly important to them.

And through a well-structured conversation, you let them experience how you are an essential element in arriving at the outcome they want. It's like taking a road journey at night. Through your questioning, you help your client identify the destination at which they wish to arrive. You then map out the route and together, you can set off on your conversational journey. You use your questions like headlights, to light up the landmarks and road signs for the next stage of the journey.

The critical thing to remember is that you are in the driving seat, choosing the route, and setting the speed – but your client gets to adjust anything that makes the journey comfortable for them, such as opening the window or choosing the music. In this way, the conversation remains a comfortable and stress-free casual chat, but with a clear set of directions, milestones and a destination that you both reach by working together.

This approach is fundamentally about helping your client arrive at the success they most value. When you stand out as a master at this, your client will want you on every journey. And they will want to tell all of their friends about you.

This is a firm foundation on which to build a successful practice.

FOR MORE INFORMATION

Go to 'The Practice Builder' button at InsightStrategiesOnline.com, where you can download a more detailed version of this article including:

- **A summary of the value menu you should prepare as your guide to successful conversations with potential or existing clients.**
- **A detailed set of questions, so you can skilfully guide the conversation to elicit the outcomes that are most valuable for your client.**

John Kennedy is an experienced strategic advisor who has worked with senior management teams in a range of organisations and sectors.

Why cyber behaviour is the board's business

Organisations must develop a cyber strategy and culture that considers the human element if they are to minimise the associated financial, legal and reputational consequences of potential security breaches, writes **Sarah Hipkin**.

Top-level executives are fully aware of the harm cybersecurity breaches can inflict on an organisation, and that having the right safeguards in place is vital. Safeguards include technical assessments, penetration testing, and reporting alongside compliance with applicable regulations, standards and reporting frameworks. These are integral components of the preventative measures organisations should take, yet failing to consider how human behaviour impacts on such technical and operational measures means any existing safeguards remain vulnerable.

The latest statistics and trends on data breach notifications from Ireland's Data Protection Commission (DPC) show that, out of the 6,069 notifications made to the DPC in 2019, 83% are classed as 'unauthorised disclosures' by employees. These disclosures include emails and texts sent to an incorrect recipient, processing errors, and disclosures through online customer portals. Furthermore, 61% of Irish organisations have suffered cybercrime such as fraud in the last two years, with an average estimated loss of €3.1 million.

We have seen the impact of high-profile data breaches on numerous occasions involving Ashley Madison, Wannacry, Yahoo and Facebook. Yet if we look beyond the figures, common to all types of security breaches is the human element that underpins an organisation's cyberculture.

RECOGNISE CYBER COMPLEXITIES

Recognising the complex nature of cyber threats is the first step to understanding how the human element has an impact. As well as internal breaches caused by human error, one must also consider negligent or malicious employee behaviour. Negligent breaches occur when employees are not fully aware of the expected cyber practices, the benefits of safeguards, or attempt to circumvent policies due to the sophisticated technical measures in place. Malicious cyber behaviour, on the other hand, often stems from a disgruntled employee who plans to leak sensitive data to harm the company or access information for personal financial gain.

Cyber threat considerations also extend to third-party suppliers that work closely with an organisation and may have data access privileges. Add to this the ever-present problem of how all employees respond to external threats such as hacking, phishing or ransomware and we can begin to see how human behaviour can impact on an organisation's ability to contain cyber threats.

DEVELOP SAFE BEHAVIOUR PATTERNS

Employing safe cyber behaviour policies is vital. Safe behaviour is particularly important as organisations increasingly use the cloud to facilitate more flexible working practices and employees, and in the current climate most employees are working from home. Education on the use of social media platforms is another consideration, and organisations must emphasise the difference between safe and unsafe cyber behaviour in terms of how to control information in the public domain.

Rather than merely implementing technical measures such as firewalls or rules that list unsafe cyber practices, organisations should adopt strategies that highlight the practical aspects of cyber behaviour. If employees understand the impact their behaviour has on job security, reputation and trust, they will be more likely to understand and adopt safe cyber behaviour practices.

UNDERSTAND CYBERCRIME DRIVERS

While developing safe behaviour patterns may not necessarily deter internal or external cybercrime threats intent on financial or reputational damage, it raises employee awareness of malicious cyber behaviour. Such malicious threats can stem from a moral class action initiative or, as we have seen with ransomware incidents, for financial gain.

Whatever the motive or format, all threats inflict financial and reputational damage in different ways. Understanding what makes an organisation's data desirable to a cyber threat is part of the process in formulating a robust cyber strategy and policies. Building a psychological storyboard of potential motives can focus on testing areas such as strengthening customer password technology or supplementing employee role-based training in a particular area.

ADDRESS CULTURAL DIFFERENCES

Policies that are implemented must be closely aligned with the culture of the company. While cyber behaviour commonalities exist across all sectors, the social make-up of the workforce should be a consideration when developing policies and training needs. Creating a cyber behaviour policy and training programme for a retail company will look different from one designed for a public sector organisation, for example.

With a younger workforce in general, retail companies may wish to emphasise negligent breaches, particularly around web browsing and social media platforms. A younger workforce can also be at increased risk of phishing emails that focus on entertainment to encourage infectious click-throughs. In contrast, the profile of public sector workers suggests susceptibility to phishing emails that masquerade as official communication.

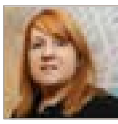
FOCUS ON DATA HOTSPOTS

Linked to the social make-up of the workforce, companies should also consider relevant cyber hotspots. Departments that focus on email communication can be more at risk of accidental data breaches, whereas the finance function can be at a higher risk of business email compromise threats. The careful assessment of human risk and behaviour in these areas can help strengthen more cyber-vulnerable areas of the business and bolster general policies, training and awareness-raising activities. It is also important to refresh risk assessments and training programmes to reflect any changes in the business, such as home working, and ensure that systems have the integrity to keep pace with cyber threats that constantly mutate and evolve.

Adopting a preventive approach to cyber threats – one that moves away from implementing technical and operational risk controls in isolation and takes human factors into account – must begin at board level. Leadership from the top not only has the power to enforce cybersecurity awareness more effectively, but it also encourages crucial buy-in from all employees. However, care must be taken to ensure that the measures employed will protect the privacy of employees and customers alike. As we have seen with the General Data Protection Regulation (GDPR), laws on data privacy are not only here to stay but, as our data lives become increasingly connected, the law will become more stringent.

Nor should an organisation underestimate the disruption to productivity arising from data breaches. The possibility of data infringements lying undetected for many weeks or months, followed by months of regulatory investigation and follow-up assessments, can stretch human and financial resources to the limit.

To minimise such disruption, boards must consider human behaviour elements when developing a cyber strategy and programmes. Doing so will give their organisations the best chance of reducing the financial, legal and reputational consequences of potential security breaches in the future.



Sarah Hipkin is Director, Data Protection, at Mazars Ireland.

Unleash your data analytics capability

Richard Day and **Alannah Comerford** explain how Chartered Accountants can enhance their organisations' data transformation capabilities using Alteryx.

With the recent changes to the FAE syllabus, which now includes Tableau, Alteryx and UIPath, the new crop of qualified Chartered Accountants will bring these skills into the workplace. In this article, we will discuss the advantages of using a data processing tool such as Alteryx. The Institute has recognised the value that Alteryx provides, and the onus is now on all of us to leverage the skills and knowledge our bright new crop of young accountants will bring to the workplace.

Reflect on the tasks we are required to complete regularly as part of our role as a modern-day Chartered Accountant. Many of us would find that, despite not considering ourselves to be data experts, we cleanse, filter, summarise, append and cross-reference datasets – even if we don't think of our actions in these terms. We often turn to spreadsheets to do these data-heavy tasks.

Many of us have picked up a spreadsheet which has multiple tabs, complex formulae, thousands of rows of data and found it challenging to figure out what is happening. Also, these complex transformations and calculations often have undocumented steps, can be slow to update, require manual effort to repeat, and generally could be better controlled.

Alteryx is a data processing tool that facilitates data transformations and calculations in a controlled and repeatable manner and can revolutionise how we process and analyse data.

Given the user-centric design and functionality, all accountants should be able to pick up Alteryx and get started. In Alteryx, steps in a process are represented graphically in a format called a "workflow". It should, therefore, be far easier for a colleague to view such a workflow and figure out what is happening than if they were to pick up a spreadsheet, as described above.

Repeatable data transformation

Take the simple scenario where we need to carry out a task that requires information from two or more systems. We typically export information from each system into separate files and then transfer these files to tabs in a single spreadsheet to carry out the task by summarising information from one tab and looking it up in the other.

In an ideal world, with fully integrated systems perfectly tailored to all of our needs, this would be possible to do automatically on the systems themselves. However, this level of integration is not a reality for most of us and as a result, we regularly spend our time on these data transformation tasks. In many cases, data manipulation often represents a significant proportion of the time taken and does not leave much time for the accountant to review and consider the results.

Alteryx can help with the data transformation and processing elements of such tasks. It provides the accountant with a way to build a workflow to complete each of the required steps each time such analysis is performed. It would then be a matter of refreshing the input files as needed and running the workflow, eliminating almost all of the time associated with the transformation of the data (see Figure 1).

Similarly, Alteryx offers excellent value to an accountant by cleansing the data. In a world with imperfect and unintegrated systems, there may be data quality issues as well as inconsistent data across different systems. We have become used to removing leading zeros in an account or reference number, correcting misspelt names, or translating names of customers or products, so they match across systems. Alteryx allows us to build these data cleansing routines into a workflow to ensure that they are automatically performed the same way any time a file of this type is processed, unlocking real efficiencies.

Where we need to perform tasks such as sorting, manipulating or joining files of any reasonable scale, Alteryx comes into its own. Standard steps that are performed regularly are prime targets for Alteryx. This affords excellent opportunities for Chartered Accountants to begin using this tool, as they should have an exceptional understanding of the activity required and the associated inputs and outputs.

Robust data processing

While many of the functions discussed above would be possible with other tools, Alteryx also has the added advantage of allowing the user to make the data transformation process more robust. While at first, it may be slightly more challenging to use Alteryx rather than filtering, sorting and using copy and paste in a spreadsheet, a Chartered Accountant will quickly become familiar with the tool given its graphical nature.

Also, the rigour that is brought to a

process by a user deliberately building specific steps into a workflow lends itself to robust processing. In Alteryx, it is also possible and recommended to build in controls to provide comfort over the completeness and accuracy of the information being manipulated at critical stages of the process, assuring that all required data is included and that the result is accurate.

The processing is a little more opaque since it generally sits in data files rather than yet another tab on a spreadsheet. You should, therefore, build in the ability to browse the interim data at various stages of your process so you can troubleshoot or review how it looks and check that the different steps are performing as expected.

When performing calculations or analysis in a spreadsheet, a small change can cause an error in a set of calculations, and it can be challenging to identify where the error is occurring. There may be hundreds or even thousands of iterations of a formula. As a result, we often see data anomalies fixed with hard-coded values. This is much better in Alteryx as good design will allow errors to be identified and a user cannot revert to hard-coding values, which may not be appropriate for future iterations of a calculation.

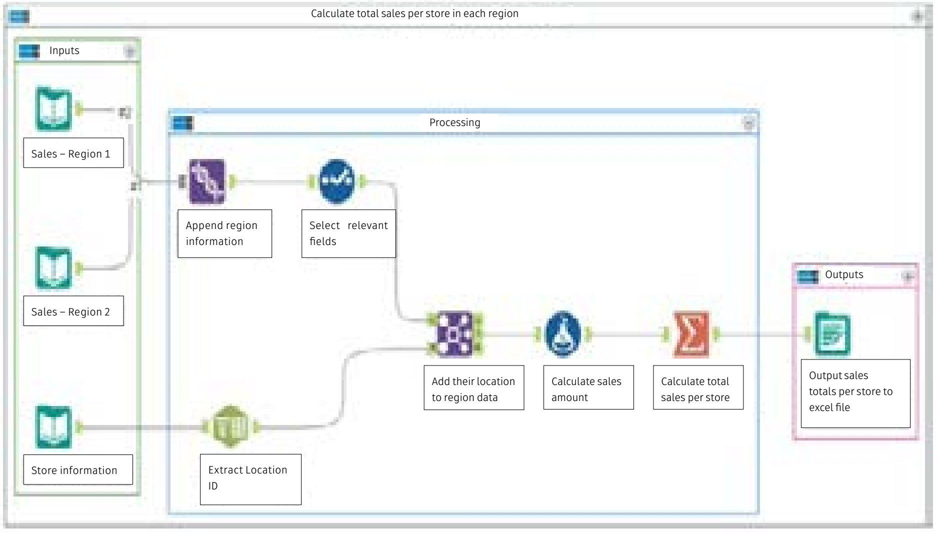
It is also easier with Alteryx to ensure that inputs are used as provided. It provides a mechanism to revert to the source data when required, which also contributes to the robustness of a process.

Processing at scale

In Alteryx, tasks can also be carried out using large volumes of data that would only have been attempted by the bravest of spreadsheet proponents, making tasks that were previously tricky (or in some cases, impossible) more feasible.

Some spreadsheets have an outer limit of up to one million lines, but in many cases, the practical limit is much lower since adding formulae to files with only thousands of records can cause them to slow down drastically. Alteryx can handle the bigger datasets we now encounter. In addition, making changes to calculations in spreadsheets can be time-consuming and many have

Figure 1: **A sample Alteryx workflow**



This workflow appends sales information from two different regions, the Republic of Ireland and Northern Ireland. It then joins store location information to this appended file. The workflow calculates the total sale amount, summarises by store, and exports to Excel.

encountered spreadsheet files crashing.

Alteryx generally allows changes to be made and re-run quickly. Many workflows will run in seconds while processing simple transformations for millions of records should only take a few minutes. This is a huge advantage when building a workflow, as it enables the user to experiment efficiently and add additional functionality with ease.

Documentation

The ability to review a workflow and the controls built into it affords management excellent oversight of calculations that may drive critical outputs. Detailed documentation of processes is something that is not always present, especially for data-heavy tasks that began as an *ad hoc* exercise but are now embedded in everyday activities.

Performing data transformation in a tool such as Alteryx and adding annotations to workflows has the added benefit of encouraging the user to define and document what is happening in a process.

Outputs

The outputs from Alteryx workflows can be produced in a range of formats. It may be that the most convenient output from your Alteryx workflow is a spreadsheet, such as debtors who are over their credit limit. It is also possible for visualisations, such as those covered in previous articles, to be refreshed automatically with data files produced from Alteryx. This can help Chartered Accountants provide significant value to their businesses.

Significant value

Alteryx may not be required when you are working with easy-to-manipulate data on a once-off basis. In an increasingly regulated and controlled business environment, however, the benefits associated with repeatable, efficient and documented data transformations are of significant value.

As we are supported by our soon to be qualified Chartered Accountants on our data analytics journey, we encourage you to share your experiences within your teams. Knowledge-sharing and an open attitude to the improvements technology can bring will breed success.

Richard Day FCA is Partner, Data Analytics & Assurance, at PwC Ireland.

Alannah Comerford ACA is Senior Manager, Data Analytics & Assurance, at PwC Ireland.

