The great tax debate
Citizens say governments should collaborate, not compete

Medtech medicine
Medical technology sector growth a big shot in the arm for Ireland

The lure of exit
Is there a good business case for an Irish exit from the EU?

Dual purpose
How a corporate accountant became the hospital doctors’ voice
Currently using a spreadsheet understaffed with a tiny budget?

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Phil Boshier - Strategy Development Officer
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Welcome
This month’s issue underlines how transformations – personal and public – are becoming a feature of modern life.

Change has been a pretty constant factor recently, on both the global and individual level.

Across the G20, citizen protests have forced countries to take action to address perceptions of unfairness in the tax system, as we discuss on page 36. Closer to home, in our page 12 interview, Louise Hendrick FCCA reveals the lessons learnt from accountancy in her second profession, as a medical specialist.

On page 24, we look at how public equity is evolving to become a new business funding source, while on page 21 we examine how Galway has turned itself into a medtech hub.

Meanwhile, on page 28 we look at the pros and cons of Ireland following the UK’s desire to break the mould and leave the EU and, on page 60, Uber’s head of cities for Ireland and the UK argues that technology provides different solutions for age-old problems.

You’ll notice that we have also made some changes to AB this month, in terms of both design and content, in response to your feedback. You told us that you would like more CPD, more careers-related features, and more articles of a practical nature, so we have increased this type of content, and taken the opportunity to refresh our look and feel at the same time.

We hope you like it – we continually strive to provide you with the coverage and content you need to be successful, whatever your role. Please let us know how we are doing – see my email address below.

Pat Sweet, Ireland editor
pat.sweet@accaglobal.com

Over half of G20 countries see tax professionals as a trusted source of information, with two-thirds distrusting their politicians.

Accounting and Business
The leading monthly magazine for finance professionals, available in six different versions: China, International, Ireland, Malaysia, Singapore and the UK.
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About ACCA
ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. It offers business-relevant, first-choice qualifications to people of application, ability and ambition who seek a rewarding career in accountancy, finance and management. ACCA supports its 188,000 members and 480,000 students in 178 countries. accaglobal.com

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‘We believe it is vital to listen carefully and understand how people really feel about the international tax issues being debated’
The personal archive of Peter O’Toole, celebrated actor and legendary hellraiser, who died in 2013, has been bought by the University of Texas for US$400,000 (€373,000). The hoard includes contracts for some of his most famous roles.

The star-studded wedding of golfer Rory McIlroy and Erica Stoll, which took place at Ashford Castle in Cong, could have cost €1m. The knock-on tourism value to the hotel, the town and indeed Ireland is likely to be substantially more.

US logistics giant UPS has acquired Irish delivery service Nightline for an undisclosed sum, making for a multimillion-euro pay day for CEO John Tuohy and his friend David Field, who set up the business in a bedroom in 1992.

The fundraising arm of Trinity College Dublin has confirmed that it has fallen victim to a cyber attack that may have netted €1m. Trinity Foundation said that it had been alerted by its bank to suspicious activity in its accounts.
News roundup

This issue’s stories and infographics from Ireland and Northern Ireland, as well as a look at the latest developments affecting the finance professionals around the world

Tax among lowest
Ireland has one of the lowest personal tax rates among the developed economies, a report from the OECD has concluded. Only two OECD member states – New Zealand and Chile – have lower tax rates on the average income for a married couple with one income and two children. The average tax rate in Ireland is 8.3%, compared with the OECD average of 26.6%. Ireland's average single worker pays a net tax rate of 27.1%, compared with the OECD average of 36%. The comparison is based on the ‘tax wedge’ on labour income, which is calculated by personal income tax plus employee and employer social security contributions, minus family benefit payments.

Doing business costs
The cost of doing business is too high and is one of the main challenges facing Irish businesses, claims a report from EY. A survey of 160 of Ireland’s leading entrepreneurs indicated that their three main challenges were the personal tax burden and the cost of labour and insurance. Some 72% of respondents cited the high personal tax burden, including the capital gains tax rate, as the biggest inhibiting factor on starting a new business. Kevin McLoughlin, an EY entrepreneur partner, said that more must be done to promote international tax competitiveness and entrepreneurial talent retention.

Ibec fears CCCTB
Up to half of Ireland’s corporation tax revenues could be lost if the European Commission succeeds in introducing the Common Consolidated Corporate Tax Base, Ibec has warned. Ireland would be the EU member state most adversely affected by CCCTB, says Ibec. It calculates the annual net loss to Ireland would be around €3.9bn, or 7.7% of Irish total tax revenues.

Ireland’s top 10
Ireland’s tax revenues are heavily dependent on just 10 multinationals, which between them contribute almost 40% of total corporate tax payments, the Revenue Commissioners have stated. The commissioners’ annual report noted that Revenue collected €47.95bn in 2016 – an increase of 4.7% on 2015, the sixth annual increase in a row and the highest Exchequer receipts figure ever. Taxes on income were up 4.5%, VAT up 4.2% and corporation tax up 7%.

VAT boost
VAT revenues have risen by €350m over the last two

Shareholders challenge Tullow
Nearly 8% of shareholders voted against Aidan Heavey’s move from CEO to chairman of Tullow Oil, in breach of the UK Financial Reporting Council’s corporate governance code. Heavey will continue to receive the same remuneration and benefits for six months after stepping down as CEO in April. He was paid €3.41m last year. Tullow Oil, established in Ireland in 1986, reported an after-tax loss of $597m for 2016.

Trump tax warning
Corporate tax reforms proposed by President Donald Trump ‘could provide some competitiveness pressure for Ireland, but the implications would be much less serious than if earlier proposals had progressed,’ Ibec said. Its director of policy and public affairs, Fergal O’Brien, added that the biggest threat had been posed by a possible border adjustment tax, but that this now looks unlikely to proceed. He added: ‘Domestically, the best response to President Trump’s announcement is to ramp up investment in our education system, increasing our attractiveness to high-skilled workers and for government to show much greater ambition in a capital infrastructure programme.’

Ireland’s top 10
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VAT boost
VAT revenues have risen by €350m over the last two
Sound investment
New research from the Central Statistics Office shows that foreign direct investment (FDI) positions in Ireland increased by 132% in 2015, with the majority originating in the US.

FDI investment by country

- **€581bn**
  - US: 115,964
  - **€59,836**
- **€19bn**
  - UK: 80,876
  - **€34,691**
- **€12bn**
  - Germany: 22,568
  - **€42,039**
- **€8bn**
  - France: 13,033
  - **€45,221**

FDI, Employment, Average wage

years from sales to customers in other EU member states by multinationals based in Ireland. These are temporary revenues, with the Irish authorities having to distribute them to other member states. Finance minister Michael Noonan told the Dáil that the revenues are ‘a transitional feature of the changeover to the new VAT rules’. They resulted from EU VAT reforms adopted in 2015.

**INM breaches code**
Independent News and Media is in breach of the Corporate Governance Code after the company reclassified two non-executives as not independent. Allan Marshall and Triona Mullane have declared financial links with INM. Marshall is connected with ComputerCall UK, which has provided consultancy services to INM. Mullane set up mAdme Technology, which receives revenues from Digicel, which is controlled by INM’s largest shareholder Denis O’Brien. The reclassification follows a review conducted by Deloitte and means that INM is in breach of the code requiring at least half of directors to be independent. INM said it will resolve the issue over the summer.

**NGOs in spotlight**
The quality of financial reporting in the charity sector in Ireland has fallen, with almost a quarter of charities opting to file abridged financial statements, according to analysis of annual accounts conducted by Benefacts. The abridged statements provide no information on the sources of charities’ income. Benefacts examined the reports of more than 8,000 non-profit organisations for 2013, 2014 and 2015. These employ almost 150,000 people, have a collective turnover of €11bn and account for 8% of Irish exchequer expenditure in order to deliver public services on behalf of the state. (See page 18.)

**Brexit causes delays**
One in three Northern Ireland firms has scaled back or put on hold intended investment, the third Quarterly Economic Survey Brexit Watch survey from the Northern Ireland Chamber of Commerce and BDO has found. The survey also recorded that one in five NI companies had lost turnover through the Brexit decision, while one in 10 reported an increase in turnover. Some 12% of respondents have benefited from increased exports, compared with 11% whose exports had fallen.