CHARTERED ACCOUNTANTS IRELAND GOLF SOCIETY

Celebrating 100 Years of Golf & Camaraderie

ANNUAL OUTING 2020

COUNTY SLIGO GOLF CLUB, ROSSES POINT, SLIGO

FRIDAY 22ND & SATURDAY 23RD MAY 2020

The Captain Peter Greene invites you to join us for the 94th Annual Meeting which will take place by kind permission of County Sligo Golf Club at Rosses Point.

- 9 and 18 hole net and stableford competitions daily
- Discounts available for first time attendee's
- Category prizes: ladies, gents, veterans, newcomers & Interprovincial District Society Team
- Discounted accommodation at Yeats Country from €55 per person sharing, adjacent to the Club House
- Saturday Prize Giving & Captains Dinner, Optional social dining Thursday & Friday.

Please note: this event will run on the dates stated subject to prevailing circumstances in relation to COVID-19 or at an alternative date later in the year, if possible.

All Chartered Accountants with a golf handicap are invited to enter. New members are particularly welcome. Email the secretary Shane Power at caigolfsociety@gmail.com for more information.

How to make remote working... work

Dr Annette Clancy lays the ground rules for a successful spell of remote working.

The work restrictions and social distancing introduced by the Government in response to COVID-19 may prove to be a watershed moment for flexible/remote working. The immediate shut-down of many workplaces forced hundreds of companies and thousands of workers to get creative about how to work and deliver services to clients and customers while observing public health protocols. As many are finding out, however, working from home presents a whole new set of challenges. So, how can we make flexible/remote working work?

KEEP GOING TO WORK

Not everyone has a home office or even their own room. Yet, you must still go to work. First, acknowledge the change in your work situation. It is not the same as going to the office. You may, for example, have to juggle childcare so be realistic about what you can achieve given the current circumstances. Discuss this with your employer and work around it for the time being.

Then go to work. This is as much psychological as it is physical. Your home is an obstacle course of exciting activities, which throw themselves into your path before a deadline looms. Laundry, dish-washing, reorganising books (by colour, author or topic?) all seem to take on an urgency previously unheard of as the clock ticks closer to the dreaded deadline. You must defend yourself against this distraction before you begin.

Create a workspace at home. This could be as simple as defining part of the kitchen table as the place where you put your laptop, phone charger and papers. Keep this clear of all other personal items. When you sit down at this space, you are at work; when you leave, you are at home. Maintaining this boundary is essential, otherwise work and home will become blurred. This is important when you work from home because it's easy for work to bleed into your personal (psychological and social) life and before you know it, you are on your computer at 11pm and again at 7.30am.

KEEP COMMUNICATION CHANNELS OPEN

People go to work for myriad reasons. Obviously, there is the work itself, but we also develop our sense of identity through work; we make friends and develop relationships (some life-long). These relationships can feel threatened when we are no longer close to our work colleagues. People who work at home (even those who are used to it) can feel isolated and lonely.

If your business uses technology such as Slack, Google Hangouts or Skype, for example, these are probably your go-to communication tools. But if not, it's crucial to build in times when you check-in with your colleagues by phone, text or WhatsApp – whatever method works for your group of colleagues. Managers who have no experience of managing teams remotely will need to take particular care to check-in with their people as it is easy to lose contact in a remote working context.

KEEP THINGS NORMAL

Social distancing can quickly turn into social isolation unless we keep some semblance of normality. We may not be able to go to the pub on a Friday with friends or go out to dinner with colleagues, but we can organise 'virtual coffee dates' or 'remote lunches' using Skype, Zoom or Facetime. This means organising specific times to be together online, but away from work.

Of course, it isn't the same as being in the same room. And yes, it's a bit 'weird'. But the main point here is to maintain social contact to ensure that workers do not succumb to loneliness, and for managers to engage in non-work conversation with their colleagues.

Once you crack it, we may look back on this time as the research and development phase of a new way of working.

Dr Annette Clancy is Assistant Professor at UCD School of Art, History and Cultural Policy.

Developing a framework for climate-related risk

As climate-related threats increasingly dominate our environment, attention is now turning to the impact on global financial stability. **Mark Kennedy** looks at the effect on the financial services industry and how the regulatory landscape is likely to change.

On an almost daily basis, we can see the devastation climate-related events have on our world. Yet as communities battle with the catastrophic impact of storms, floods and bush fires, another threat is emerging: how to manage the risk to the global economy and financial stability.

The severity of the threat to financial stability has shifted the agenda from whether central banks and regulators should act on the climate crisis to what measures ought to be put in place. While financial institutions can expect a significant increase in regulatory focus, the complexities supervisory authorities now face in monitoring the physical, liability and transition risks posed by climate-related threats creates several challenges to implementation.

A global survey of 33 central banks in six regions by Mazars and the Official Monetary and Financial Institutions Forum (OMFIF) highlighted significant hurdles to developing a framework to manage and supervise climate-related risk. They include a lack of climate-risk data at firm level (Figure 1), disagreement over mandate and responsibilities, and a lack of harmonisation on green investment taxonomies.

Financial system exposures

For financial firms and investors, the ability to quantify exposure to climate-related risks is vital – particularly as the regulatory dial shifts to a greener investment landscape, where the danger of holding stranded assets is a significant risk for the banking and asset management industry. This shift not only affects their capacity to generate returns, but also their ability to meet capital requirements set by regulators.

For insurance companies, climate-related claims or liabilities can be managed to some extent through catastrophe bonds or other financial instruments. However, the growing number and severity of natural catastrophe events also require insurance companies to explore a broader range of tools to manage their natural catastrophe risk exposure more effectively.

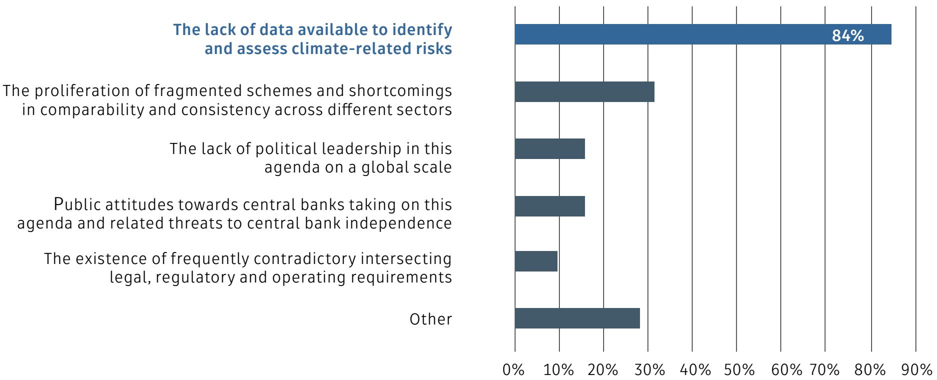
Failure by financial services firms and regulators to monitor and manage climate risk exposures could result in significant damage to global economies. Also, rising insurance costs and unmanageable claims, asset value destruction, and vastly reduced investment performance could impact the overall stability of the financial system. The question now is: how do we begin to manage these risks?

Reaction from regulators

As the Mazars report identifies, a consistent approach by regulators to supervise climate risk is still some way off. While central banks are looking to implement models, the sheer scale, speed and complexity of climate risks pose unique challenges for stress-testing and modelling. According to the report, to date, a minority of central banks and regulators surveyed are currently conducting climate-related scenario analyses in their routine stress tests (Figure 2).

One barrier to implementation is the growing consensus that conventional macroeconomic models are inadequate. Instead, integrating climate risk scenario analyses into

Figure 1: **What do you see as the biggest challenge in the supervision of climate change?**



Source: Tackling Climate Change: The Role of Banking Regulation and Supervision

standard stress tests requires drawing from alternative techniques, such as stock-flow consistent and agent-based modelling. There's a growing appetite for an approach that also factors in the opportunities created as the investment landscape moves from brown to green.

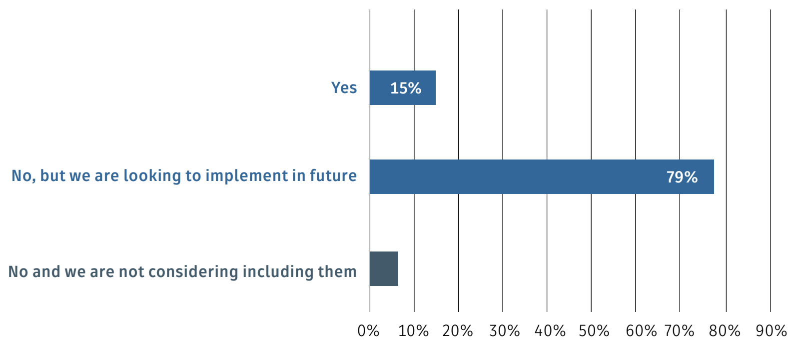
Rewarding positive behaviour

Initiatives such as the European Green Deal focus on making changes that protect the environment, as well as supporting positive societal and economic change. As investments in clean technology or sustainable projects are given a more prominent platform, there is potential for investment growth and new business opportunities to expand.

By rewarding positive behaviour, such initiatives have a significant role to play in reducing the overall risk of climate-related events as societies transition to a greener way of living. Importantly, it also drives positive behaviours at firm level as it encourages the financial services industry to transition business operations towards a more sustainable economic future.

Looking ahead, financial firms that embrace green investment taxonomies and promote societal improvements will help to reduce the need for market and regulatory intervention.

Figure 2: **Do you include climate-related risks and/or climate-risk scenario analysis in stress testing?**



Source: Tackling Climate Change: The Role of Banking Regulation and Supervision

The impact on reporting

As the regulatory landscape reacts and adapts to climate-related threats, CFOs and accountancy firms will need a framework that adopts the right balance of financial and non-financial reporting requirements. While the industry can expect more stringent regulation on stress-testing and modelling specific climate-related scenarios, there is also a need to assess non-financial exposures relating to legislative or practice-led changes on environmental issues.

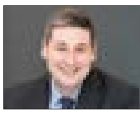
At firm level, this may involve questions on whether a policy change is likely to impact future business strategies and firm sustainability. A standardised approach to categorising different impacts and harmonising definitions is essential. According to the Mazars' report, "the lack of harmonised definitions is an important deterrent for establishing, in a comparable manner, which activities and sectors should be considered aligned with the goals of environmental sustainability, and therefore to assess institutions' exposure to climate risk."

Looking ahead

As we move into an era when environmental and societal issues are connected more than ever to the business landscape, it is vital that financial institutions now collaborate and pull together with regulatory authorities and professional bodies to work towards a more sustainable future for all.

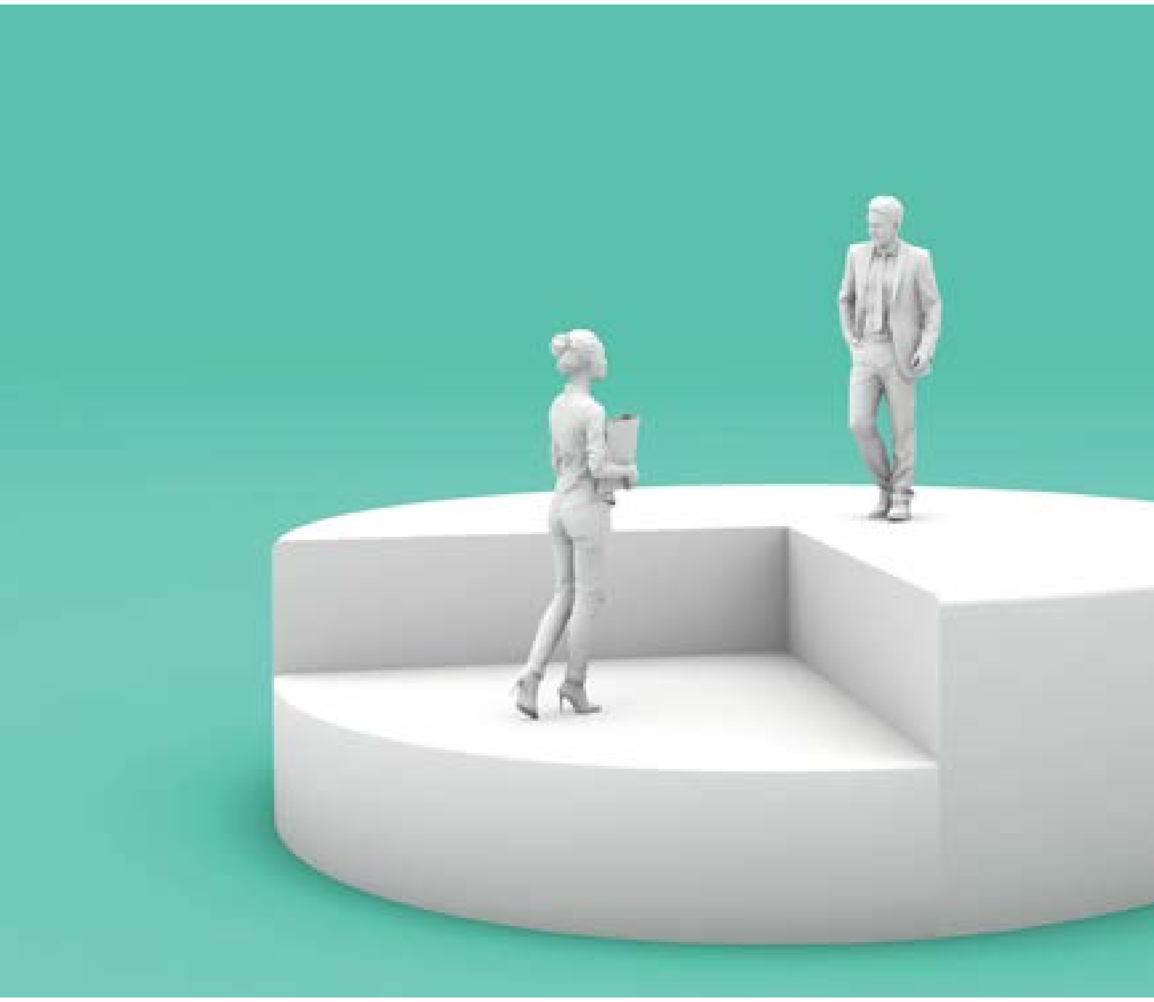
As a respected global financial hub, Dublin can take the lead on moving the conversation forward and help companies explore approaches to managing climate risk. It is also an opportunity to think about long-term sustainability issues that will help to enhance shareholder value.

By asking the right questions, we can begin to implement a framework that not only helps manage the impact of climate-related risk, but also emphasises the opportunities.



Mark Kennedy FCA is Managing Partner at Mazars Ireland

Another new dawn for **gender pay gap** reporting?



The European Commission reports that the overall gender pay gap in the European Union is 16%

Aoife Newton assesses the prospects for gender pay gap reporting legislation as negotiations continue to form a new government.

The outgoing Government made limited progress in introducing gender pay gap reporting legislation in the Republic of Ireland, and it remains to be seen whether the next government will echo the same commitment.

Two separate Bills were initiated in the Houses of the Oireachtas in the past three years. First, the Labour party initiated a private members bill titled *The Human Rights and Equality Commission (Gender Pay Gap) Information Bill 2017*, and this was followed by the *Gender Pay Gap (Information) Bill 2019*. The latter progressed to the third committee stage of the Dáil, but as with the 2017 bill, it lapsed upon the dissolution of the Dáil in January 2020.

Although the timing of this legislation is unknown, the next government will be under pressure to advance such legislation. The European Parliament passed a non-binding resolution on 30 January 2020, which called on EU member states to strengthen their efforts to definitively close the gender pay gap by strictly enforcing the equal pay principle and adopting legislation increasing pay transparency.

The European Commission reports that the overall gender pay gap in the European Union is 16%. In her political guidelines for 2019-2024, Commission President Ursula von der Leyen committed to addressing the gender pay gap within the framework of the upcoming Gender Equality Strategy. The Commission has previously called on member states to close the gender pay gap and address barriers to the participation of women in the labour market.

As there is an emerging consensus from the European Union to close the gender pay gap, there is, therefore, a strong possibility that the next government will introduce gender pay gap legislation to comply with the proposals outlined at a European level.

Against this backdrop, employers should start preparations at an early stage. Those who fail to act will find themselves addressing issues in the public domain under the scrutiny of the media, trade unions, their employees, and their customers. Organisations reporting a high gender pay gap may be viewed as being less than fully committed to pay parity, promotion, and development opportunities for women. Where a gender pay gap exists, this may negatively impact an organisation's brand, employee relations, public reputation, and its ability to attract and retain talent.

Organisations operating within a pyramid workforce structure when it comes to gender creates a pay gap, and if such a difference is greater than that of an organisation's peer employers, it may have some uncomfortable explaining to do to its stakeholders.

The all-important narrative

The size of the gender pay gap is important, but the accompanying explanation could distinguish progressive employers from those who are merely observing a compliance obligation. Under the Bill, employers would have been required to publish – concurrently with the percentage results – the reasons for such differences and whether they had taken any measures to eliminate or reduce the disparities. This requirement must be replicated in any new legislation, as the mere reporting of data could lead to a compliance complacency while defeating the spirit of the legislation. In contrast, employers who take the opportunity to analyse and explain their gender pay gap are likely to benefit from such transparency.

The narrative for any gap is a particularly important opportunity for employers who have a relatively large gender pay gap. The media and the public often confuse the issues of the 'gender pay gap' and 'equal pay', even though the two are very different concepts. Employers should use their narrative to minimise the risk of confusion and take the opportunity to explain the nuances or legacy issues in their organisation, which may have led to a gender pay gap. This should encourage a level of transparency that enables employees to question and challenge reward models and packages, and employers to highlight their efforts to achieve gender pay parity.

Aoife Newton is Head of Corporate Immigration and Employment Law at KPMG Ireland.

Enabling Wellbeing

Accounting Technicians Ireland (ATI) has moved to support Pieta House in the charity's work to highlight the psychological challenges of the fight against Covid-19.

Gillian Doherty, Chief Operations Officer, ATI said the Institute has made a donation on behalf of its community of 10,000 members and students to support mental health services in these unprecedented times.

ATI's Annual Charity Lunch scheduled for the 24 April 2020 has been cancelled and Pieta House, its nominated charity, will not be at a loss as ATI has committed €20,000 to help support people in psychological distress due to the effects of Covid 19.

"We as human beings are not always aware of our capacity for personal resilience and in these uncertain times, we may need additional support," said Gillian.

"With the help of the frontline staff of Pieta House, we can avail of their experience and expertise in recovering wellness."

Leading occupational psychologist Paul Marsden, who works with Accounting Technicians Ireland, said: "It is important to take care of mind and body at this time by making sure we exercise, sleep well and keep in touch with relatives and friends.

"The constantly changing nature of the situation can cause stress for everybody as the broad issue is, of course, beyond our control.

"Daily routines have been completely altered and this can cause stress for everybody as circumstances are very much beyond our control."

He emphasised a number of key tips to follow to ensure we can manage our stress and wellbeing during the current situation:

- Keep in contact with friends and family. This is particularly important where older people are concerned.
- It is important to take a break from watching news stories and consuming social media as repeated information about the pandemic can increase stress levels considerably.
- During this time of isolation it is beneficial to build structure and routine into our days. This helps to pass the time as well as feeling a sense of achievement and it helps manage relationships.
- Everyone reacts differently in stressful situations and we should try and understand the sources of our stress. These can be things like worrying about our health or the health of others, difficulty sleeping, changes to our daily routine or financial worries. We should avoid going over these in our head repeatedly as this will escalate feelings of stress.
- Take care of your body by stretching and taking deep breaths from time to time throughout the day.
- Eat healthy and balanced meals, keep hydrated and ensure you get plenty of sleep.
- Make sure to build in some time during the day for relaxing and enjoyable activities. Having a balance is a

President of Accounting Technicians Ireland Sinead Donovan

Pieta House CEO Elaine Austin

great de-stressor. As an example it would be good to go for a walk at some time during the day, every day.

Accounting Technicians Ireland's President and Grant Thornton Partner Sinead Donovan said support for Pieta House is now more important than ever as people's psychological health comes into focus given the restrictions on daily life.

"As an employer and mother, it is a mission of mine to stress my personal belief in the value of promoting good mental health," said Ms Donovan.

"The core theme of our Annual Charity Lunch was to have been wellness, with a particular emphasis on mental health.

"I am big on talking about it and charities like Pieta House require strong support from all of us at this time.

"During this crisis employers are worried about employees, especially those who may be from another country.

"In this digital age, it is also critical to keep the anxieties and concerns of children and teenagers right now uppermost in our thoughts."

Pieta House, which has recently postponed its Annual Darkness Into Light walk, warmly welcomed the donation.

"At Pieta, we provide a professional one-to-one counselling support service to people who are in suicidal distress, those who engage in self-harm, and those bereaved by suicide," said CEO Elaine Austin.

"We rely on donations for more than 80% of our income and our work simply would not be possible without the support of organisations like Accounting Technicians Ireland.

"This is a particularly challenging time as we respond to the challenge of coronavirus, during which we will make our life-saving counselling support available by phone.

"It is so important at this time that people don't feel alone.

"We are so grateful to ATI for helping Pieta to continue to be here to make a difference for people who are in crisis during this difficult time."

For those in difficulty, Pieta House can be contacted free at 1800 247 246 or text HELP to 51444.

Get to grips with the revised Institute Code of Ethics

Karen Flannery and **Níall Fitzgerald** consider the critical points in the revised Chartered Accountants Ireland Code of Ethics, which came into effect on 1 March 2020.

The revised Chartered Accountants Ireland Code of Ethics took effect on 1 March 2020. The revised Code was necessary to increase alignment with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics, which underwent a significant restructure in recent years. While there are no changes to the fundamental principles, Chartered Accountants familiar with the previous Code of Ethics (effective September 2016 to 29 February 2020) will find the look and feel of the revised Code significantly different.

While additional sections and emphasis were included, others were removed. This results in greater clarity and ease of navigation. Figure 1 provides an overview of the revised Chartered Accountants Ireland Code of Ethics.

ADDED EMPHASIS ON FUNDAMENTAL PRINCIPLES

The five fundamental principles of the Code of Ethics remain unchanged. These include integrity; objectivity; professional competence and due care; confidentiality, and; professional behaviour. The conceptual framework that describes the approach used to identify, evaluate and address threats to compliance with the fundamental principles also remains the same.

However, there is now a heightened emphasis on the fundamental principles and the use of the overarching conceptual framework underlying each section of the Code. Before, much of the narrative was contained in a single section of the Code.

RESPONDING TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

New sections were added concerning non-compliance with laws and regulations (NOCLAR) for professional accountants in practice (Section 360) and professional accountants in business (Section 260). These bring the NOCLAR provisions of the IESBA Code of Ethics into the Institute's Code.

A vital feature of the NOCLAR provisions is the specific in-Code permission to breach the principle of confidentiality in the public interest. This permission has been explicit in the Institute's Code for several years and so, the NOCLAR provisions can be seen as a change of detail rather than of substance. The new sections outline the required actions when NOCLAR is discovered and provide additional guidance in this area. Key points to note concerning the NOCLAR provisions are:

- The first response to identified NOCLAR is to raise the matter, and seek to address it, at the appropriate level within the relevant organisation (internally);
- Where NOCLAR is not dealt with appropriately internally, the professional accountant considers whether to report to an external authority in the public interest. The decision to report externally is (as it always has been) a complex one; and
- Where a report is made in the public interest and good faith, there is no breach of the confidentiality requirements of the Code of Ethics. However, there may be legal implications for the professional accountant to consider.

Figure 1: **Overview of the Chartered Accountants Ireland Code of Ethics (effective 1 March 2020)**

Part 1
Complying with the code. Fundamental principles and Conceptual Framework
(All professional Accountants – Sections 100 to 120)

Part 2
Professional Accountants in Business
(Sections 200 to 270)
(Part 2 is also applicable to individual Professional Accountants in Public Practice when performing professional activities pursuant to their relationship with the firm)

Part 3
Professional Accountants in Public Practice
(Sections 300 to 360)

International Independence Standards
(Parts 4A and 4B)
Part 4A – Independence for audit and review engagements*
(Sections 400 to 800)
Part 4B – Independence for assurance engagements other than audit and review Engagements
(Sections 900 to 990)

Glossary
All Professional Accountants

*Part 4A of the Institute's Code of Ethics does not apply to the performance of statutory audit work. Independence and other ethical requirements for auditors are contained in the Ethical Standard for Auditors issued by IAASA (Ireland) and the FRC (UK).

REVISED LAYOUT

The most obvious change is the revised layout of the Code of Ethics, which now mirrors the structure of the IESBA Code of Ethics with additional material for members of Chartered Accountants Ireland. A new paragraph numbering format was introduced and as a result, sections were restructured (e.g. what was "Part C" (Professional Accountants in Business) is now "Part 2" in the revised Code).

The revised layout facilitates more natural referencing and distinguishes between the Code's requirements (in bold text and denoted by the letter 'R') and application material or guidance (indicated by the letter 'A'). Complexity has been reduced by simplifying sentences and language in parts. Also a new 'Guide to the Code', explaining how it works, has been included.

OTHER CONTENT CHANGES

Table 1 highlights other notable developments in the revised Code of Ethics and suggests where you might focus your attention depending on whether you are a member in practice or business.

Table 1: **Summary of key content changes and to whom they apply:**

Development in the 2020 Code of Ethics	Chartered Accountants in Practice	Chartered Accountants in Business
Revised 'safeguards' definition and related provisions. Safeguards better align with threats to compliance with the fundamental principles. Additional guidance is provided in the revised Code of Ethics by way of example safeguards.	✔	✔
Application of all Code provisions to all professional accountants. Clarification that relevant provisions for professional accountants in business are also applicable to professional accountants in practice, in the context of their role other than when providing professional services to clients. The converse also applies where appropriate.	✔	✔
Preparing and presenting information (extended Section 220). The accountant should not prepare or present information to mislead users or inappropriately influence contractual or regulatory outcomes—guidance is provided concerning the proper use of professional judgement in the preparation and presentation of information.		✔
Dealing with pressure to breach the fundamental principles. The new Section 270 provides guidance in this challenging area for accountants in business.		✔
Inducements. The term "gifts and hospitality" has been replaced by "inducements" and additional guidance is provided regarding the threats posed by inducements. The revised Code of Ethics introduces an "intent" test. The acceptance of any inducement that is offered with an intent to influence inappropriately is prohibited. In contrast, one might take possible safeguarding actions concerning inducements where there is no such intent.	✔	✔

RETAINED INSTITUTE 'ADD-ON' MATERIAL

Where existing Institute 'add-on' content created important additional requirements beyond the IESBA Code, these 'add-on' requirements are retained in the revised Code of Ethics. Such requirements include:

- Specific requirements regarding communicating with the predecessor accountant (Section 320);
- Particular obligations regarding transparency around the basis for fees and dealing with fee disputes (Section 330); and
- Agencies and referrals (Section 331).

No new 'add-on' material was created.

ADDITIONAL SUPPORT FOR MEMBERS

The Institute's online Ethics Resource Centre (www.charteredaccountants.ie/ethics) is updated regularly with a range of supports and guidance for members. Additional information included in the old Code of Ethics, but removed in the revised Code and still considered useful, has been reproduced in a series of new Ethics Releases. The Ethics Releases are not a substitute for the requirements of the Code, but they do provide additional support for members in particular scenarios, including:

- Code of Ethics and changes in professional appointments;
- Code of Ethics and confidentiality;
- Code of Ethics and marketing of professional services; and
- Code of Ethics and corporate finance advice.

FUTURE UPDATES

The last substantial change to the Institute's Code of Ethics was in 2016. While the Code does not change regularly, there is a significant body of work happening behind the scenes to ensure it remains appropriate, precise and effective in the context of the issues affecting the accounting profession. Members can, therefore, expect amendments from IESBA in the coming years; for example, considerations addressing the impact of technology-related ethics issues on the accounting profession.

For members who are insolvency practitioners, a new Insolvency Code of Ethics is imminent. The current Code of Ethics for Insolvency Practitioners, appended as Part D of the Institute's old Code of Ethics for members, remains in effect until then.

ACTIONS SPEAK LOUDER THAN WORDS

It was evident from the *Ethics Research Report*, published by the Institute in January 2019, that members hold their professional and business ethics in high regard. While the Code of Ethics does not change regularly, it is a hallmark that establishes a minimum standard which is signed up to and shared by all members of the profession.

It is useful to be familiar with its requirements and to remember that it is individual member actions that express commitment to the Code of Ethics in addition to a member's personal ethics. The revised Code is available via the Institute's Ethics Resource Centre.

Níall Fitzgerald FCA is Head of Ethics and Governance at Chartered Accountants Ireland.

Karen Flannery FCA is Head of Professional Standards Projects at Chartered Accountants Ireland.

How to manage your **governance obligations** through COVID-19

From a governance perspective, COVID-19 will test the robustness of our legislation and our ability to take a more technological, and perhaps modern, approach, writes **Claire Lord**.

The Irish Government recently announced additional measures to protect citizens by delaying the spread of COVID-19. One of these measures is social distancing, which requires individuals to keep a two-metre space between them and other people.

This measure and the increasing restrictions on international travel is making it difficult for Irish companies to hold 'in-person' board meetings and to proceed with shareholder meetings, particularly annual general meetings (AGMs), in the usual way.

Against this backdrop, what can companies do to allow business to proceed so as to comply with the law while protecting the health of its directors, employees and shareholders?

Board meetings

Generally speaking, the board of an Irish company can meet 'virtually'. This means that board meetings can be conducted by telephone, video conference or a similar facility. For a virtual board meeting to be properly convened, all directors must be able to hear each other and speak to each other. At a virtual board meeting, the quorum is made up of those participating in the meeting. All participating directors are entitled to vote in the usual way and the location of the meeting, consequent on social distancing requirements, is likely to be the location of the chair.

The board of an Irish company can also usually pass resolutions in writing. For a written resolution to be valid, it must be signed by all directors of the company at that time. A written resolution takes effect when the last signature is collected. A written resolution can be signed in counterpart and can be circulated and signed electronically. The fully signed version must be retained with the minute book of the company. The written resolution procedure can be used even if one of the directors is not permitted to vote. Where this is the case, the remaining directors sign the resolution and note the name of the director who is not entitled to vote and the reason why.