**Poor governance**
Corporate governance at investment funds based in Ireland is poor, according to a report from Fitch Ratings. The agency warns that Irish-based funds lag behind global practice in terms of the number of independent directors. While 75% of fund directors in the US are independent, in Ireland it is only 44%. Ireland together with Luxembourg is home to more than half of European mutual funds, which collectively hold €8.35 trillion of assets.

**Regional rate set**
A regional rate for Northern Ireland businesses and homes has been set by the UK parliament through the passing of the Northern Ireland Act. The failure of political parties to form an Executive meant that the Northern Ireland Assembly had been unable to set a regional rate this year. Local rates have already been set by district councils. Rates

bills sent to property owners are a combination of the NI-wide regional rate and the district council-set local rate. The act also allows the post-election UK government to operate flexibly in establishing a new Executive.

**Audit finds breaches**
More than 2,000 data security breaches were notified to the Data Protection Commissioner of Ireland last year. These included inappropriate handling or disclosure of personal data, third-party access and unauthorised access by an employee. Other breaches included the loss of personal data on smart devices, USB keys and laptops, and the
Infrastructure investment is lopsided
Ireland’s economy is ‘lopsided’ because of an excessive focus on infrastructure spending in the greater Dublin region, claims the Construction Industry Federation (CIF). Around 30% of national spending on road, rail and utilities is concentrated in and around the capital, calculates the CIF. It has called for more spending to go towards strengthening port connectivity in readiness for the impact of Brexit.

Get connected
The proposed second north-south electricity interconnector ‘is a crucial piece of economic infrastructure which will support prosperity and employment across the island of Ireland’, a report by Grant Thornton for Ibec Northern Ireland has concluded. ‘It will ensure the effective operation of an efficient all-island electricity market and support the provision of a secure, sustainable and cost-efficient electricity supply in both Northern Ireland and the Republic of Ireland,’ said the firm. A report by the House of Commons Northern Ireland Affairs Committee also supported the interconnector, saying that ‘without urgent investment in Northern Ireland’s energy infrastructure, the industry is not confident it will be able to keep the lights on after 2021’.

Congestion challenge
The future of Irish cities is at risk from traffic congestion, which reduces mobility, business development and growth, Kieran Harte, Uber’s head of cities in Ireland and the UK, told the ACCA Business Leaders’ Forum in Limerick. Harte said that the current high levels of congestion are despite 96% of cars remaining stationary for most of the day. (See page 60.)

Finalists announced
A shortlist of 24 finalists from Ireland has been unveiled for this year’s EY Entrepreneur of the Year programme. The enterprises come from across the island and are engaged in a range of sectors, including technology, healthcare, fast-moving consumer goods and retail. These businesses have a combined workforce of over 5,000 people and turnover of more than €475m. The theme of this year’s programme is ‘Leading through change’ and those finalised will engage in a 10-month development programme, an international CEO retreat to San Francisco and the chance of an international award.

Infrastrucutre spending is lopsided
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The future of Irish cities is at risk from traffic congestion, which reduces mobility, business development and growth

Bonds ‘worthless’
Bonds issued in Dublin for Russian bank Tatfondbank have been deemed worthless, costing Irish investors €56m. The bank has been declared bankrupt and is being investigated by Russian fraud authorities. An Irish special-purpose vehicle, TFB Finance, had been established for the debt issuance. Tatfondbank was the second largest bank in the Russian republic of Tatarstan.

AIB sells portfolio
AIB has sold a portfolio of non-performing mortgages to Goldman Sachs for around €200m, representing a 50% discount on their nominal value. The mortgages are for buy-to-let properties, with many of the 1,200 borrowers in receivership. Around 1,500 properties are contained within the portfolio.

Salaries rise sharply
Professional salaries in Northern Ireland rose by an average of 7.4% last year – far ahead of inflation. A survey by Abacus Professional Recruitment found that professionals expect an even higher pay rise this year – typically 10%. More than half of those employed in the accountancy, law, HR, IT, insurance, compliance and sales sectors received an increase last year, the survey found. "AB

Paul Gosling, journalist

Accounting and Business June 2017
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‘Having the background I have gives me a unique perspective and it’s one of the reasons I hope I can do justice to the role’
Diagnosis for the future

From finance to medicine: Louise Hendrick FCCA explains how her dramatic career change is helping in her national role representing non-consultant hospital doctors

The pressures on Ireland’s underfunded health system can be onerous for those working within it. Yet while the opinions and positions of politicians, the Health Service Executive (HSE), nurses and even hospital consultants are often what the public hears, one important group is conspicuous by its lack of a public voice: non-consultant hospital doctors.

NCHDs are those medical practitioners who work under the supervision of consultants in Irish hospitals. In many ways the bedrock of the system, they usually operate on short-term rotations, a situation that has historically kept them out of the loop in terms of influencing either hospital administration or health service policy.

In 2014, the HSE rolled out the Lead NCHD initiative to bolster the position and profile of NCHDs in hospitals, and to give them a formal link and two-way communication with hospital management.

Step forward clinical ophthalmologist Dr Louise Hendrick FCCA. Having served as lead NCHD at Temple Street Children’s University Hospital since 2016, this year Hendrick takes on the role at national level, a position she says will allow her to utilise not just her medical expertise but a background in business and finance that makes her virtually unique in her profession.

‘In terms of lobbying for change, NCHDs are a difficult group to get a handle on,’ Hendrick admits. ‘We are essentially a mobile workforce moving from hospital to hospital every three to six months. It’s great for training and experience, but it also means the HSE often doesn’t know how to look at us.’

A very clear motivation behind the creation of the lead NCHD role is to address the recruitment and retention crisis bedevilling the sector. While the brain drain in the nursing profession is well publicised, the issue among doctors is often underappreciated. ‘It’s no secret that there is a problem among NCHDs in terms of morale and that the emigration figures are likely to get worse as a result. We’ve always had a culture of Irish doctors going abroad and picking up expertise but in the past they eventually brought that home. The problem today is that doctors aren’t coming back as much and a lot of that comes down to the work-life balance here. There are figures that say up to one in two NCHDs in Ireland suffer from burnout. It’s a complex issue but it’s something we have to address.’

Hendrick adds that such issues can rarely be reduced to remuneration. ‘If doctors were financially motivated they’d be doing something else,’ she says frankly.

Sense of community

The situation isn’t all negative of course and Hendrick points to a very strong collegiate mentality that helps mitigate some of the stresses of the job. ‘There’s a sense of community in many hospitals and the lead NCHD role is about leveraging that strength. The exposure NCHDs get to different hospitals and cultures also puts us in a very strong position in terms of understanding what works and what doesn’t. You can often see from hospital to hospital how you might improve things. One of the opportunities the lead NCHD has is to be constructive about change and get people on side to make progress.’

There’s a perception of medicine as a strongly vocational field, which, along with the level of educational commitment required, means that while doctors often went on to do other things it was typically much rarer to see people successful in other walks of life take up medicine mid-career. With the advent of graduate entry
programmes in medicine, though, this picture is changing. Among those in the vanguard of the change is Hendrick, who 10 years ago was happily progressing a career in financial services.

She joined Bank of Ireland through its graduate programme and specialised in credit risk before moving into investor relations. ‘Part of my job was to be responsible for the bank’s interaction with the equity analyst community. When I did leave in 2008, people thought my timing was almost too impeccable!’

It was while there that she began studying for the ACCA Qualification, a choice that she believes stands among the best of many academic choices she has made. ‘It is the single best educational experience I have had and the most well regarded academic achievement I hold,’ she says. In her working environment, she frequently finds she is not alone in holding it in esteem. ‘Medical schools don’t provide business training, yet when you become a consultant, one of the key parts of your job is lobbying for equipment and applying for funding approval – something most consultants have never been told how to do. I’m recognised as being quite unique among my colleagues in having this kind of experience at my level.’

As someone who undertook the ACCA exams outside the practice environment, Hendrick can also offer some advice (and inspiration) to those studying for the qualification – she came first in the world in the advanced audit exam. ‘Although I never worked in audit I loved it. To me, it’s very logical and it doesn’t change. You learn how to approach things and break them.
As to how those career changes have influenced her outlook on life, Hendrick points to a gradual sense of self-empowerment. ‘I used to think that things just happened, but began to realise things happen because I did something. It’s only by pushing your limits that you realise what you can do. It makes things interesting and there is a sense of achievement. I’m someone who challenges myself in that sense. I’m my own worst taskmaster.’