It is always recommended that a directors' meeting is held where the business to be transacted is contentious, or if it is anticipated that the business to be approved will not be supported unanimously. Directors must also meet where they are required to make a declaration of the company's solvency as part of the summary approval procedure to approve certain restricted activities. Where these circumstances exist, meeting "virtually" is sufficient. The board of a company must also consider the location of its board meetings or decision-making where it is important from a tax residency perspective for them to be able to demonstrate that the company is managed and controlled in Ireland.

Shareholder meetings

Companies with AGMs due to occur in the months ahead should consider how best to proceed with their AGMs in a way that complies with the law, and affords shareholders the ability to participate, while observing the Government's restrictions on mass gatherings.

An AGM must have a physical location that is specified in the AGM notice. The quorum for an AGM is determined based on the number of shareholders present in person or by proxy, usually at the physical location of the meeting. Therefore, to avoid a large number of shareholders attending at the physical location for the meeting, shareholders should be encouraged to appoint a proxy to attend and vote on their behalf. Ideally, shareholders should be encouraged to appoint the same proxy where possible (while always considering how a quorum will be achieved).

While an AGM must have a physical location, a company that has suitable provisions in its constitution can permit participation by shareholders at an AGM via technology, once that technology permits shareholders to participate and vote electronically.

For companies that do not make provision in their constitutions for electronic participation, they can use technology to deliver information to shareholders so as to minimise attendance. This might include live-streaming the meeting, sharing a recording of the AGM after the conclusion of the meeting, or allowing shareholders to submit questions in advance of the meeting.

Business as usual?

We face significant uncertainty in the months ahead with the spread of COVID-19. Finding ways to conduct business regardless, while protecting the health of others, will test our ingenuity. From a governance perspective, it will allow us to see if our legislation is robust enough to support a more technological and, dare I say it, modern approach.

Claire Lord is a Corporate Partner and Head of Governance and Compliance at Mason Hayes & Curran.

Turbulent times for tax receipts?

While COVID-19 will take a significant toll on 2020 tax receipts, **Peter Vale** suggests that the figures should return to current levels at some point next year.

At the time of writing, the coronavirus pandemic looks likely to have a significant adverse bearing on global economic growth, in addition to the substantial societal impact we are all experiencing.

We know from experience that an economic downturn can dramatically affect exchequer receipts – there was a 40% decline in corporate tax receipts alone between 2007 and 2009.

So, what impact will COVID-19 have on tax receipts by year-end and what will that mean for our economy?

Corporation tax

Large companies make their first tax payment six months into their financial year, with a further payment one month before year-end. In Ireland, May and June tend to be the first key months in the year for corporation tax payments.

A company has the option to base its first payment on either current year estimates or the prior year actual liability. Given the expected impact of the virus on the economic activity and profitability of most companies, you can expect that many will choose to base their first payments on current year estimates. It may not be possible to assess the full 2020 impact of the virus by May/June, however; some large companies may take a conservative view and make payments based on the prior year position. Assuming the virus continues to cause economic disruption through to the end of the year, there could be significantly smaller second instalment payments later in the year or large refunds due to companies in 2021.

For many smaller companies, November is the critical month with the ability again to assess the liability based on the current year estimates. All of this means that we could see significantly smaller corporate tax payments this year, likely first evidenced in May/June with a further reduction in November returns, if the virus disrupts economic activity through to year-end.

It is challenging to assess the scale of the potential reduction in corporate tax receipts. In this author's view, it will be significant and could also impact on 2021 figures. But on the positive side, one would hope that the figures would return to current levels perhaps late next year. This would contrast with a more gradual increase in receipts following the economic crash.

COVID-19 will also impact other tax heads.

VAT

Restrictions on travel and movement, plus enforced closures, will likely have a significant impact on consumer spending and a consequent downward impact on VAT receipts. While online spending could continue, supply chain issues are likely to mean even that option will be curtailed.

Discretionary high street spending may be impacted most, with many shopping trips confined to the purchase of essential goods.

Again, one would expect that any resultant downturn in VAT receipts would be temporary. Still, it could last for the rest of the year and trickle into early 2021 receipts if Christmas spending is impacted.

Income tax and capital taxes

Income tax receipts will also suffer, with seasonal and temporary roles likely to be hit hardest, and a reduction in profits generally for the self-employed seeing tax receipts fall.

While not as significant, capital taxes will also suffer with deal volumes expected to fall across many asset classes, impacting both capital gains tax and stamp duty receipts.

Impact

The impact of most of the above will be seen before the October Budget, leaving the Minister for Finance facing some difficult decisions, assuming there is no mini-Budget before then. There may be a need for some temporary tax-raising measures in addition to dipping into cash reserves and a considerable increase in borrowing.

While significant on many fronts, COVID-19 is expected to be something we recover from, with many governments already launching initiatives to help individuals and businesses get through the crisis.

The Republic of Ireland is lucky to be home to many large multinational companies that use Ireland as a hub for global activity. It is almost inevitable that COVID-19 will see the profits and tax receipts of these groups fall substantially, with a decrease in domestic economic activity generally also fuelling a significant dip in tax receipts.

While I believe the decrease in 2020 tax receipts will be significant, the figures should return to current levels once the worst of the crisis is over. A best estimate of when this will be is likely at some point next year.

Peter Vale FCA is Tax Partner at Grant Thornton.

Brass Tax

Kim Doyle considers the best course of action for businesses that are strained financially as a result of the impact of COVID-19.

COVID-19, a term that was not part of most members' vocabulary a mere two months ago, is now the unwanted commandeer of conversations. Self-isolation, social distancing, WFH (working from home) and CC (conference call) have become part of our basic business language. But we must not forget to keep talking about the old reliable, tax. Continue to talk to Revenue, as early as possible, if you are now experiencing timely tax payment difficulties. This is one of their key messages. The other is to get tax returns in on time.

At the time of writing, Revenue's message to businesses strained financially as a result of the impact of COVID-19 is that they will work to resolve tax payment difficulties. Viable businesses that experience cash flow difficulties have long been encouraged by Revenue to engage with them as early as possible. Often, entering a phased payment arrangement is the appropriate practical step to deal with outstanding tax payments. In fact, at the end of 2019, over 6,300 business had such arrangements in place covering €73 million in tax debt, according to Revenue.

Revenue will only agree to a phased payment arrangement provided the relevant tax returns are filed with them, the tax due is fully calculated, the business is viable and there is early and honest engagement. Applications for such an arrangement can be made via the Revenue Online Service (ROS). Supporting documents will be required; the volume of documentation depends on the level of outstanding tax payments. A down-payment must be made, which can range from 25-40% of the total tax payment, which may include interest. Agents can apply on behalf of their clients via ROS. Applications are typically responded to within two weeks; in many cases, arrangements are up and running in a matter of days.

Responding to the difficulties arising from the impacts of COVID-19, Revenue has implemented specific measures for small- and medium-sized enterprises (SMEs) experiencing trading difficulties. Perhaps the most important being that interest will not be applied to late tax payments of VAT for the January/February period (due by 23 March) or employer PAYE liabilities for the months of February and March. Any future similar suspension will be considered at the relevant time, Revenue say.

For other businesses experiencing temporary cash flow or trading difficulties, the advice from Revenue is to contact the Collector-General's office directly or the appropriate Revenue division.

Revenue has also suspended all debt enforcement activity, for now. Current tax clearance status is expected to remain in place for all businesses over the coming months.

And in an effort to ease the burden on households, Revenue also announced the deferral of certain local tax payments (annual Debit Instruction/Single Debit Authority) to 21 May from 21 March. As of now, there is no statement from Revenue on dealing with other taxes such as corporation tax.

In this unprecedented turbulent environment, protecting the tax receipts must be one of the priorities for Government. It is hoped that any dip in tax receipts will be confined to 2020. However, as long as we continue to talk about COVID-19 and suffer the impacts, we must also continue to talk to Revenue.

Kim Doyle FCA, AITI-CTA, is Tax Manager at Chartered Accountants Ireland.

Capital allowances for structures and buildings

It is now time to consider the UK tax relief available on building projects, writes **Eugene Moore**.

To stimulate international investment in the UK, the then-Chancellor, Phillip Hammond, presented his 2018 Autumn Budget to the House of Commons. In it, he announced the introduction of capital allowances for capital expenditure incurred on the construction, renovation or conversion of most UK and overseas buildings and structures. The Structures and Building Allowance (SBA) applies to contracts entered into on or after 29 October 2018.

Construction projects that may qualify for the SBA are now starting to be completed, with the structures and buildings coming into use. It is now, therefore, time for the current owners and their advisors to consider the significant tax relief available on such capital projects and how best to mitigate the risks of making an invalid claim.

THE RELIEF

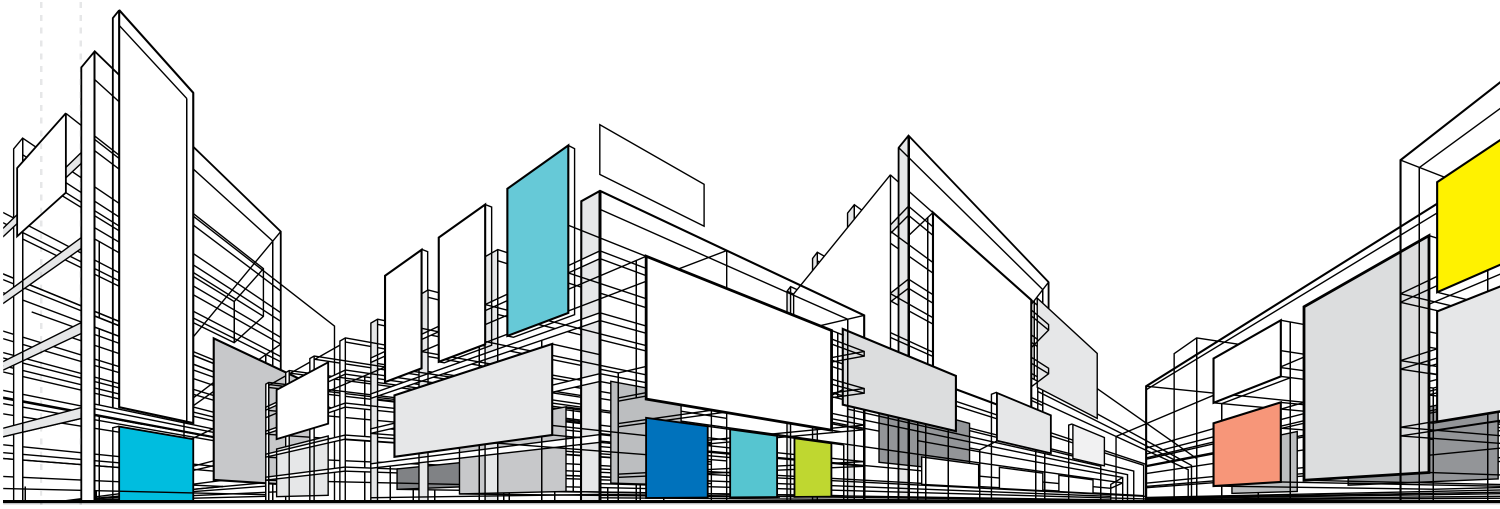
Relief is available for UK and overseas structures and buildings where the claiming business is within the charge to UK tax. The SBA was introduced at a rate of 2% straight-line basis on qualifying expenditure over 50 years.

The rate was increased to 3% in the Budget and the change will take effect from 1 April 2020 for UK corporation tax and 6 April 2020 for UK income tax.

The relief commences with the later of:

- The day the building or structure is first brought into non-residential use; or
- The day the qualifying expenditure is incurred.

Once qualifying expenditure is incurred, the first use of the structure or building must be non-residential. Subsequent events, such as change of use to residential or the demolition of the structure or building, will impact the availability of the SBA. A period of non-use immediately after a period of non-residential use is deemed as non-residential use, and the SBA continues to be available.



QUALIFYING ACTIVITIES

The structure or building must be for a qualifying activity carried out by the person who holds the relevant interest. Qualifying activities include:

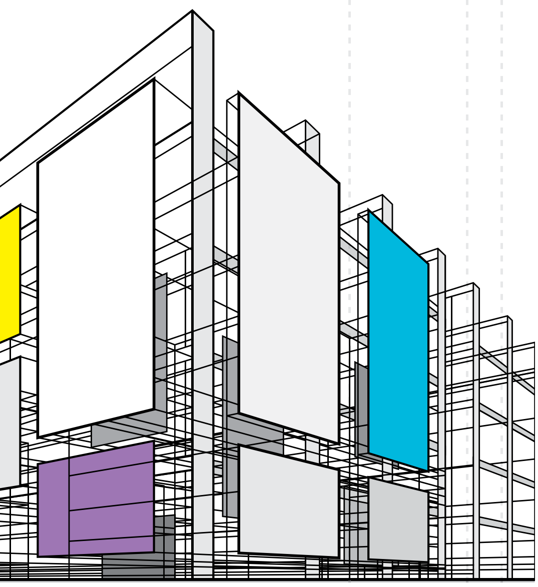
- a trade;
- an ordinary UK property business;
- an ordinary overseas property business;
- a profession or vocation;
- the carrying on of a concern listed in ITTOIA05/S12(4) or CTA09/S39(4) (mines, quarries and other concerns); or
- managing the investments of a company with investment business.

QUALIFYING EXPENDITURE

Capital expenditure incurred on the construction or purchase of a structure or building (including professional fees and site preparation costs) is qualifying expenditure. Excluded expenditure covers:

- the cost of the land or rights over the land;
- the cost of obtaining planning permission;
- financing costs; or
- the cost of land remediation, drainage and reclamation.

Abortive costs, such as architect's fees associated with a structure or building that is not completed, do not qualify for the SBA.



COMMENCEMENT DATE

As the SBA was introduced to stimulate investment from 29 October 2018, allowances are not available on structures or buildings where the contract for the physical construction work was entered into before 29 October 2018.

For projects under a construction contract, the commencement date for the SBA will be the date of that contract. HMRC is of the opinion that contracts can take different forms; it gives the example of email exchanges, which confirm that works will take place.

Where no contract is in place, the date of the commencement of physical works represents the commencement date for the SBA. This is also the case where physical works commence, and a contract is subsequently put in place.

SITE PREPARATION

According to HMRC, the cost incurred in preparing land as a site is treated as expenditure on the construction of the structure or building that is then built upon that site. This includes cutting, tunnelling or levelling land.

On the plus side, these costs are not excluded as expenditure for the SBA. On the downside, the timing of these costs could drag the entire construction project into an invalid claim position for the SBA if they are incurred before 29 October 2018. HMRC states that the following does not impact the commencement date:

- separate preparation and construction contracts;
- replacement of preparation contracts;
- preparation works ceased then recommenced; and
- preparation work redone.

Demolition or enabling works incurred before 29 October 2018 do not in themselves make the entire claim invalid for the SBA unless explicitly linked to the actual structure or building.

PRACTICAL ISSUES

Before an SBA claim can be made on a UK income tax or UK corporation tax return, the current owner of the relevant interest in a structure or building must create and maintain an allowance statement. Where the current owner incurred the qualifying expenditure in relation to the structure or building, the current owner creates the allowance statement. Where the current owner acquired the relevant interest in the structure or building from another person, they must obtain the allowance statement from the previous owner.

An allowance statement means a written statement, which must include the following information:

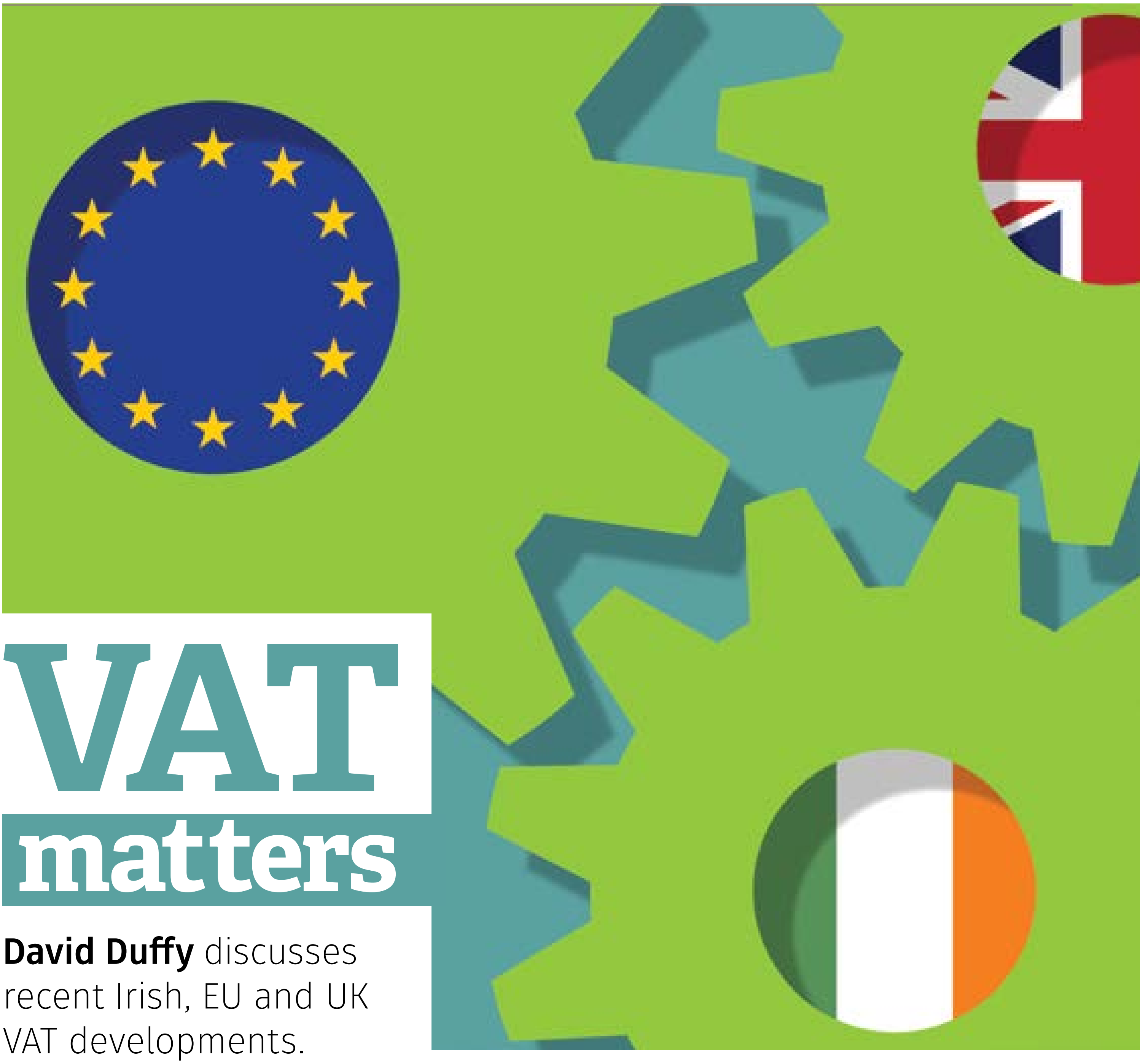
- information to identify the building to which it relates;
- the date of the earliest written contract for the construction of the building;
- the amount of qualifying expenditure incurred on its construction or purchase; and
- the date the building is first brought into non-residential use.

CPSE.1 (Ver. 3.8) General Pre-Contacts Enquiries for all Commercial Property Transactions now contains questions concerning the SBA and requests explicitly the allowance statement.

IN SUMMARY

The SBA may result in significant tax relief for UK businesses that construct or purchase non-residential structures and buildings where previously, there was none on such expenditure. Careful consideration should be given to the commencement date of the project, and detailed evidence must be created and maintained by way of an allowance statement to avoid invalid claims.

Eugene Moore ACA is Corporate Tax Manager at BDO Northern Ireland.



VAT matters

David Duffy discusses recent Irish, EU and UK VAT developments.

Irish VAT updates

VAT COMPENSATION SCHEME FOR CHARITIES

eBrief 21/20 contains updated guidance in respect of the VAT compensation scheme for charities. This scheme is now open in respect of VAT incurred by charities in 2019. The deadline for submitting such claims is 30 June 2020. Charities must satisfy various conditions to make a valid claim and there is a formula for calculating the claim. The total fund available for all claims is capped at €5 million and, if exceeded, this amount will be allocated between valid claims on a pro rata basis. There have been no changes to the scheme, but the guidance provides further details on the terms “total income” and “qualifying income”, which are relevant to the calculation of claims under the scheme.

VAT ON TELECOM SERVICES

On 31 January 2020, the Tax Appeals Commission (TAC) published a determination in a case (16TACD2020) involving a mobile telephone operator (the appellant). The case considered the VAT treatment of the appellant’s cancellation charges, unused data, and non-EU roaming on bill-pay mobile phone services, as well as the time limit for making VAT reclaims. The appellant was unsuccessful in arguing for a VAT refund on three counts but did succeed in a claim for a VAT refund on non-EU roaming services. The key points of TAC’s determination were as follows:

- The appellant was liable for VAT on cancellation charges to bill-pay customers for early termination of their contracts. This followed a similar decision by the Court of Justice of the EU (CJEU) in MEO (C-295/17).
- The appellant was also liable for VAT in respect of customers’ unused data included in the price of their bundle.
- The appellant’s argument that VAT

refunds should extend back further than four years was also rejected. The appellant had sought to argue that it should be equivalent to the five-year refund period available for other taxes, but this was rejected.

- The appellant was successful in arguing for a VAT refund to the extent that its bill-pay customers used its telecom services outside the EU. Revenue had sought to argue that refunds for non-EU roaming should only be available for pre-pay customers, but this was rejected by the TAC.

While the case is principally relevant to the telecoms sector, some of the principles regarding cancellation charges and equal treatment could have wider application. The determination (which is available on the TAC's website) is, therefore, a useful read.

TIME LIMITS

The question of time limits for VAT refunds was also the subject of a TAC determination (03TACD2020). The taxpayer was engaged in a VAT-exempt business but was entitled to partial VAT recovery on its dual-use input costs to the extent that its services were to non-EU recipients. However, during 2009, the taxpayer had not been aware of its entitlement to partial VAT recovery and therefore had not taken any VAT recovery on its costs. Upon becoming aware of this entitlement, the taxpayer submitted a claim on 31 December 2013, which included VAT incurred before 1 November 2009, which would ordinarily be outside the four-year time limit.

The taxpayer sought to argue that this VAT was still within the four-year time limit because, in the taxpayer's view, it was an adjustment of its partial exemption VAT recovery rate review for 2009 (which fell due after 31 December 2009). However, the TAC disagreed as the taxpayer had not applied any VAT recovery rate to dual-use inputs during 2009. The TAC concluded that only VAT incurred from 1 November 2009 onwards was correctly included in the claim submitted on 31 December 2013.

While the facts of the case are quite specific, it emphasises the importance of following the appropriate procedures and paying close attention to time limits when submitting a claim for any historic VAT.

EU VAT updates

VAT TREATMENT OF BOAT MOORINGS

Segler (C-715/18) was a German non-profit-making association whose objective was to promote sailing and motorised water sports. It maintained boat moorings, some of which were used by members of the association and others were used by guests.

Segler applied the reduced rate of German VAT as it believed the letting of the moorings fell within the meaning of "accommodation provided in hotels and similar establishments, including the provision of holiday accommodation and the letting of places on camping or caravan sites". The German tax authorities argued that the standard rate of VAT should instead apply.

The CJEU concluded that the reduced rate could not apply, as the letting of the boat mooring was not intrinsically linked to the concept of "accommodation".

UK VAT updates

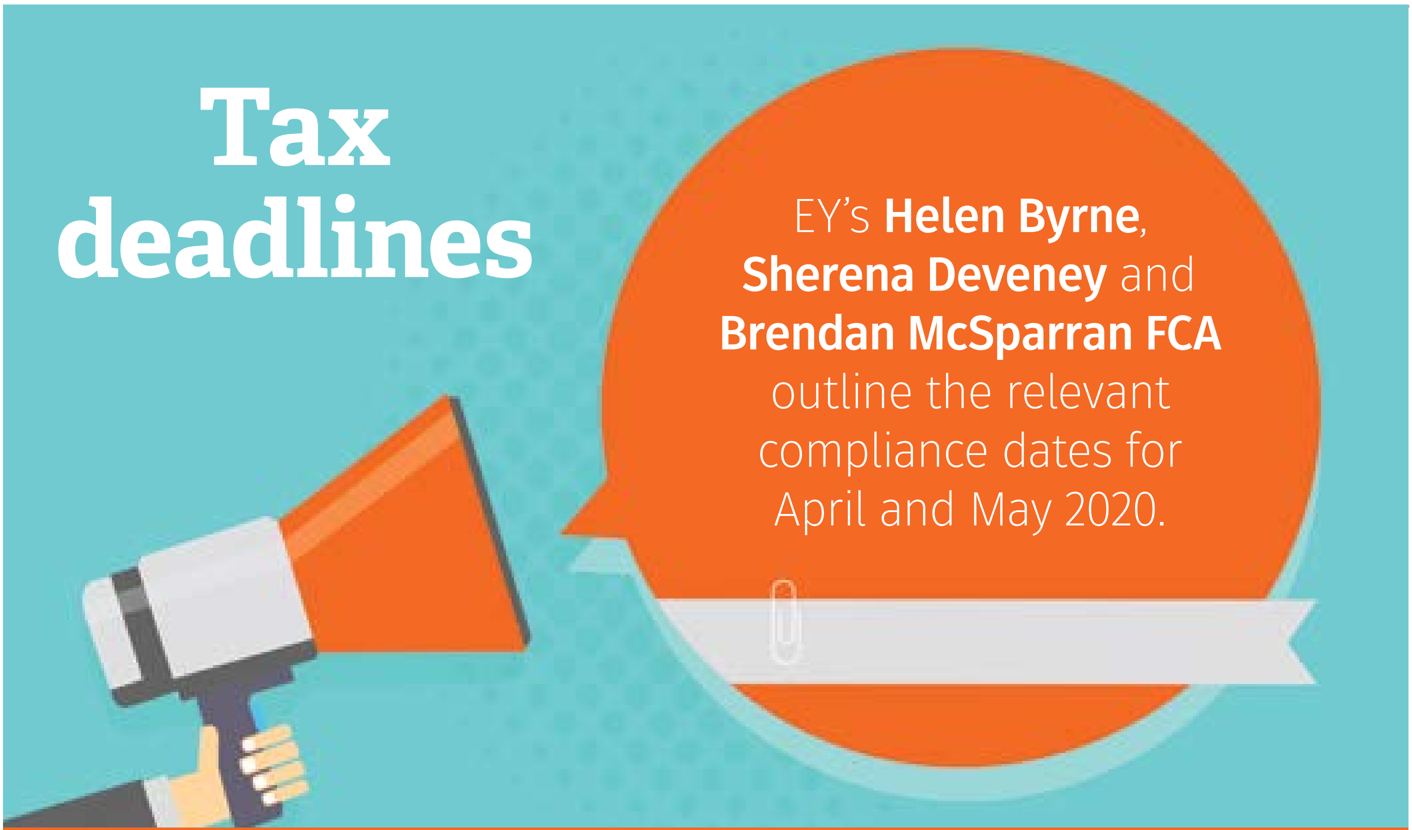
BUDGET 2020

The UK's Chancellor of the Exchequer announced several VAT measures in Budget 2020, which was presented to the UK parliament on 11 March 2020. The key updates are summarised below:

- The 0% rate of VAT will apply to e-books and online newspapers, magazines and journals with effect from 1 December 2020, bringing them in line with the rate applying in the UK to physical books and publications. The standard 20% rate has applied heretofore. Interestingly, however, the UK Upper Tribunal had already held that the 0% rate correctly applied to such publications in the Newscorp decision, but HMRC has indicated an intention to appeal that decision. Consequently, the position applying before 1 December 2020 remains to be clarified.
- As a cash flow-relieving measure following the implementation of Brexit, postponed accounting for import VAT will be introduced for all goods imported into the UK with effect from 1 January 2021. Postponed VAT accounting will enable UK VAT-registered businesses to self-account for import VAT under the reverse charge mechanism.
- From January 2021, 0% VAT will apply to women's sanitary products.

David Duffy FCA, AITI
Chartered Tax Advisor,
is Indirect Tax Partner
at KPMG

Tax deadlines



EY's **Helen Byrne**, **Sherena Deveney** and **Brendan McSparran FCA** outline the relevant compliance dates for April and May 2020.

REPUBLIC OF IRELAND – Relevant dates for companies

14 APRIL 2020

Dividend withholding tax return filing and payment date (for distributions made in March 2020).

21 APRIL 2020

Due date for payment of preliminary tax for companies with a financial year ended 31 May 2020. If this is paid using Revenue Online Service (ROS), this date is extended to 23 April 2020.

Due date for payment of initial instalments of preliminary tax for companies (not "small" companies) with a financial year ended 31 October 2020. If this is paid using ROS, the date is extended to 23 April 2020.

23 APRIL 2020

Last date for filing corporation tax return CT1 for companies with a financial year ending on 31 July 2019 if filed using ROS.

Due date for any balancing payment in respect of the same accounting period.

Loans advanced to participators in a close company in the year ended 31 July 2019 may need to be repaid by 23 April 2020 to avoid the assessment (on the company) of income tax thereon.

A concessional three-month filing extension for iXBRL financial statements (not Form CT1) may apply. For 30 April 2019 year-ends, this should extend the iXBRL deadline to 23 April 2020.

30 APRIL 2020

Last date for filing third-party payments return 46G for companies with a financial year ending on 31 July 2019.

Latest date for payment of dividends for the period ended 31 October 2018 to avoid Sections 440 and 441 TCA97 surcharges on investment/rental/professional services income arising in that period (close companies only).

Country-by-country (CbC) reports/ equivalent CbC reports for the fiscal year ended 30 April 2019 (where necessary) must be filed with Revenue no later than 30 April 2020.