If any further evidence was needed in this regard, she points to her broken foot, the result of an arduous training regime by which she had hoped to run a marathon each month in 2017.

Eye to the future
Hendrick developed her interest in ophthalmology while a medical intern. ‘I had an interest in neurology but you can find yourself diagnosing people knowing that treatments aren’t available. I found that a little depressing. Ophthalmology on the other hand has seen huge advances in recent years, so the sense of being able to make a difference appealed to me. Vision matters to people and, when things go wrong, if you can do something to help, it’s massively rewarding.’

The development of the new National Children’s Hospital at St James’s Hospital, Dublin, will open a new chapter in the care of sick children in Ireland and Temple Street is one of a number of existing institutions that will move to the site when it opens. ‘There is still some uncertainty about the timeline and the finer details but there is general agreement that this is the way forward and it’s a huge opportunity. The facilities laid out in the plan are absolutely amazing.’

That said, and with her ACCA hat firmly on, she struggles with the recently mooted cost overruns that could make this one of the most expensive health facilities ever built. ‘You have to sit up and listen when you hear state-of-the-art children’s hospitals are being built in the US for €1m a bed and Dublin is coming in at €1.9m. My concern is what the final figure might be given the likelihood of overruns.’

While the last decade has taken Hendrick’s career in a new direction, she sees the new national NCHD lead position as an opportunity to synthesise her experience to date and to give new purpose to her accounting background.

‘Being exposed to the management side of healthcare has certainly reigned my interest in business again,’ she says. ‘Having the background I have gives me a unique perspective and it’s one of the reasons I hope I can do justice to the role. The skills I will use will be the skills acquired in my time in banking and doing ACCA.’

Donal Nugent, journalist
Global approach

Meeting members and stakeholders around the world enables the executive team to strengthen ACCA’s reputation as trusted advisers, says ACCA president Brian McEnery.

It has been a busy few months for the ACCA Council and executive team, as we spend time working with our markets around the world to shape our perspective and activity. Alongside my day job, I have been travelling extensively to meet hundreds – if not thousands – of ACCA members, students and stakeholders.

I’ve spent time in Pakistan, Singapore, Kenya, Uganda, Rwanda, the UK and China. Soon I’ll be visiting Canada and Guyana.

It’s been a whirlwind of learning, experience and forging relationships. My main reason for market visits is, of course, to meet with members. So many of you have been generous enough to share local insights, which helps me to continue to work for you. It’s my discussions with all of you that allow me to speak on your behalf – so thank you to the many of you who have hosted me and helped steer my leadership of ACCA over the past few months.

I’ve also been giving out awards to students who achieve exceptional marks on their ACCA papers and to ACCA-qualified professionals who are excelling in their careers and giving back to the profession.

Each visit usually involves some consultation with local stakeholders, including employers, regulators and government officials. In all our markets, we look for local relationships that can strengthen ACCA’s position, ensure that your Qualification is respected and open doors for ACCA members to local opportunities.

I travel around to ensure that my perspective remains truly global. I need to be aware of the local movements and dialogues within which ACCA can be situated. It also allows me and the ACCA executive team to have a broad view of the economy and environment as a whole; we can see and act on trends and opportunities that span several countries, such as the China-Pakistan Economic Corridor or the One Belt, One Road initiative.

I have met with so many inspiring ACCA professionals throughout my term, but particularly over the last three months. It has really demonstrated the authority that we have around the world as trusted advisers.

My fellow Council members have also produced a series of webinars, giving an overview of strategic progress from the last few months and to answer your questions. If you weren’t able to make these live, you can still watch them at bit.ly/ACCA-councilweb.

I hope that you find these useful and that my travels have been valuable to many of you as well! ☺

Brian McEnery is a partner specialising in corporate restructuring and healthcare consulting at BDO Ireland.
Nothing to hide

Compiling a financial report means treading a fine line between information overload and the omission of crucial facts. It’s all a question of materiality, writes Jane Fuller

Nowhere is the tension between the demand for additional information and the demand for conciseness more visible than in the discussion of materiality. IFRS Standards define the concept as follows: ‘Information is material if omitting it or mis-stating it could influence decisions that users make on the basis of financial information about a specific reporting entity.’

This approach is in line with the view of investors, but investors also complain about clutter in company reports. This presents those who prepare the corporate accounts with two main problems: they must put themselves in someone else’s shoes and they must not respond simply by disclosing a torrent of increasingly irrelevant information.

Most published measures of materiality focus on a crude threshold, such as 5% of pretax profits. But standard setters on both sides of the Atlantic have rightly eschewed drawing a quantitative line. So management is forced to pay attention to qualitative criteria and to exercise judgment. And all measures must be related to their own company, rather than to sector or market generalities.

One example of a qualitative issue is stewardship, which is covered in the International Accounting Standards Board’s work on a new practice statement, Application of Materiality to Financial Statements. This acknowledges that investors have views on how a company should be managed, and might change their minds about buying, selling or holding shares or bonds on that basis.

Clearly this can lead to consideration of a multitude of sins. The US Securities and Exchange Commission’s Staff Accounting Bulletin No. 99 is eloquent on the subject of when small mis-statements might be material. It includes a number of points linked to management motivation: are management trying to hide a failure to meet earnings expectations? Are they close to a trigger point for bonuses? Might they be afraid of breaching a regulation or loan covenant?

Context clearly matters, and it is a forward-looking view that matters most. So a large writedown (material by any standards) in the value of an asset acquired years ago may not be as relevant to investors as a small change in the performance of a business on which the company’s future growth depends.

The increasing use of estimates in corporate financial statements does not make the task any easier, either for management or for the auditors scrutinising their judgments. If in doubt about materiality, management will do better to include rather than exclude the information. No one will forgive them for saying that they thought about mentioning something that with hindsight looked like a red flag, but were more concerned about trimming the annual report. Indeed, no one will believe that was the real reason for the omission.

Standard setters have eschewed a quantitative line, so management has to pay attention to qualitative criteria and to exercise judgment.

Jane Fuller is a fellow of CFA UK and serves on the Audit and Assurance Council of the Financial Reporting Council.
Cause for concern

Ian Guider argues that the recent spate of governance issues at Irish charities means closer financial scrutiny is essential to ensure transparency and accountability.

Over many years I’ve had the privilege of watching the work of charities and NGOs up close at home and abroad. In the most difficult of circumstances I’ve seen people work tirelessly when, quite frankly, I and most others would quit.

Sadly, though, my more recent experiences of the non-profit sector has been reporting on yet another controversy about the use of public funds for purposes other than what they were intended for. In this instance the sums were small, barely digit thousands, but the principle still applies: those in receipt of public funding must use the money for the purpose intended.

A good deal of work has gone on to improve the governance of charities and non-profits following scandals about the misuse and abuse of funding and donations. A regulator is in place and transparency has improved. Yet we still see controversy after controversy.

As a country we have outsourced (and that is the right word to use) to non-profits and charitable organisations some services the state either doesn’t want to provide or has historically not provided. In total, charities and non-profits receive €4.4bn in funding from the Irish state. How much oversight of that money do we really have?

And what about donors from the private sector? The state may have the capacity to carry out official oversight, but how do private donors know their funds will be used for the work of the charity? If I sign up to a charity on the street, how much of my monthly direct debit goes on its expenses?

One of the recurring themes of the controversies that Ireland has seen has been the dominance of personalities associated with a charity. There are concerns the founder or CEO becomes so associated with their organisation as to make them indistinguishable from the cause. And in one small leap the division between the use of funds for official use and private risks disappearing.

Greater accountability in the non-profit sector is not a hindrance to their work but a help. Privately, I have heard from some large corporations that they have become wary of making donations because of concerns about their use and the consequences for their reputations if scandal should emerge.

What is needed is more openness and transparency by non-profits up front. How will funds be spent? What proportion of donations will go on providing services or a campaign and what for general expenses? Board members also need to be prepared to challenge CEOs. Adding a non-profit directorship to a CV comes with a responsibility to scrutinise spending and if necessary blow the whistle.

There is also one more fundamental issue to tackle. As I’ve mentioned, some non-profits provide services the state doesn’t. They can be large and professional, but many are small, single-issue groups set up with a cause in mind. However dedicated their staff and volunteers are, they are still accountable to their donors. We need the regulator to ensure they follow the rules and are well run. And that might ultimately involve shutting some of them down.

Ian Guider is markets editor of The Sunday Business Post.
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The view from

Jennifer Victory FCCA, group compliance manager, Smurfit Kappa Group, Dublin, on compliance challenges

Smurfit Kappa Group is a world-leading producer of paper-based packaging with around 45,000 employees across 34 countries and sales of €8.2bn in 2016. We strive to be a customer-orientated, market-led company with the satisfaction of customers, the personal development of employees, and respect for local communities and the environment inseparable from the aim of creating value for the shareholders.

We are proud of the fact that our products, which are 100% renewable and produced sustainability, improve the environmental footprint of our customers. My current role centres on driving and developing the compliance, risk management and internal control culture across our global operations.

The group is subject to the growing number of laws and regulations, and new and emerging risks. We continually review and assess our system of risk management and internal control to ensure risks are identified and evaluated, and that appropriate risk management strategies are implemented at each level in the organisation.

A significant change is the EU General Data Protection Regulation. This comes into effect in 2018, with the objective of strengthening data protection rights and harmonising regulations.

Big data and data analytics are here to stay. The ability to analyse large volumes of data quickly using data analytics can greatly assist both the external and internal audit process. It can also assist from a risk management, compliance and standardisation perspective.

The most important business lesson I have learned in my career is to ensure that the ‘basic fundamentals’ are in place and understood. I am always mindful of the need to listen to the views and advice from colleagues and local management.

The group’s last annual sustainable development report highlighted our commitment to social and environmental best practices. Our local operations have made, in conjunction with our related foundations, close to €4m of social investments to their communities. These are focused on the education of disadvantaged children and young people. 

Conflicts of interest

Half of directors of Irish companies believe that boardroom conflicts of interest are prevalent, a survey by the Institute of Directors in Ireland has found. The 431 respondents to the survey of the organisation’s 2,600 members also found that 86% report an increased focus on business ethics in the boardroom over the past decade.

The report, Tone from the Top – Boardroom Ethics in Ireland, noted that 97% of respondents are aware of what constitutes a conflict of interest, but only 47% said their boards monitor ethics through evaluation or internal audit.

Earnings outperform

Some 88% of Irish listed companies outperformed market expectations in their most recent results, analysis by Merrion Capital has revealed. The 33 companies examined reported average earnings per share growth of 8%, despite the impact of weak sterling. Ryanair and Tullow Oil were among the companies that underperformed expectations, while food companies Kerry Group and Glanbia were among the best performers. CRH, Grafton, Greencore, Cairn Homes and FBD Holdings were also among the 16 companies whose earnings per share beat forecasts.

81% of institutional investors say companies do not adequately disclose non-financial risks that could affect their business. Source: EY
The medtech marvel

Favourable tax rates are only one reason why Ireland’s medical tech sector is booming, with high-value R&D starting to drive what used to be a mainly manufacturing play.

A large new office block near the National Concert Hall in Dublin could be the ultimate statement that Ireland’s medical technology sector has come of age. With big windows set into sandstone-coloured walls, the building will house the headquarters of Medtronic, the US giant which moved its headquarters to Ireland in 2015 as part of a US$42.9bn acquisition of rival Covidien, also based in Ireland and with a US corporate background.

Medtronic employs 30,000 people in Ireland, with 4,000 more jobs to come by 2020, according to the Irish Medtech Association. It is not shy about praising the sector’s strength. ‘Ireland is one of the largest exporters of medical products in Europe with annual exports of €12.6bn, and companies here directly export to over 100 countries worldwide,’ its website points out. ‘As many as 18 of the world’s top 25 medical technology companies have a base in Ireland, and 50% of the 450 medtech companies based here are indigenous.’

Ireland’s medtech capital

A third of Ireland’s medtech jobs are in Galway in the west of Ireland, where linkages between multinationals, universities and research partnerships have spawned a growing indigenous industry. The largest native company (it employs more than 800 staff) is Creganna Medical, which focuses on coronary products from a Galway base near a giant Boston Scientific plant.

Other businesses with a global sales presence include diagnostics specialists Aerogen, Megazyme and Reagecon. ArraVasc, another Galway-based firm, signed a new contract in 2014 with a leading medical device distributor in China, Shanghai Micro Medical.

Medtronic’s move drew a lot of attention to the potential for other medtech firms in moving to enjoy...
The Dublin office of Covidien, bought by US giant Medtronic, which has now relocated to Ireland intellectual property at least partially developed in Ireland. KPMG also advises medtech companies looking for opportunities overseas and establishing subsidiaries in new jurisdictions.

As well as the ‘bread and butter stuff’ such as remaining compliant with Revenue requirements, McGinley’s clients seek advice on employment incentive schemes. ‘Retaining talent is a challenge. Many of our clients are asking us “how can I incentivise them to stay so I can build a team around them,”’ she says.

Talent – retaining and developing it – does seem to be the crunch issue for medtech’s future in Ireland. Demand for talent in medtech is very strong, according to Rachel Walsh, team leader for accounting and finance permanent positions at Cpl Recruitment in Dublin.

Walsh sees continued growth in activity in Ireland and points to US-based pharma company Abbott Laboratories recently moving its European operations to Dublin: ‘The talent pool here is amazing.’

Walsh sees continued growth in activity in Ireland and points to US-based pharma company Abbott Laboratories recently moving its European operations to Dublin: ‘The talent pool here is amazing.’

Medtech is seen as an attractive place to work for young accountants Ireland’s relatively low corporate tax rate of 12.5%. But Mary McGinley, head of tax at KPMG in Galway, says an accumulation of expertise in the sector is a bigger factor than tax in drawing multinational medtech companies to Ireland. ‘The primary attraction is people. There’s a holistic ecosystem… the skills are here,’ she explains. ‘There’s a lot of experience in the industry in Ireland. Everyone understands the regulatory environment and there’s a lot of experience in engineering and research. Also, there are professional people who know the industry.’

KPMG sees itself as a full service provider for both Irish and multinational medtech businesses. ‘We provide advice on structures, tax, fundraising, R&D and tax credits,’ says McGinley.

Her office advises on Irish tax incentives such as the ‘knowledge development box’, which offers a special 6.25% tax rate on income from

‘The primary attraction is people. There’s a holistic ecosystem... the skills are here’
because of good pay. Salaries are relatively high and can quickly go from €28,000 to €55,000 within a few years. Likewise, accountants see good opportunities for climbing the internal corporate executive ladder, says Walsh. ‘The way I look at it, companies I deal with are going from strength to strength,’ she adds.

In a bid to satisfy the demand for talent, Cpl has started a ‘One Tribe’ campaign to lure Irish emigrants back from Australia. Any returning expats will need some reassurance on personal tax rates, though. While the rates are in line with other European countries, the higher rate kicks in very quickly, at €40,000. Similarly, capital gains tax of 33% can hit entrepreneurs seeking to sell a business, although from January 2016 there is revised entrepreneur relief (a 20% rate for capital gains up to €1m).

Beyond talent
There are also other challenges and opportunities facing the sector. Entering developing markets requires advice, particularly in Asia and the Middle East. One of KPMG’s clients, the global leader for a unique drug delivery device, has recently spent a lot of time in the Middle East seeking to close a contract, according to McGinley.

Brexit is a clear opportunity. Medtech companies receive significant research funding from the EU, and British-based businesses may consider relocating to Ireland to continue accessing that resource. There is also likely to be a shift among Ireland-based firms to research collaboration with continental Europe, she says: ‘That will bring a whole new vibe to medtech here.’

While the moves by US companies to shift their tax residency to Ireland has drawn much media attention, very little has changed on the ground, says McGinley. She believes the ‘very significant presence’ in personnel and investment in Ireland voids criticism over corporate inversions, or reverse takeovers of Irish-based entities by US corporations. ‘Certain transactions didn’t happen, but the press coverage was the issue rather than any tax issue,’ she adds. ‘Several new investment and job announcements have come since.’

Also in Ireland’s favour is a coterie of Irish executives who have gone on to global roles in multinationals. ‘Companies come to Ireland for the infrastructure and the talent, but [expat executives] are also a factor, and they are flying the Irish flag.’

Ireland’s attempt to entice research and development jobs into the country with a 6.25% tax rate for income from intellectual property (IP) is also attractive. Global moves against corporate tax evasion will also benefit Ireland’s medtech sector, says McGinley.