14 MAY 2020

Dividend withholding tax return filing and payment date (for distributions made in April 2020).

21 MAY 2020

Due date for payment of preliminary tax for companies with a financial year ended 30 June 2020. If this is paid using ROS, this date is extended to 23 May 2020.

Due date for payment of initial instalments of preliminary tax for companies (not "small" companies) with a financial year ended 30 November 2020. If paid using ROS, this date is extended to 23 May 2020.

23 MAY 2020

Last date for filing corporation tax return CT1 for companies with a financial year ending on 31 August 2019 if filed using ROS.

Due date for any balancing payment in respect of the same accounting period.

Loans advanced to participators in a close company in the year ended 31 August 2019 may need to be repaid by 23 May 2020 to avoid the assessment (on the company) of income tax thereon.

A concessional three-month filing extension for iXBRL financial statements (not form CT1) may apply. For 31 May 2019 year ends, this should extend the iXBRL deadline to 23 May 2020.

31 MAY 2020

Last date for filing third-party payments return 46G for companies with a financial year ending on 31 August 2019.

Latest date for payment of dividends for the period ended 30 November 2018 to avoid Sections 440 and 441 TCA97 surcharges on investment/rental/professional services income arising in that period (close companies only).

CbC Reports/Equivalent CbC Reports for the fiscal year ended 31 May 2019 (where necessary) must be filed with Revenue no later than 31 May 2020.

REPUBLIC OF IRELAND – General deadlines

07 APRIL 2020

Under mandatory reporting rules, promoters of certain transactions may be required to submit quarterly 'client lists' in respect of disclosed transactions made available in the relevant quarter. Any quarterly returns for the period to 31 March are due on 7 April.

30 APRIL 2020

Due date for submission to Revenue of returns of debit and credit card transactions (by merchant acquirers) for the year 2019.

NORTHERN IRELAND – Relevant dates for companies

The key dates for corporation tax purposes will, in most instances, depend on a company's accounting period-end date.

01 APRIL 2020

Due date for payment of corporation tax for period ended 30 June 2019.

14 APRIL 2020

Due date for quarterly instalment payment for large and very large companies.

Large companies are defined as those with profits in excess of £1,500,000 and very large companies as those with profits in excess of £20,000,000.

The profit limits are proportionately reduced if:

- the accounting period concerned is shorter than 12 months; or
- the company has one or more related 51% group companies.

It should be noted that here the number of related 51% group companies is taken at the end of the accounting period, ending on the day before the commencement of the accounting period concerned. If there was no such accounting period, the number of related 51% group companies is taken at the beginning of the accounting period concerned.

30 APRIL 2020

Corporation tax computation, return form CT600 and iXBRL tagged accounts for the period ended 30 April 2019, due for filing with HMRC on or before 30 April 2020 in order to prevent penalties for late filing.

Amendments to the return for the period ended 30 April 2018 to be submitted to HMRC before 30 April 2020.

Time period for HMRC enquiries for returns for period ended 30 April 2018 filed on time expires.

Corporate loss restriction
Nominated company must submit a group allowance allocation statement to HMRC on or before 30 April 2020 for the period ended 30 April 2018.

Corporate interest restriction
The appointed group reporting company of groups subject to the corporate interest restriction (CIR) must submit an interest restriction return (full, or abbreviated if conditions met) on or before 30 April 2020 for the period ended 30 April 2019, on behalf of the group to report interest restrictions, reactivations and unused interest allowance.

Country-by-country reporting
HMRC has a requirement for large multinational enterprises [part of a multinational enterprise (MNE) group which passes a number of tests] to provide information about their global activities, profits and taxes. Requirement to file a country-by-country (CbC) report for the period ended 30 April 2019 with HMRC no later than 30 April 2020 (where necessary).

Notification of who will be filing the CbC return on behalf of any UK entities, for the period ended 30 April 2020, must be made to HMRC no later than 30 April 2020.

Publication of tax strategy
Relevant companies are required to publish their tax strategy on their website annually by the end of the year in question or within 15 months of any previous tax strategy being published, whichever is sooner.

Qualifying public infrastructure companies
A public benefit infrastructure exemption (PBIE) election must be made before the end of the period in which it is to apply and lasts for five years. An election for the period ended 30 April 2020 return must be made before 30 April 2020.

Foreign Branch Exemption deadline for election for period ended 30 April 2021 return.

Contributions made by employers to registered pension schemes are tax deductible in the period in which they are paid by the employer (unless the deduction is required to be spread over a number of periods or the deduction is allowed for an earlier period). Companies with a 30 April year-end may wish to review their positions to maximise/minimise deductions before the year-end.

A two-year time limit applies to some corporation tax group relief and loss relief claims. Potential claims for the period ended 30 April 2018 may need to be considered prior to 30 April 2020.

A capital allowance claim for an accounting period may be made, amended or withdrawn at any time up to 12 months after the filing date for the company tax return for the accounting period. Any claim for the period ended 30 April 2018 should be submitted prior to 30 April 2020.

R&D

Research and development (R&D) expenditure credits for large companies and R&D for small-or medium-sized companies in respect of qualifying R&D expenditure incurred in an accounting period ended 30 April 2018 must be claimed by 30 April 2020. A similar deadline applies to RDAs and patent box claims.

01 MAY 2020

Due date for payment of corporation tax for period ended 31 July 2019.

14 MAY 2020

Due date for quarterly instalment payment for large and very large companies.

31 MAY 2020

Corporation tax returns filed by companies with 31 May 2019 year-end. The company's corporation tax computation return form CT600 and iXBRL tagged accounts for the period ended 31 May 2019, due for filing with HMRC on or before 31 May 2020 in order to prevent penalties for late filing.

Amendments to the return for the period ended 31 May 2018 submitted to HMRC before 31 May 2020.

Time period for HMRC enquiries for returns for period ended 31 May 2018 filed on time expires.

Contributions made by employers to registered pension schemes are tax deductible in the period in which they are paid by the employer (unless the deduction is required to be spread over a number of periods or the deduction is allowed for an earlier period). Companies with a 31 May year-end may wish to review their positions to maximise/minimise deductions before the year-end.

A two-year time limit applies to some corporation tax group relief and loss relief claims. Potential claims for the period ended 31 May 2018 may need to be considered prior to 31 May 2020.

A capital allowance claim for an accounting period may be made, amended or withdrawn at any time up to 12 months after the filing date for the company tax return for the accounting period. Any claim for period ended 31 May 2018 should be submitted prior to 31 May 2020.

R&D

Research and development expenditure credits for large companies and R&D for small- or medium-sized companies in respect of qualifying R&D expenditure incurred in an accounting period ended 31 May 2018, must be claimed by 31 May 2020. A similar deadline applies to RDAs and patent box claims.

For corporate loss restriction, corporate interest restriction, country-by-country reporting, publication of tax strategy and qualifying public infrastructure companies, please see April dates above but adjusted for 31 May period-end.

Employer dates for employment-related securities schemes

(Please note: recurring employer compliance dates not covered below).

Registration for all new employment-related securities schemes with HMRC, including one-off awards or gifts of shares, becomes available. Any new tax advantaged schemes should be registered by 6 July following the tax year it was established.

The following schemes cannot be registered after 6 July:

- Share Incentive Plans (SIP);
- Save as You Earn (SAYE); or
- Company Share Option Plans (CSOP).

Employers following registration (if required) may submit online share reporting forms for 2019/20 by 6 July 2020.

NORTHERN IRELAND – Self-assessment dates

05 APRIL 2020

Deadline for submitting certain claims and elections in respect of period ended 5 April 2016.

Final day of 2019/2020 tax year, which will determine the tax point for transactions.

06 APRIL 2020

First day of 2020/2021 tax year, which will determine the tax point for transactions.

30 APRIL 2020

If a 2018/19 tax return is not submitted before 1 May 2020 (i.e. three months after the filing date of 31 January 2020), additional daily penalties of £10 per day may be levied up to a maximum of £900. Additional penalties will also be imposed if the return is submitted more than six months late.

Membership

Admissions

Aguiar, Debora
Behan, Mark
Binyumen, Muntaha
Bourke, Brian
Boyle, Danielle
Breslin, Fearghal
Brogan, Brendan
Brophy, Amy
Brophy, Emma-Jane
Brophy, Olive
Burke, Daniel
Byrne, Claire
Carroll, Michael
Corridan, Declan
Cronin, Daniel
Cullen, Enya
Darragh, Sarah
Deane, Maria
Dick, John
Dodds, Linzi
Donohoe, Rachael
Douglas, Kerrie
Doyle, Sean Joseph
Everett, Margaret
Fagan, Tara
Fitzgerald, Robert
Foran, Timothy
Gallagher, Andrew
Gargan, Nadya
Giblin, Paul
Gilgan, Ashling
Girdauskaite, Migle
Gleeson, Adrian
Gralton, Fiona
Gray, Leanne
Guo, Hechen
Hannon, Fergal
Hegarty, Odhran
Henry, Keith
Hughes, Aisling
Jemeljanova, Viktorija
Johnston, Emma
Karpeeva, Yana
Keeshan, Maria
Kennedy, Philip
Lundy, Aidan
Mawer, Leigha
McAteer, Ciaran
McDonagh, Donna
McElhinney, Thomas
McFaul, Daniel
McGarry, Erin
McGearty, Conor
McGee, John Patrick
McIlkenny, Cairin
McKenna, Niall
McKeogh, Clare
McLaughlin, Darran
McLoughlin, Jack
McManus, Shane
Morrissey, Dan
Muldoon, Céire
Mullan, Tom
Murphy, Kevin
Murray, Brendan
Murren, Jennifer
Nicholson, Andrew
Nulty, Nikita
O'Brien, Murtagh
O'Connor, Brian
O'Donovan, Lorna
O'Dwyer, Richard
O'Reilly, Carmel-Anne
O'Riordan, Daniel
Podolecka, Paulina
Reilly, Paul
Rooney, James
Ryan, Niamh
Sheelan, Helen
Smyth, Alan
Sugrue, Stephen
Sullivan, Jason
Thompson, Geoffrey
Tobin, Claire
Ward, Daniel
Zingani, Linda

Bye Law 34(a)

Long, James

Bye Law 34(b)

Fabel, Frank
Finnegan, Alan
Lipovsek, Christopher
Peteh, Tony
Reinecke, Jörg
Siddique, Mohammad Faisal

Deaths

Crowley, John Anthony
Downes, Eileen Mary
Hewitt, William John
Keenan, Eamonn
McGilligan, Patrick Thomas
O'Donnell, Odhran
Spollen, Anthony Leonard
Teevan, Conor
Uniacke, Bernard Dominic

Chartered Tax Consultants

Collins, Petra
Condron, Gregory
Efros, Anastasia
Fitzpatrick, Derek
Healy, Shawn
Judge, Darren
Keenan, Edel
Nolan, Conor
Ronan, John

Regulation

Admissions into practice

NAME	STATUS	LOCATION
Ashleen Feeney	FCA	Belfast
Ciaran McGee	ACA	Co Derry
Stephen Beck	FCA	Dublin
Carol Coughlan	ACA	Co Carlow
Ryan Falls	ACA	Co Tyrone
Damien Harper	ACA	Co Meath
Neil O'Hare	FCA	Belfast
Rosaleen White	FCA	Co Kilkenny
Conor Ward	ACA	Co Westmeath
Mark Sweetman	ACA	Dublin 12
Maura Ginty	FCA	Co Mayo
Brian D Murphy	FCA	Dublin 18
David Crean	ACA	Co Roscommon
Sarah Harte	ACA	Cork
Camilla Cullinane	FCA	Dublin 2
Richard Bullock	ACA	Belfast
Diarmuid Guthrie	ACA	Co Roscommon
Ciara McDunphy	ACA	Dublin 6W
Brian Connolly	ACA	Belfast

Cessations from practice

NAME	STATUS	LOCATION
Hermann Sidhu	ACA	Dublin
Yvonne Barry	FCA	Co Cork
Patrick Murray	FCA	Dublin 4
Ronan McCrohan	ACA	Dublin 13
Michael O'Neill	FCA	Co Kilkenny
Marian Higgins	FCA	Co Leitrim
Aine Reidy	FCA	Co Dublin
Patrick Martin McGlynn	FCA	Dublin 6W
Stephen McGivern	FCA	Dublin 2
David Gray	FCA	Bangor

Consent orders

The Conduct Committee found that a member in practice of the Institute, with an address in Co. Tyrone, did act in breach of The Institute's Code of Ethics for Members (2016): Fundamental Principle (c) Professional Competence and Due Care by failing to comply with the test procedures as set out in the Solicitors Accounts Regulations 2014.

The Conduct Committee determined that in relation to the formal allegation, a sanction of reprimand and fine in the amount of €500 with no costs were appropriate.

The Conduct Committee found that Mr Dermot John Nolan, a member of the Institute, with an address in Co. Galway, did act in breach of the Code of Ethics for Members: Fundamental Principles (b) Objectivity and (e) Professional Behaviour by taking up a key management position in respect of four companies of which he had previously carried out the audits within the prescribed cooling off period and is thereby liable to disciplinary action under the Institute's Disciplinary Bye-Laws.

The Conduct Committee determined that in relation to the formal allegation, a sanction of reprimand and fine of €800 and costs in the amount of €1,800 were appropriate.

Disciplinary tribunals

At a Disciplinary Tribunal of Chartered Accountants Ireland (the Institute) on 14 February 2020, a member, Mr William McAteer, accepted the facts of a formal complaint brought against him by the Institute's Conduct Committee following the opinion certified by the Special Investigator, Mr John Purcell, that:

William McAteer, being the Finance Director of Anglo Irish Bank plc, (the Bank) did, in relation to the September 2008 transactions between the Bank and Irish Life and Permanent, and in relation to the failure to make appropriate disclosure of a loan by the Bank to him, engage in conduct which he was aware or ought to have been aware was inappropriate such as to bring discredit to himself, and the profession of accountancy.

In light of the above, Mr McAteer accepted that the appropriate sanction to meet the gravity of his conduct was exclusion from membership of the Institute and he consented to this. Mr McAteer has further undertaken not to make any future application for reinstatement.

In the circumstances the Disciplinary Tribunal made an Order excluding Mr McAteer from membership of Chartered Accountants Ireland.

The Tribunal also ordered Mr McAteer to contribute towards the Institute's costs in the amount of €15,000.

Regulatory penalties

In accordance with the Institute's Publication Policy (effective from 1 January 2020), regulatory penalties must be published in *Accountancy Ireland* and on the 'Register of Regulatory Findings and Orders' on the Professional Standards section of the Institute's website.

At a recent meeting, the Quality Assurance Committee offered the following regulatory penalties, which have been accepted by the members/firms:

REGULATORY PENALTY	REASON FOR REGULATORY ACTION
€2,000	A firm did not act with professional competence and due care when carrying out audit work (breach of Audit Regulation 3.02).
€1,000	A firm did not fully adhere to undertakings given at a previous monitoring visit to address audit documentation issues resulting in a repeat breach of Audit Regulation 3.10.
€1,000	A firm did not fully adhere to undertakings given at a previous monitoring visit to fully adhere to audit procedures resulting in a repeat breach of Audit Regulation 3.19.
€1,000	A firm breached Audit Regulation 3.17 with regard to maintaining audit competence and this issue was also raised on a previous monitoring inspection.
€1,000	A firm breached Audit Regulation 3.10 with regard to auditing standards and quality control standards and this issue was also raised on a previous monitoring inspection.