Linking profits to substance through the plans for tax base erosion and profit shifting (BEPS) being developed by the Organisation for Economic Co-operation and Development (OECD) is ‘definitely causing’ multinationals to think about where their IP is located and where tax is paid on it, she adds. ‘This initiative will really kick in over the next two years. Ireland is positioning itself very well in terms of where to hold IP, and this allows firms to say “we have people there already”. Ireland’s relatively low corporate tax rate is a factor. BEPS is positive for Ireland given the medtech activities already in place. This is more so than Malta – also competing for IP – which doesn’t have the same anchors in place.’

Mark Godfrey, journalist

Prescription for growth
Currently, billions of patients worldwide depend on medical technology, at home, at the doctor’s office, in the hospital and in nursing homes. This sector is set to expand even further as the average life expectancy has steadily increased in the three big markets of the US, Europe and Japan.

Medical devices range from simple bandages to implantable products such as artificial hearts. There is everything from cardiovascular stents, orthopaedic knees, wheelchairs and contact lenses, to software for recording patient data. In all, there are over half a million different product groups on the market in Europe.

Ireland’s medtech sector is recognised as one of the five global emerging hubs, and is the second largest employer of medtech professionals in Europe.
Hungry for growth

Private equity firms have helped some of Northern Ireland’s most successful SMEs to build their business, providing access to capital investment and analytical expertise.

Private equity is not universally popular in Ireland, given its role in buying portfolios of distressed debt and turning these into vast profits. The sector is particularly controversial in Northern Ireland, after Cerberus bought the Project Eagle portfolio of northern debt from Nama at a large discount.

But this is just one manifestation of private equity – which is also taking a positive role in growing the economy. According to PwC, there were 220 disclosed deals in Northern Ireland last year, of which about 20% involved private equity. Barry John Kelly, head of mid-tier transactions at PwC in Belfast, explains: ‘We have been seeing a growing appetite for a number of years now. Putting aside purchasers of debt portfolios, mid-market funds have been coming to Northern Ireland because there is a scarcity of deals in Great Britain. And some funds are being established in the Republic of Ireland, and they are interested as well.’

Roger Alexander is a former Mazars partner who is now managing director of Cubic3, which arranges funding for major projects across Ireland. He is currently leading on a Bangor regeneration scheme, which, if it comes off, will involve investment of more than £60m, of which £20m would come from private equity.

‘In general I am finding a lack of deal flow,’ he says, ‘but that is across Europe. In terms of private equity, a number of firms are hungry for deals. There should be demand in Northern Ireland, but I approached 56 funds, including household names that are owners of shopping malls and PPP investors, and only five or six were interested in Northern Ireland – and they already had assets here.’

He continues: ‘That was not because of returns, which were over 5%, and they are safe investments. There was no issue about [deal] profile, but just about Northern Ireland. In some cases they were not aware of the territory, in some cases there was nervousness about the political situation. A lot of funds have lost their willingness to invest in new projects.

‘But a number [of private equity funds] are now more interested,’ Alexander adds. ‘Property prices have come back.’ He says that evidence for this change of attitude by various private sector investors can be seen in the rash of new brownfield residential development and in major projects currently under way in Belfast.

One example of new private equity interest in Northern Ireland property is the recently established Aurora Prime.
Real Estate fund. This is being led by David Gavaghan, a well-known business figure in Northern Ireland. He was most recently chief executive of Titanic Quarter Limited and is also a former CEO of Northern Ireland’s Strategic Investment Board, which advises the Northern Ireland Executive on major infrastructure projects.

The Aurora Fund has combined forces with Crescent Capital, Northern Ireland’s largest independent fund manager, which has been investing in venture capital in the north since 1995 (see box, page 26). Its management see what they describe as ‘a major opportunity to create a fund that can generate significant capital growth for investors’. Aurora is seeking to raise £50m locally and internationally to invest in grade-A office space in Belfast.

Gavaghan refers to the fund taking advantage of ‘a new dawn emerging in Belfast’, adding that ‘the ingredients are in place for a transformation in Northern Ireland’s capital city, returning it in a modern day context to what it was a century ago – a hive of industry, creativity and wealth formation’.

But the footprint of private equity in Northern Ireland goes beyond property investment. In one of the largest recent deals – its actual size is not disclosed, but it was several million pounds – the Carlyle Cardinal Ireland (CCI) fund took a stake last year in Learning Pool, a fast-growing technology business established in Derry in 2006 by the accountant Mary McKenna and IT specialist Paul McElvaney to provide online staff training.

Investment and expertise
Carlyle’s involvement is extremely beneficial for Learning Pool, says McElvaney, not just because of the investment, but also for the expertise the fund brings to the board. ‘We have a partner around the boardroom table that knows how to scale businesses, that has the ability to recapitalise the business and go after future growth, and enables us to carry on just doing what we were doing,’ he explains.

As a direct result of Carlyle’s engagement, Learning Pool has acquired a competitor. ‘It was important to have access to capital because it changed the ambition of the business,’ says McElvaney. ‘Our acquisition of [rival business] Mind Click was a very obvious acquisition, it was staring me in the face for years, but I didn’t have the balls to do it. We paid several million pounds. When it’s all your money it’s a different conversation! Having a private equity investor gave us more confidence that it was the right thing to do, and the access to the cash.’

The major private equity fund – a joint venture between the Carlyle Group and Cardinal Capital – was closely involved in the decision-making process. ‘Certainly in terms of raising the analysis level, Carlyle have been very proactive,’ says McElvaney. ‘Everyone doing my job should look at this role, both as a manager and as an investor. The manager job is a very big job, but having private equity on board forces you to get past that. They have raised the level of challenge and ambition – they have absolutely changed the game on that because, ultimately, their imperative is to get the maximum return for their investors.’

McElvaney is clear that the choice of partner has been crucial to the success of the deal. ‘With CCI there was a €300m fund, and they are actively investing,’ he says. But it was also important that they were an Irish fund, aware of the business environment on both sides of the border. ‘That was important for us, getting a private equity fund that was here, that would understand the context of being an Irish company selling in the UK and farther afield.’

He continues: ‘We are now a lot more strategically focused. We have a
Our friend in the north

Crescent Capital is Northern Ireland’s leading private equity firm, whose investments have helped build several of the north’s leading businesses. Past investees have included Andor Technology, which develops specialist digital cameras for use in spectroscopy and scientific imaging; software company Lagan Technologies, which built a large presence in the British local government market and in the US, before being bought by a specialist US private equity fund, Accel-KKR; and Balcas, which manufactures wood pellets — including those used in the controversial Northern Ireland Renewable Heat Incentive scheme. These days, Crescent investees include Fusion Antibodies, a spinout from Queen’s University, and Datactics, another Queen’s spinout, which provides data mining software.

five-year business plan that is heavily focused on business innovation. We are more strategically focused on long-term planning, rather than getting through the next six months and then seeing where we were at, which I think we were guilty of. Having a long-term plan is better. We are also more focused on succession planning and developing the team, as opposed to building the team.

‘Private equity is a very legitimate alternative to some of the more common approaches entrepreneurs take, such as exiting early or raising VC too soon. I think private equity has changed quite a lot in the last five years, so there is more money around, and that money is more aggressively spent.

‘My advice would be to entertain it, and get good advisers and explore the opportunity. You have to get your head around the fact that you are not exiting the business, you are staying, and going back to your desk the day after the deal with bigger targets and hopefully more ambition.’

Although Learning Pool is a private company, with McElvaney having owned most of the equity, it already had two established independent directors on the board to challenge him as CEO, following the departure of Mary McKenna in 2011. ’It put a bit of manners on me, it was very positive,’ says McElvaney. Those non-executives — e-learning veteran Donald Clark and well-known Northern Ireland entrepreneur Bryan Keating — played key roles in finding advisers to help negotiate with an equity fund.

The decision to go for private equity followed an attempted takeover bid, causing the directors to reflect on their position. ’We had got to £6m-ish turnover and some reasonable profitability, when we were tapped on the shoulder by a competitor, who said they would like to buy us out,’ explains McElvaney. ’It was very attractive, financially. But I felt that I would be bored. So we looked to see what else was out there, and looked at private equity as an alternative exit. It was definitely not in the plan. The attraction was that it would de-risk me a little bit, because all of the risk at that point was mine – the management team had some share options, but I was holding all the shares.’

Learning Pool expects Carlyle to stay invested in the company in the medium term, before perhaps selling its stake to a strategic private equity firm. ‘I think an IPO is unlikely for us,’ says McElvaney. ‘There aren’t many businesses in our sector that are listed.’

Private equity engagement is a process that takes many businesses from early stage to maturity — before they go on to another stage in their development. But make no mistake, private equity can be crucial in enabling those young businesses to grow. —

Paul Gosling, journalist
Nieuwe leerlingstelselhervormingen zijn aan de gang.

[New apprenticeship reforms are coming.]

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Passport to prosperity?

The UK’s decision to quit the European Union has opened the debate about whether an Irish exit would bring business benefits to the country.

Eurosceptism has long been a big part of the UK’s political scene. Not so in Ireland, which has adopted a more genuinely European outlook. Yet political pundits are saying the unthinkable – and ‘Irexit’ is being discussed.

The Financial Times’s influential columnist Wolfgang Münchau put it particularly clearly at the end of last year. For him, the concern was also the moves by the European Commission to clamp down on the use of Ireland by corporations such as Apple to minimise tax payments. ‘Perhaps the confluence of Brexit and the long-term loss of a business model will persuade Ireland to follow the UK out of the EU,’ Münchau pondered in the newspaper last year.

Statistics produce their own case supporting this argument. Ireland is unquestionably the EU member state most affected by Brexit, with a third of Irish imports coming from the UK and a sixth of Irish exports heading in the other direction. The value of trade between the two nations is around €50bn a year. A detailed study of the trade flows between the two countries has been commissioned by the Department of Jobs, Enterprise and Innovation and is due to be published before the end of the year.

The character of Ireland’s international trading relationships means that it makes sense for Ireland to follow the UK out of the EU, claims Jeffrey Peel, managing director of Quadriga Consulting and a well-known libertarian political commentator in Northern Ireland. He recently took his case to Dublin, where he was a platform speaker at free-market thinktank Hibernia Forum’s conference on the impact of Brexit and Trump.

‘Ireland is increasingly dependent on non-EU markets,’ points out Peel. ‘When the UK leaves the EU, Ireland’s two biggest export destination countries will be outside the EU: the UK and US. It makes as much sense for Ireland to leave the EU now as it was for it to join the EEC [European Economic Community], with the UK. Now Ireland is a net contributor to the EU budget there seems little sense for it to remain.

‘Intricately linked’

‘Ireland’s economy is intricately linked with the UK – the world’s fifth largest economy,’ Peel continues. ‘Ireland’s membership of the eurozone has put it at a significant disadvantage since sterling devalued post-referendum. Pegging to sterling and leaving the customs union with the UK would make sense given the dependence of the Irish agri-food sector, in particular, on UK trade.’

Anthony Coughlan – director of the National Platform EU Research and Information Centre and associate professor emeritus in social policy at Trinity College, Dublin – is another outspoken EU critic who is demanding that Ireland’s commitment to the EU be questioned. ‘Although the republic’s trade patterns have diversified since 1973, the English-speaking markets of the UK, North America and elsewhere are still more important for it than those of the EU without the UK,’ he argued in a recent polemic for the BrexitCentral website. Coughlan stressed the logic of Irish departure, given that the reason the country joined was the importance of trade with the UK and the desire to avoid a ‘hard border’ with Northern Ireland.

Former Irish ambassador to Canada, Jamaica and Bahamas, Ray Bassett, has also joined the debate. ‘The Irish state faces a momentous decision in the wake of the Brexit vote,’ he wrote in Northern Ireland’s News Letter. ‘That decision will shape its future – to decide whether to continue to be part of “Team EU”; or alternatively once the UK leaves, that its future lies more with the North Atlantic Anglophone world.’

PwC’s managing partner in Ireland, Feargal O’Rourke, has been a leading figure in making the case for Ireland staying in the EU, not least through a
prominent opinion piece in the Irish Times. He tells AB: ‘An overwhelming majority – 94% – of Irish business leaders confirmed in a PwC business leaders survey that Ireland should not follow the UK and exit the EU. Since 1973, Ireland has benefited hugely from its EU membership in terms of jobs and economic wealth for all of our citizens and it would simply make no sense for Ireland to exit the single market.

‘I fully agree that Irish businesses, and, by extension, “Ireland Inc”, do need to consider the implications of Brexit and plan accordingly. However, in my view that must be in the context of Ireland remaining part of the EU, leveraging the certainty this provides including our euro exchange rate, along with the myriad membership benefits, such as markets, tariff-free trade and people mobility. Although Brexit will present challenges for many Irish exporters, it will also present opportunities to become even bigger players in the EU.’

Additional costs
O’Rourke believes that exiting the EU would impact on Ireland’s ability to compete on a level playing field within the single market. ‘In the absence of new trade agreements, potential border tariffs would likely make our products and services into the EU more expensive as additional costs are passed on to the consumer,’ he says. In addition, O’Rourke adds, duty imposed on imports into Ireland would create a real cost for Irish businesses. ‘We also have a thriving foreign direct investment sector,’ he continues. ‘Many multinationals have located to Ireland on the basis that they can get access to this single market – much more so than is the case with the UK – and, post-Brexit, Ireland will be the only English-speaking country in the EU. Then there are the implications on workforce mobility.

‘I have no doubt that the debate of Ireland remaining in the EU will rear its head again over the next two years,’ he concludes. ‘Many Irish businesses have come through the worst recession and have shown great resilience. I have no doubt that with our natural strengths and agility, Irish business will navigate the challenges that Brexit will bring, but importantly as part of a wider EU community.’

Although the debate has been triggered, the truth is that there is little evidence of public support for an Irexit in the wake of Brexit. While there are campaigns with a presence on Facebook, Twitter and elsewhere urging the country to leave the EU, they have few followers. Indeed, a Eurobarometer survey of more than 1,000 respondents last November found just 25% favouring an exit, compared with 67% rejecting the idea. This makes Ireland one of the seven EU member states most committed to retaining its membership – despite the looming departure of its closest trading partner. Significantly, while freedom of movement was probably the deciding factor for Brexit, some 90% of those surveyed in Ireland favoured the policy, compared with 81% in the EU as a whole.

Unless and until one of Ireland’s mainstream political parties argues for Irexit, there seems little realistic prospect of the unthinkable actually happening.

Paul Gosling, journalist
GT in Belfast move
Grant Thornton is to move Belfast offices, taking up a tenancy in Danske Bank’s Belfast headquarters in Donegall Square West. It will move out of its Clarence Street West offices in November. Grant Thornton’s Belfast managing partner Richard Gillan said: ‘Our move to this iconic building on Donegall Square reflects our confidence, and will provide a fitting and professional environment that will help facilitate our continued expansion.’

PwC Sage centre
PwC is opening a PwC Sage Impact Centre in Belfast as part of its global collaboration with the accounting software provider. The centre will provide Sage system diagnostics, implementation and migration services, and a range of tools and accelerators that target business users of Sage technology. The firm will also offer a range of digital apps and accounting services it has developed. Tony Price, leader of PwC’s MyFinancepartner service, said the centre would help SMEs get ‘the best business results possible’ from Sage technology and ‘help them to take advantage of best practice business processes and to run and grow their businesses’.

The view from
Alan Shaughnessy FCCA, partner at DFS & Co, Galway, on how technology is changing the profession

DFS & Co is a Galway-based firm focused on delivering a compliant, proactive and value-added service to clients. Brian Feeney and I founded it, drawing on our combined 40 years’ experience to provide the technical expertise and commercial knowledge to meet our customer needs.

I’ve lived and worked in some global cities – London, Sydney and Tokyo. What I like about Galway is that it has a laid-back nature but also an ambitious drive. We have a fantastic medtech sector, and a thriving hospitality sector that (despite the weather) is close to being a year-round industry.

Clients increasingly want to understand the key drivers in their business and to know their overall financial position in as close to real time as possible. As we come through a few tough recession years and start getting back onto some sort of level footing, business owners want to be more informed.

The technology challenge is big and fascinating – and a little daunting

As a business owner you always want to better yourself and your organisation. I would like to continue our growth, remain a key partner in our clients’ growth and success, and help our team grow and reach their full potential and goals.