The Quality Assurance Committee exercised its discretion in accordance with the *Principles Governing the Timing and Manner of Disclosure of Penalties and Sanctions* not to publish the identity of the firms.

Restrictions on audit registration

In accordance with the Institute's Publication Policy (effective from 1 January 2020), orders for the imposition of restrictions on a firm's audit registration are to be published and will include the nature of the restriction imposed. At a recent meeting, the Quality Assurance Committee imposed the following restrictions on audit registration:

Nature of restriction	No. of firms
Firms are required to obtain external hot file reviews, submit a report to the Committee and seek permission to sign the auditor's report	3
Firms are not permitted to accept any new audit appointments without the permission of the Committee	1
Firms are not permitted to carry out audit-related compliance reviews/file reviews for other firms	2

The Quality Assurance Committee exercised its discretion in accordance with the *Principles Governing the Timing and Manner of Disclosure of Penalties and Sanctions* not to publish the identity of the firms. The Quality Assurance Committee directed that the information to be published could be aggregated for a number of firms subject to the same restriction.

Borderless business in an era of disruption

Trinity Business School hosted its flagship event in early March. The annual Trinity Business + Technology Forum explored the theme of 'Borderless Business', with several expert keynote speakers addressing issues such as the COVID-19 pandemic, Brexit, digital transformation and climate change.

The one-day annual Business + Technology Forum brings Trinity College Dublin's business and scientific communities – industry partners, alumni, faculty and students – together to discuss the challenges and opportunities facing the two sectors.

Professor Andrew Burke, Dean of Trinity Business School, and Leonard Hobbs, Director of Trinity Research & Innovation were joined by a stellar line-up of business experts and researchers from Trinity College Dublin and the wider world. Keynote speakers included Frank Sixt, Executive Director at CK Hutchinson Holdings Ltd., Alice Delahunt, Chief Digital Officer at Ralph Lauren, and Brendan McDonagh, Chair of Trinity Business School's Advisory Board and Non-Executive Director at AIB.

"The main purpose of the forum is to bring the whole Trinity Business School community together," explains Professor Burke. "We have a huge amount of people in that community who have massive experience in industry and research. What we are doing with the forum is bringing everyone together to address some of the key issues facing business and society today."

The event began with four alumni masterclasses delivered by school faculty. "We had a really interesting series of alumni masterclasses," says Conor Edwards, Alumni and Corporate Relations Manager at Trinity Business School. "Some of the topics covered included innovation, managing international subsidiaries, financial reporting, and leadership."

Designed to promote lifelong learning among the returning classes, the masterclasses were followed by career development workshops on how to futureproof your career with emotional intelligence.

The potential impact of the COVID-19 pandemic came up for debate in the discussion following Brendan McDonagh's opening keynote address. It was argued that the pandemic had exposed inherent weaknesses in borderless business.

Drawing on his expertise in international banking, McDonagh noted that there are constant concerns that cyber problems could cause a collapse of new digital banking and mobile apps. "Advances in technology and digitalisation, as well as remote working, have allowed us to negate the effects of the coronavirus quite significantly; despite the uncertainty and varying impact on different industries."

Professor Burke added: "The coronavirus wasn't on the radar when we chose this theme, but it is yet another illustration that despite any moves towards nationalism around the globe, the reality is that we live in an interconnected and interdependent world of business where features such as digital technology, climate change, travel and viruses and international trade respect no borders. Any business leader needs to harness these influences and that requires a deep understanding of how they impact business and society."

Interspersed between the keynotes were a range of interactive workshops and breakout sessions for the wider

school community along with a research showcase that highlighted Trinity research from across the university and how it translates into solutions with global economic and social impact. The showcase provided an opportunity for delegates to meet members of the Trinity Research & Innovation unit and Trinity Business School's thought leaders.

"In addition to the Global Business Forum, we took the opportunity to experiment with showcasing via posters bite-sized ways in which people can introduce themselves and their research," says Professor Brian Lucey, Director of Research at Trinity Business School. "We had 20 or 25 posters from faculty and PhD students on display."

Trinity Research Institutes in Humanities, Medical Sciences and national research centres such as ADAPT, CONNECT, and AMBER were also on hand to advise on how they can help and engage with businesses.

Trinity Business School's focus on shaping business for good was reflected in panel discussions on ethical leadership, sustainable business, and tackling climate change. In the panel discussion 'What climate science wants business to do', Trinity Business School's Dr Norah Campbell discussed the eco-psychological, geo-physical and socio-economic scales of response with writer, Mark O'Connell; researcher in sustainable consumption, Dr Marc Hudson; and Corporate Sustainability Officer, Claire Igoe.

"We were really trying to talk about the scale and the scope of the climate emergency," Dr Campbell explains. "We talked about a range of responses that are already in existence and then some that are quite embryonic or quite new to the conversation."

Dr Mark O'Connell, the author of *Notes from an Apocalypse*, believes such conversations have an important role to play. "Talking about those things is the first step to change; not necessarily a sufficient condition, but it is a necessary condition towards making some kind of change."

The panel came to a clear consensus that businesses should be leading the way on serious issues like climate change, with Hudson noting that we've known about the negative effects of global warming since the late 1950s. He advised that businesses should look to change their business models and lead "progressive, intelligent social movements that can put pressure on governments over a long period of time."

The environment was also addressed by Dr Mary-Lee Rhodes, Co-Director, Centre for Social Innovation. "One of our very interesting pieces of research is governance for sustainability," she says. "We're working on a connecting nature project which is a Europe-wide project around how nature-based solutions in cities can be deployed not only to improve the environmental aspect of the city, but also the social and, in many cases, the economic aspects."

Leonard Hobbs highlights the importance of events like the Forum. "The relationship between business and technology is borderless and hugely important as both drive each other. Conferences like this provide the opportunity to network, tackle key issues and bring both sides together."

"While in a small open economy such as Ireland where we have a long history of not being sequestered by our border, the current technological, ecological and socio-political pace of change is sufficiently rapid and disruptive to cause a reconfiguration of many of the norms of business," adds Professor Burke. "We were delighted that this year's Forum brought together many students, graduates and staff of the university as well as a much wider network of people who value and indeed enhance this open community, to address the issues of climate change, digital transformation, finance, Brexit and the new Europe."

Gearing up for a changed future

Technology will be a critical factor in deciding which firms thrive and prosper in the new era, where clients expect their accountants to be both bookkeepers and strategic advisors.

A profound cultural shift is taking place in the accountancy profession. This is being driven by several forces including the evolving nature of practices themselves, increased diversity within their staff, the adoption of new technologies, and rising demand among clients for higher-value business advisory services.

"Accountancy constantly evolves and grows because, ultimately, it responds to the needs of its clients and the people within them," says Sage Ireland Managing Director, Barry Murphy. "If we step back, we can see how technology affects us all. It is determining how we do business and technologies like artificial intelligence and machine learning are redefining the nature of the relationship between accountancy practices and their clients."

According to Murphy, clients are demanding much more than just the traditional number-crunching that historically drove accounting while workforces are becoming ever more multigenerational. "From a client perspective, the accountant is no longer seen as the person who just keeps the books. They are moving out of that traditional role and more into consultancy. As newer generations join, you see a greater diversity of thought. Practices will be able to better serve clients as members of staff that come from a range of backgrounds will have had different experiences, giving them a greater understanding of different viewpoints."

The digital revolution is contributing to the shift, as well. "Technologies like cloud computing and artificial intelligence are easing the administrative burden," says Murphy. "This helps practices become more productive by automating certain work and augmenting humans with machines."

He believes accountants are very positive about the benefits of technology and are keen to embrace new tools like artificial intelligence, where they offer clear advantages. "If we think about technologies like artificial intelligence, machine learning and the internet of things, people talk about them as the future but in reality, they are already here in the consumer world," he says. "It's only a question of when we see them in the business world. They are using them to free up the capacity to become more strategic. The main benefits for most practices are increased productivity and considerable savings in time. It can cut out some of the drudgeries of data entry, number-crunching and routine communications."

One practice where technology is delivering definite time saving and efficiency benefits is OSA McQuillan in Dublin. Before using Sage Final Accounts, the process of filing client accounts required junior staff to input the financial data. Then senior accountants would spend a day or two reviewing the information at several stages throughout the process to ensure it met the stringent reporting standards.

Some of that time has been eliminated, meaning executives have more time to mentor staff, drive new business, and develop the company strategy. The second way time has been saved is that, by using Sage Accounting for bookkeeping, staff can quickly enter the data. And due to the integration between Sage Accounting and Sage Final Accounts, almost in a click of a button, there is a set of accounts to review. This has reduced the time on each job, saving upwards of 30 working days across four people per year.

While the traditional core skills of bookkeeping will continue to have their place, accountancy professionals are seeking to widen their service offerings to their clients. "There is a shift from a transactional profession to one focused on partnership and consultancy," notes Sinead O'Connor, Country Product Lead with Sage Ireland. "This will see practices look outside the profession to acquire the talent and expertise they require."

Practices of every size will be able to make the shift. "The technology available can be adopted in small steps by practices," she says. "It's not a massive leap. There are a lot of small steps that accountants can take for a client as well. Clients are already using technology

> **"There will always be a bit of push and pull. The pace will be dictated by clients who are becoming more adept with technology.**

like ours for their accounts, and it is a natural step for their accountants to use it as well. The client has much more power at their fingertips today. This is not a threat to accountants, however. It allows them to move into a virtual CFO role for their clients and provide a much higher level of advisory service rather than just bookkeeping."

Indeed, with accounting software packages such as those available from Sage enabling users with little or no accounting experience or expertise to generate their own profit and loss accounts and quite complex reports, the role of the accounting practice is bound to change.

"That will enable accountants to free up time to provide more strategic advisory services," says Murphy. "But there are an awful lot of different stages on the transformation curve, and each firm will move at its own pace along it."

That increased use of technology on the client-side will see further benefits for both sides of the relationship, according to Murphy. "Data will flow automatically from clients and their bank accounts directly into accountants' systems," he explains. "Manual data entry will become a rarity. The relationship between accountants and their clients will be near-instantaneous. The accountant will have a real-time view of the client's business and will be able to interact with them in real-time."

Accountants will also know the moment things change for a client. "Their time will be spent proactively looking for business problems and seeing errors before they manifest themselves as year-end error issues."

And that feeds back into the skills issue. "The practice of the future will be shaped by how it works with clients," says O'Connor. "They will always need people from finance backgrounds, but they will bring in people with different skills to add value."

"The client will drive those skills needs," says Murphy. "There will always be a bit of push and pull. The pace will be dictated by clients who are becoming more adept with technology. Accountants are already technology literate, but they need to be adept at artificial intelligence, blockchain, and machine learning as well."

That will see increased competition for accountants with those skills, and practices will have to be ready to engage in that war for talent. "The reputation of a firm and its culture are key drivers for why somebody goes to work for it," Murphy notes. "Salary and benefits are important, of course, but it's more nuanced now. Employers have to make sure they are represented well on social channels and understand that their staff are their ambassadors. If the firm is known as a great place to work, that's a good place to start. If it is well-known in a particular industry vertical, they could build on that."

Technology will not be the only force that shapes the practice of the future. But it will be a critical factor in deciding which firms thrive and prosper in the new era where clients expect their accountants to be strategic advisors as well as bookkeepers.

Helping businesses realise THEIR POTENTIAL

Clearpath Finance is helping businesses throughout the island of Ireland access much-needed finance at competitive rates from a diverse range of lenders.

With global credit again tightening as a result of the COVID-19 pandemic, small- and medium-sized enterprises (SMEs) find themselves among the first to be hit when seeking badly needed working capital. The traditional banks are facing liquidity issues as corporate customers and others draw down cash to bolster balance sheets and this further restricts their ability to extend credit to hard-pressed SMEs.

Clearpath Finance has been meeting the credit needs of Irish SMEs since 2016. As the name suggests, the firm offers a simple and clear process for businesses seeking much-needed finance.

"We have been addressing the liquidity issue that has been facing Irish businesses since the last economic crash," says Clearpath Finance co-founder, Conor Devine MRICS. "Unfortunately, the Irish banking system is still undergoing repair and its activity in the SME lending space is still quite subdued. Businesses need financial support and access to capital so they can continue to grow and invest in their own value proposition. We help businesses realise a lot of their potential through our reach and diverse range of funding options."

Clearpath has its origins in the debt advisory practice, GDP Partnership, which Devine, a Chartered Surveyor by profession, co-founded with solicitor James Gibbons in 2010. The pair subsequently put a multi-disciplined platform together to bring mediated debt resolution solutions to the marketplace.

While GDP continues to be successful, it highlighted the problems of liquidity and access to finance facing business owners. "We decided to launch an alternative lending business where we would bring new money to the island of Ireland and help drive the economy north and south," Devine explains.

The new business quickly gained credibility by providing the funding for a customer to exit from a major private equity investment in a deal worth more than £100 million. "We started with one alternative lender based in the UK and today, we have over 60 different lenders on the platform providing a range of solutions for our customer base."

In essence, Clearpath is intermediary between lenders and business borrowers. "We offer a route to market for our investors and funding partners' capital," says Devine.

These partners include mainstream banks, peer-to-peer lending platforms, bridging finance companies, mezzanine funders, and private equity lenders. The firm also manages a portfolio of private family office money.

"The process is quite straightforward in that when our team receives an enquiry for finance, we engage immediately with the customer and request various pieces of information," Devine explains.

A detailed credit paper based on this information is then sent to Clearpath's panel of lenders and investors. "The process is quite quick, as we are well-known in the industry for preparing excellent credit papers. We would typically have a decision in principle from the funding partner best suited to the deal within a few days. If the customer accepts the funding offer, we proceed to legals and a member of our team then liaises with the various solicitors to ensure the process is completed satisfactorily right up to draw-down of funds."

While this directly tackles credit availability, Clearpath is also addressing the cost of credit. "One of the challenges in the SME sector over the last few years has been the lack of appetite and ability of the mainstream lenders to fund the business community across Ireland," he points out. "A direct effect of this has been an increase in the cost of funds. The trend over the last few years is that pricing has increased from mainstream rates of 4-5% to pricing rates in the range of 6-12% more typical of alternative sources. It is up to Clearpath to find the best deal possible in terms of pricing and delivery for our customers."

That service is underpinned by the diversity of lenders on the funding panel. "The SME community needs access to finance and the broad church of lenders and investors we now have access to enables us to bring a great level of value to our customer base across the country. This is one of the things that sets us apart from everyone else in this space."

And businesses of all types and size can benefit. "Our target market is the business community across the island of Ireland," he continues. "We now have a range of products and solutions that will benefit every business."

Unsurprisingly, the market response has been very positive. "Our business has gone from strength to strength over the last few years," says Devine. "I think there are several reasons for this, but at the core of it has to be that our customer base like us, they trust us, and we always deliver. It is a very crowded space in Ireland right now, and I have found that one of the strengths of Irish people, in general, is that we are great talkers. However, it is the follow through and delivery that counts in this business and this is something we are extremely proud of as we never let our customers down."