One of the big challenges in the sector is technology. It is fascinating and a little daunting. At present, my main focus is on managing and overseeing the transfer of our clients to cloud-based accounting software. The traditional model of the external accountant delivering compliance and tax filing services is coming to an end. We need to look at what other services our clients require and how we can deliver on that.

The cloud migration is a challenge, but also a huge opportunity. We are already seeing some great results. As data processing time falls away, there is more gathering of data and information in one place, and real-time reporting/analysis becomes a reality.

The most important business lesson I have learned is to talk straight and be honest, however hard it may be at the time. Clients want that rather than a sugar-coated response. This has most certainly benefited my own career when I have been on the receiving end!

We sponsor a 5km run and duathlon – the Remembering Aoibhe Renville Challenge. The ACT for Meningitis charity is one that’s close to our hearts.
Many employers worry about recruitment. The Department of Social Protection outlines its free services and cash incentives to help find the right person for the job.

As the economy recovers, businesses need to put in place plans for the future – and there has never been a better time to recruit new staff. Your employees are your most valuable resource, but finding the right person to join your team can be difficult, time-consuming and expensive.

For small firms, especially those without a dedicated HR department, taking that first step is often particularly daunting. Can I afford to take someone on? Where should I advertise a job vacancy – and how much will it cost? Do I have the time to screen and shortlist applicants for interview?

To help businesses whatever their size, the Department of Social Protection is offering an end-to-end recruitment service to make the process easier and cheaper, whether you are looking for the best of local talent or conducting a Europe-wide search.

JobsIreland
You can advertise a vacancy free of charge through jobsireland.ie, one of the largest online services of its kind in the country. JobsIreland supports thousands of employers of all sizes and across all business sectors to advertise jobs from entry level through to senior executive. Candidate profiles in our database are automatically matched against your requirements, and both you and the candidate notified when a suitable match is found.

Candidates can also apply for vacancies online, while businesses can use this web service to manage all aspects of the recruitment cycle – from advertising the job vacancy, through
candidate identification and selection, to the job offer itself.

Intreo
Our nationwide Intreo service provides a one-stop shop for employers and jobseekers. Services for employers include candidate matching, pre-selection and referral. Local employer engagement teams can also provide advice on the different types of support available – including cash incentives such as JobsPlus for recruiting people in receipt of Jobseeker payments, and support in the workplace for disabled employees (see below).

Employer engagement teams have managed recruitment campaigns for start-up companies, as well as supporting well-established businesses to fill vacancies. Find your local Intreo centre or employer engagement manager at welfare.ie.

EURES
Employers who have difficulty recruiting staff in Ireland can access jobseekers in other EU and EEA countries. The Department of Social Protection is part of the European Employment Services, or EURES, network that links the databases of all European public employment services. Our staff also provide information and advice on recruiting candidates. Funding is available to assist your employees to develop language and other skills, or to help you employ a young person (defined as between 18 and 35 years old) from the EU, Norway or Iceland. Check out euresireland.ie for more information.

JobsPlus
Employers who offer opportunities to jobseekers in receipt of certain social welfare payments can apply for a cash payment, called JobsPlus (jobsplus.ie). There are two levels of payment:

* You will receive €7,500 if you recruit an unemployed person who has been in receipt of a Jobseeker payment for more than one year (or, if they are under 25, in receipt of this payment for at least four months).
* You will be paid €10,000 if you recruit a person who has been in receipt of a Jobseeker payment for more than two years.

The incentive is paid directly into your bank account in monthly instalments over a two-year period while the employee remains in your employment.

To qualify, the job must be full time (over 30 hours per week, for at least four days per week) and be a new position or a vacancy arising as a consequence of natural turnover, such as retirement (i.e., not displacing an existing employee). You must be fully compliant with Irish tax and employment laws.

The online application form for employers is at jobsplus.ie. Prospective employees can also apply online to verify their eligibility.

Inclusion in the workplace
Being an inclusive and disability-friendly employer has many benefits. A range of practical support and allowances are available to your company to help people with a disability participate in the workforce. If you have not employed a person with a disability before, or wish to retain an employee who has become disabled or has a serious illness, we can provide funding to assist you, e.g.:

* the EmployAbility Service
* the Disability Awareness Training Support Scheme
* Willing Able Mentoring
* the Wage Subsidy Scheme
* the Reasonable Accommodation Fund.

Details of our full range of employer support is available at welfare.ie, or you can connect with our employer team today at employer@welfare.ie.
Time to switch off

Always-on technologies are blurring the boundaries between work and home life. Firms need to lay down social media rules to protect themselves and their staff.

While 24/7 access to email and social media is good for marketing, networking, recruitment and collaboration, researchers are discovering that the always-on culture is bad for productivity and health.

Tom Jackson of Loughborough University says that people who deal with their email while engaged in other forms of communication experience stress-related health problems. ‘Our research shows that stress is exaggerated by multi-tasking email alongside other communication media such as phone and in-person meetings,’ he says. ‘This can have a detrimental impact on an employee’s physiological and psychological stress levels.’ He adds
that employees’ lack of awareness that they are suffering from physiological stress could lead to long-term health conditions if the issue is not addressed.

Eoin Whelan, a lecturer at the JE Cairnes School of Business & Economics at NUI Galway, and an expert on the effects of social media, says: ‘Excessive use, particularly multi-tasking with computing devices, not only hampers productivity, but is associated with mental health problems such as depression and social anxiety.

‘While companies do have a responsibility to protect workers from the technology they provide them with, individual workers also need to take responsibility and ensure they have a healthy relationship with technologies like email. For example, putting the smartphone away when you are working on a demanding task, or having quality time with your family, can go a long way to reducing technology-induced stress.’

Personal presentation
Recruitment is one area where social media has had a significant impact. Employers use networks like Facebook and YouTube in their talent campaigns, and Skype to cut down on travel expenses when interviewing. Jobseekers research opportunities and receive push notifications on their smartphones when suitable roles are advertised.

Social media allows jobseekers to promote their skills and expertise, but the ready accessibility of information means candidates must be careful about their online reputation. A recent YouGov survey found that one in five employers has turned down a candidate after checking their online activity. Aggressive posts, references to drug use, and poor grammar and spelling were the top three factors that put employers off.

In an employability guide, PwC Ireland has some helpful digital makeover advice. It explains: ‘Your online image is increasingly crucial in helping you land your dream job. Use social channels to show the world the kind of person you are and how you would like to be seen by a prospective employer. Find ways to illustrate your skills and expertise, your experience and your interests from what you post and who you follow.’

Employers also need to monitor their own online reputation. Negative reviews or social media criticism about a company can put off jobseekers. Companies should have policies to manage any negative information that appears about them online and to protect themselves from inappropriate use of social media by employees.

The proliferation of mobile devices and social media has brought new risks of bullying, defamation and leaking of confidential company information. Employers can be held liable for what employees do on social media even outside working hours, warns Joanne Hyde, head of employment law at Eversheds Sutherland. She says: ‘It’s important that organisations anticipate and manage the risks associated with employees’ online activities. Last year’s decision in the case of William McCamley v Dublin Bus highlighted the benefits of having a comprehensive social media policy in place.

‘Organisations should ensure their policy differentiates between personal and professional use of social media, and sets out permitted and prohibited uses of social media during and outside of working hours. Employers should communicate the policy to all employees so that everyone understands what is expected of them.’

Performance-related issues caused by excessive use of mobile devices is another consideration. Smartphones are very good at keeping users constantly engaged, with push notifications and alerts. According to Deloitte’s 2016 global mobile consumer survey, 86% of Irish adults have a smartphone and 91% of smartphone users say they use it at work. Almost half also check their phone during the night. The resulting sleep disruption can lead to mistakes at work, poor engagement and reduced productivity, according to University of Washington researchers. Sleep-deprived leaders are also less charismatic and more likely to abuse staff.

One way to tackle the problem, says Deloitte, is to discourage the sending of emails outside normal working hours or by disabling email servers during designated timeframes. Employees can also help themselves by disabling push notifications and turning off their phone at night.

With new platforms appearing all the time, it’s important to review and update your email and social media policies regularly. Any data-related vulnerabilities you identify in the process will need to be addressed before the general data protection regulation comes into effect on 25 May 2018.

Daisy Downes, journalist

More information
Get CPD units by answering questions on this article at accaglobal.com/abcpd
Digitally challenged

A study by EY and Forbes Insights of more than 1,500 global executives looks at the problems that prevent companies capturing long-term value from their data initiatives.