Simplicity is at the core of the offering. "We like to keep it simple at Clearpath. What is it you need? Get us the information and we will deliver for you. This goes down very well with our client base as well as our funding partners, as we only support businesses and loans where there are robust business plans in place along with proven repayment capacity in terms of servicing any new debt facility."

Clearpath also has plans to address the housing crisis and the increasing demand for finance to fund green energy projects. "There are several big-ticket issues like the housing crisis facing the Irish economy right now. We have been working on a solution for this in terms of a funding and construction model on which we are currently getting some traction, and by the end of this year would hope to be able to speak about many projects in that space where we are playing a central role."

Green energy funding is also a target. "We are very excited about that side of our business," Devine explains. "In the last couple of years, we have invested significant time and resources in understanding the green energy market, and we know there is €2 billion worth of biogas plants planned for the Republic of Ireland in the next five years. We have an intimate understanding of this market and funders in place ready to work with green energy developers to achieve project delivery. Along with the wind projects we helped deliver in Northern Ireland, this is a very exciting part of our business which we look forward to growing in the immediate term."

Real estate loan sales also offer a path to growth. "There has been over €120 billion worth of loans sold by Irish banks in the last ten years. We are heavily involved in that space in terms of providing funding solutions to borrowers who want to retain control of their property and business interests. We have a superb track record in this sector and again, we see huge potential in it."

Looking to the future, Devine says the plan is to continue to grow the business across the island of Ireland. "This means delivering more liquidity and more capital to business owners across the length and breadth of the country."

For more information, visit www.clearpathfinance.com or contact Conor at conor@clearpathfinance.com or +44 333 0042 888

Use the **80/20** principle to find a job you love

Orla Doyle outlines the job search activities that reap the biggest reward.

The Pareto principle states that 80% of outcomes are borne from 20% of the causes. It is one of the cardinal philosophies in business that ultimately guides business leaders in selecting the most productive inputs to drive maximum efficiency. However, this principle can be applied in many settings, including in the job search.

See how you can harness the benefits of the 80/20 rule in your job search strategy to target the right company, the right culture, the right management team, and help you get a job you love.

Wasted time

The job market is a fickle beast, where the amount of effort you put in doesn't necessarily correlate with the results you get. Working smart rather than working hard is vital.

For instance, many people spend a significant amount of time tweaking their CVs and cover letters. While it is important to spend time on this, people often spend too much time, with any subsequent additions unlikely to move the needle.

Interestingly, the majority of job seekers choose the job site route to apply for new jobs. Don't get me wrong; job sites such as LinkedIn and Glassdoor are great tools to use when searching for a new job. However, churning out 10-20 applications per day on one of these sites is a lot of work that won't necessarily yield the results you want.

The truth is, nobody taught us how to look for our dream job. Most people don't have a real strategy and as a result, everyone ends up doing the same thing. There are better ways to conduct your job search. It may require stepping outside your comfort zone, but it will ultimately raise your chances of making the right next step for your career.

Both approaches described above are passive. There are more downsides to this than the time spent sitting back and waiting for an answer. In many cases, applicants later find that the job isn't what they wanted or that compensation is too low or, in the worst-case scenario, they get no response whatsoever. Over time, this leads applicants to conclude that the job market is unfavourable, and they adopt a negative mindset. If you have been cranking out a large volume of applications daily without much luck, then you need a catalyst – a change in mindset, approach or methodology that places you on the path to career success.

The psychology of spending time on inefficient job search tactics

When you read the above, a fair question may be: "Why do people choose to put themselves through that?" The most common answer is that it helps people feel productive. Sending out ten applications a day across four job sites may not be the optimal way to land an interview, but at the end of the day, it helps the sender feel that they have done something or that they have put adequate effort into the job search. It's a flawed perception, but a satisfactory outcome nevertheless for most job seekers.

The other reason is that most people love passing the responsibility to someone else. The thought process here may be that if they want you, they will come back to you; if you spoke with a recruiter, they will come back to you when a relevant role comes in. In a competitive and globalised job market, though, this is rare. With the advent of technology, talent is now available across borders and the labour pool is larger than ever. Hence, if candidates are not accountable for their job search, it is an uphill battle to find suitable employment as hiring managers are likely looking at a dozen profiles that are similar or even identical to yours.

To achieve success, you must be willing to do what the others won't to achieve what they can't.

Applying the 80/20 principle

So, what are the things that most people don't do? Below are three things that you can inculcate in your job search.

1 GET SPECIFIC

Do you know what you want to do or, are you merely seeing what you can get? After some rejection, many people throw in the towel too early and start working their way down in terms of the jobs they are willing to accept. To prevent this from happening, get specific about the type of job you want, the size and the culture of the company, and the particular industry in which you would like to work. And then, do not deviate from that. Do you know the types of companies that hire for these jobs, the exact ones for whom you would like to work? Once you have this clarity, you will automatically be inclined to work harder to source those types of jobs and apply accordingly. You will increase your chance of getting results as your whole approach – from your CV to your references – is streamlined for the position you want. This is not to say that you should be rigid in your job search and operate within this one defined box. It is merely a tip to ensure that you are not aborting the search for your dream job before the appropriate efforts have been expended.

Second, get specific about the goals of the particular job search tactic you are using. If it doesn't work, stop and try a different channel. Many people continue to do an activity without ever stopping and asking: is this working? They adopt the attitude of "try harder" rather than analysing the results of a particular method. Set yourself a goal. For example, aim to secure five interviews through a specific channel. This could be achieved by utilising three different recruiters – but if it isn't working, stop and take a fresh approach.

2 NETWORK

Relationships go a long way in the job market. The best jobs are often snapped up before they are even advertised on a public platform because the candidate had a good relationship with the hiring manager (or at least someone that knew them). A

> **"The truth is, nobody taught us how to look for our dream job. Most people don't have a real strategy and as a result, everyone ends up doing the same thing.**

CV is a piece of paper that outlines your experiences at a high level. But, if you can have a conversation with someone where you articulate your expertise and ambitions, they now have a 'face to the name' on the CV and can understand your value proposition at a more holistic level. Start by developing a networking strategy (i.e. identify who can help you get to where you want to go and go to them directly). Other people won't even know what they are looking for, making it impossible to know whom they need to talk to, or what they need to ask. As with all things, practice makes perfect – but it all starts with the first step.

3 SHOW, DON'T TELL

The next time you have an interview, add an additional dimension to your preparation. Try to understand some of the problems the company or unit you are applying to is facing, and formulate a solution. This could involve producing a one-page document at interview, which outlines what you would do in the first 30, 60 and 90 days in the job to remedy the situation. Make no mistake: this is much easier said than done. However, a lot of successful applicants employ presentation materials where they can demonstrate what they bring to the table. Words are easy to say but tough to back up. Hence, if a hiring manager can concurrently see your work along with your words, you are automatically better than almost anyone else competing with you for the same job.

Orla Doyle is Head of Marketing at Lincoln Recruitment Specialists.

The power of **three good things**

Learning to immerse yourself in that part of the glass that is half-full can act as a buffer to depression and anxiety, and increase your happiness, writes **Dr Eddie Murphy.**

For too long, the science of psychology focused on what was 'wrong' with people. Only in the past 30 years has psychology focused on what keeps people happy when they are well. This is called the science of positive psychology, and I, for one, am very influenced by this area and Prof. Martin Seligman's work on resilience, optimism and interventions that prevent depression and build strength and wellbeing. One tool that is recognised to enhance wellbeing is 'three good things'.

HAPPIER AND HEALTHIER

Those who are grateful tend to be happier, healthier and more fulfilled. Being grateful can help people cope with stress and can even have a beneficial effect on heart rate. This action is easy to do, and its benefits have been scientifically proven. In tests, people who tried it each night for just one week were happier and less depressed one month, three months and six months later.

GRATITUDE

From old wisdom to the latest science, gratitude is known to be good for us and those around us. Yet, it isn't always our automatic response, and we too often take the positive things in our lives for granted. The challenge is to learn to get into the habit of being consciously grateful. Science shows that gratitude is an essential element in how good we feel, both psychologically and socially. It increases our positive emotion and decreases our negative emotion. It raises our overall satisfaction with life and helps us have a positive outlook. It has also been shown to reduce health complaints and help us cope with difficulties. It even appears to reduce the importance we place on material goods and, contrary to what we may think, it may also increase our ability to achieve our goals.

Why does it work? We have a natural focus on what goes wrong in our daily lives, often going over and over these things in our head. We are quick to notice even the smallest of problems, yet we rarely spend any time at all dwelling on the good stuff. Things that brought us a quick smile or felt good are all too often forgotten or, perhaps, not even noticed in the first place.

TAKING NOTICE

This action is simple but incredibly powerful. It's about taking time to notice the good things in our lives and get more from these. What's more, if parents remember to talk about what they are grateful for, this can help their children learn to think about the good things in their lives and hopefully develop a gratitude habit they can benefit from for the rest of their lives.

This action involves consciously spending a few minutes each day focusing on some of the good things that happened to us. By doing this, we start to notice what goes right as well as wrong in our lives. Even on a bad day, some good things happen – however small they might be.

Exercise: three good things

1 **Every night:** before you go to bed, think back over your day and remember three good things that happened – something that went well, that you enjoyed, or for which you were grateful. These can be small (a smile, the smell of trees and grass, the sun, a juicy orange, watching a child playing) or of greater importance. You'll probably find that it varies. Try doing this for a week to start.

2 **Note them down:** this is important. You may want to get a small notebook just for this purpose.

3 **Think about why:** for each thing you're grateful for, write down why it happened and why you feel good about it. This may feel a bit tricky at first, but you'll soon get the hang of it.

4 **Look back:** after a week, have a look back on what you've written. How does it feel when you look at all these good things? Do you notice any themes?

5 **Keep it up:** try keeping it up for another couple of weeks at least. Many people find that it becomes a bedtime habit. After a while, you may find that you don't need to do it every night. Three times a week, or even once a week, might be enough. You may also find that you start to appreciate the good things more as they happen.

'Three good things' orientates us towards a sense of appreciation and engagement in life. It works because it changes our focus from the things that go wrong in life and things that we take for granted to things that go well. Focusing our attention on things that go well acts as a buffer to depression and anxiety and increases our happiness as we reflect and immerse ourselves in that part of the glass that is half-full.

Dr Eddie Murphy is a clinical psychologist, mental health expert and author.

Members and students can contact CA Support on 01 637 7342 or 086 024 3294, by email at casupport@charteredaccountants.ie or online at www.charteredaccountants.ie/casupport

Michael McGivern appointed Head of Tax at Smith & Williamson

Michael McGivern has been appointed as a Partner and the new Head of Tax for Smith & Williamson Ireland. Michael will lead the Irish tax operation, advising Smith & Williamson's private and business clients on their tax requirements.

McGivern joins from Grant Thornton where he provided tax advice to large Irish and international corporate clients across the technology, manufacturing, services, retail, leisure and real estate sectors.

Michael is a graduate of University College Dublin, a Fellow of Chartered Accountants Ireland and a Chartered Tax Adviser (CTA).

Smith & Williamson appoints Ashling Maguire to role of Associate Director

Smith & Williamson has appointed Ashling Maguire to the position of Associate Director – Assurance and Business Services. Ashling joined the firm as an Audit Trainee in 2014 and has significant experience working with clients across a broad range of sectors including automotive, hospitality, distribution, pharmaceuticals, aircraft leasing, not-for-profits and charities, and sporting and membership bodies.

Ashling has experience specific to forensic audits for large corporate clients, has led a team carrying out due diligence that led to the merger of a large professional practice, and also has experience of large-scale and diversified businesses.

Ashling holds a Master's in Accounting and is a member of Chartered Accountants Ireland.

On the move

Baker Tilly announces appointment of **Chief Financial Officer**

Baker Tilly has announced the expansion of its leadership team with the appointment of Stephen McGovern as Chief Financial Officer (CFO).

Stephen has a 16-year track record working in senior finance, risk and governance roles at Ireland's largest public limited company, CRH. Stephen also has extensive corporate governance expertise, working on audit and risk committees of public bodies such as the HSE, the Medical Council and Bord Iascaigh Mhara.

Pictured (from left) are: Neil Hughes, Managing Partner at Baker Tilly, and Stephen McGovern, Chief Financial Officer.

Q&A

Accountant **sinks teeth** into dental market

Colm Davitt, CEO at Dental Care Ireland, discusses life at the helm of the five-year-old dental business he founded with his brother.

In brief
Name: Colm Davitt.
Title: CEO and Co-Founder, Dental Care Ireland.
Education: Fellow of Chartered Accountants Ireland. Trained with BDO via the commencement course route in NCIR and College of Commerce.
Interests: Clontarf and Dublin GAA.
Favourite quote: "Never give up on your dreams" (Barack Obama). I say this to my kids regularly.

What do you most enjoy about your current role?

My role involves acquiring dental practices and helping them achieve their full potential. It combines my background in business and accountancy with a passion for the healthcare sector. I love seeing the practices grow and evolve as we invest in facilities, services and management support structures. Our 15 practices are located all over the country, which means a fair amount of travel, but I enjoy getting out of the office every week to meet with current and potential practice teams.

What has been your career highlight thus far?

Two career milestones stand out. First, I passed my final admitting exams to become a Chartered Accountant at age 21. My qualification has been the foundation and bedrock of my career achievements to date.

Second, a major highlight was the opening of our first branded Dental Care Ireland practice. I first came up with the Dental Care Ireland concept in 2014 with my brother, Dr Kieran Davitt. Our vision was to create a group of established, high-quality dental practices nationwide. It has been a hugely rewarding experience to see that idea become a reality in just five short years.

How do you stay productive day in, day out?

I am a firm believer in setting goals. We have ambitious growth plans for Dental Care Ireland, so I review our objectives and targets at least every six months. I am also fortunate to have built a highly motivated team around me.

Our head office is located beside the sea and close to home, so I can walk to and from work. When I'm not on the road, it gives me some guaranteed fresh air and headspace. I try to balance work with plenty of family time too. I dedicate my weekends to watching my kids in action on the sports field or catching up on GAA.

What changes do you anticipate in your profession in the next five to ten years?

I expect to see the large-scale automation of routine accounting and data processing over the next ten years. It will be essential for Chartered Accountants to remain commercial and value-focused. In general, I think the need for flexibility in the workplace will continue to grow, and employers will have to adapt accordingly. In the dental sector, we may see fewer dentists willing to run their own businesses due to increased compliance and administration requirements.

What is the best advice you've ever received?

Stay true to what you really believe in. Being a CEO can be a lonely place, and there are many ups and downs along the way. If you believe in what you are doing, you will gain respect and trust from those around you.

Over the years, I have had the privilege of working with several great mentors and CEOs. They all had the ability to create a small but very loyal team, which is probably the most important lesson I have learned. Working with a talented and supportive team makes the days much more enjoyable and fulfilling.

MORGAN McKINLEY

GO BEYOND

WHEREVER YOU ARE ON YOUR JOURNEY, **WE'RE WITH YOU**

We have a vision, we have values but most of all we have a purpose; to improve lives