Uneven maturity
The EY/Forbes research report, Data & Advanced Analytics: High Stakes, High Rewards, reveals clear differences in organisations’ data and analytics maturity.

- **45%** have an established analytics strategy that is also starting to be viewed as a key strategy.
- **38%** have an analytics strategy for specific lines of business, but not fully aligned across the enterprise.
- **7%** have a well-established analytics strategy that is central to the overall business strategy.
- **10%** lack an analytics vision or strategy at this time.

The hurt league
The top pain points when designing business strategy to account for data and analytics are:

- Organisation, culture and decision-making is based more on intuition than data: 49%
- Lack of collaboration/alignment among members of management committee: 44%
- Regulatory constraints prevent organisation from acting: 44%
- Lack of budget and other forms of organisation commitment: 39%
- Lack of support from senior leadership: 34%
- No appetite for the huge transformation it would bring: 33%
- Don’t have right leader to act as catalyst for change: 31%
- Data/analytics are not changing the business strategy: 9%

Who’s got an edge?
Ultimately, advanced analytics can give businesses a competitive advantage by allowing them to identify changing customer tastes more quickly than their less mature peers can.

What is your current competitive ability in data and analytics?

- Generally at parity with competitors: 35%
- Behind in some areas: 16%
- Well behind: 9%
- Market leading: 29%
- Don’t know, unsure: 1%

The leaders
Regional maturity rankings remain unchanged from 2015, with Asia Pacific first, North America second and EMEA third. The top-ranked countries overall are:

- Canada
- US
- UK
- France
- Germany
- Japan
- China

June 2017 Accounting and Business
Cooperate or compete?

With some regional differences, the global population is urging governments to put tax cooperation ahead of competition, finds research from ACCA, IFAC and CA ANZ

Figure 1: Who do people trust when it comes to the tax system?

Figure 2: What's more important – competition or cooperation on tax?

- Non-governmental organisations
- Politicians
- Professional accountants
- Business leaders
- Professional tax lawyers
- Media

- Distrust
- Highly distrust
- Trust
- Highly trust

3,250

925

International tax policy cooperation more important than competition to increase national tax revenue

Competition to increase national tax revenue more important than international tax cooperation

Number of respondents
The fairness of the international tax systems is increasingly headline news as public opinion continues to push governments and multinational corporations to ‘do the right thing’. It’s a topic central to many an election campaign around the world.

As the debate rages, more people are placing their trust in accountants and tax advisers than politicians and the media. Well over half of those living in G20 countries see tax professionals as a trusted source of information, with two-thirds of the same group distrusting their politicians. Four out of 10 feel the same way about the media (figure 1).

But perhaps more importantly, this global population is urging governments to put tax cooperation ahead of competition (figure 2): while some governments may argue that low tax rates encourage more inward investment, their electorate would rather the tax systems were reformed to create a more coherent tax environment. In fact, only the Chinese would rather their government pursued a policy of tax competition in order to attract more investment from overseas.

These findings are revealed in research carried out by ACCA, the International Federation of Accountants (IFAC) and ACCA’s strategic partner Chartered Accountants Australia and New Zealand (CA ANZ) among some 7,600 people across the G20 nations in an attempt to measure public sentiment towards international tax issues in an increasingly globalised economic system. As Helen Brand, ACCA chief executive, says: ‘We believe it is vital to listen carefully and understand how people really feel about the international tax issues being debated in a crowded policy arena, and how their views compare between different countries.’

There are several backdrops to the report that help to place these findings in context. There is the Organisation for Economic Cooperation and Development’s (OECD) Base Erosion and Profit Shifting (BEPS) project, which is seeking to establish an international set of tax rules to ensure consistency of the tax treatment of corporate activity around the world. Then there is the wider issue of tax avoidance, where corporations or individuals seek to take advantage of schemes that allow them to reduce their global tax bill. In between, the media has been peppered with stories of multinational companies whose tax bills in particular jurisdictions have been perceived as particularly small, while some countries, such as the UK, seek to lower their headline corporation tax rates in order to become more attractive to overseas investors.

‘Making taxation work effectively in the globalised, digital 21st century calls for collaboration among policymakers and commitment to working together on implementing agreed steps,’ says Fayez Choudhury, IFAC chief executive. ‘But it is citizens who will ultimately shape their government’s ability to implement reforms to our international tax system, and they will be the ultimate beneficiaries.’

As the research notes, public debate on the tax system and international tax issues has been intense in many G20 countries, sparking major tax policy reforms and ‘groundbreaking collaboration’ between countries with the aim of achieving a more coherent international system. According to the OECD, more than 100 countries and jurisdictions have now signed up to its inclusive framework on BEPS, which includes 15 action points covering areas such as the digital economy, controlled foreign company rules and transfer pricing regulations.

The BEPS project has brought about an unprecedented level of cooperation among tax-collecting authorities around the world – a reflection, perhaps, of the views of three-quarters of the G20 population who think it is important or very important for governments to cooperate on tax policy. One
Argentinian respondent says: ‘I believe it is important to create a closer union between countries in order to be able to help one another, instead of competing and fighting for resources.’

However, while the debate, certainly among politicians and the media, has increasingly focused on the morals and fairness of how much tax individuals or companies pay regardless of whether or not they have stuck to the law and regulations of individual countries, those surveyed take a more pragmatic view. Nearly three-quarters accept that paying taxes is mainly about application of the law rather than a question about what is morally correct (figure 3). The research also found that people are more than two times as likely to see paying taxes as more about laws and regulations.

Although the ‘court of public opinion’ may have forced the hand of some multinational companies, the G20 population wants governments to set clear expectations on how much tax is paid, and by whom. Such a move, the report argues, would help earn the public’s trust in the tax system.

The research finds that the population as a whole is not unduly concerned about whether or not local or multinational companies are paying a reasonable amount of tax – more than half of the population agree that they are. However, those in the US, UK, Australia, Canada and Italy tend to think that while average or low income earners and local companies are paying enough, they believe high income earners and multinational companies are not (figure 4). As the report says: ‘People’s views vary widely… creating a challenge for international cooperation on tax policy although there are clear clusters of countries where people share similar views.’

And drilling down deeper into people's views on tax minimisation strategies, it becomes clearer that there is no consistent view on how appropriate it is for different sized organisations, and indeed for particular individuals, to arrange their tax affairs so they pay a minimum level of tax. Overall, the survey found that people are 15% more likely to think it is acceptable for multinational companies to minimise their tax bill than for average or low income earning individuals.

However, again there is a split here between countries: people in jurisdictions such as Argentina, China and Indonesia see tax minimisation as more appropriate for high-income earners, local and multinational companies, but people in countries such as Australia, Germany, the US and the UK believe such behaviour would be more appropriate for average or low income earners.

The report describes these findings as ‘surprising’. But it is the lack of trust in the world’s policymakers, and how their policies are reported, that arguably provides the most worrying aspect of the research. As one Australian respondent put it: ‘To earn trust, you need to justify why and how much you are taxing an individual, and explain to the public and media where that money has been put.’ And as a UK respondent says: ‘My trust in media and government is at a low level for inaccurate reporting.’

This in part helps to explain the trust that appears to be placed in accountancy and tax professionals, and to a lesser extent, tax lawyers. Despite being criticised by politicians as

![Figure 4: Who is paying enough tax?](image)

Chart shows net percentage, agree or strongly agree less disagree or strongly disagree

<table>
<thead>
<tr>
<th>Country</th>
<th>Average or low income individuals</th>
<th>High income individuals</th>
<th>Local companies</th>
<th>Multinational companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>80%</td>
<td>40%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Canada</td>
<td>60%</td>
<td>60%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>China</td>
<td>40%</td>
<td>80%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Germany</td>
<td>60%</td>
<td>40%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>India</td>
<td>40%</td>
<td>20%</td>
<td>0%</td>
<td>-20%</td>
</tr>
<tr>
<td>Japan</td>
<td>20%</td>
<td>0%</td>
<td>-20%</td>
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<tr>
<td>Republic of Korea</td>
<td>0%</td>
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<tr>
<td>Russia</td>
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<tr>
<td>Saudi Arabia</td>
<td>-40%</td>
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<td>-80%</td>
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</tr>
<tr>
<td>South Africa</td>
<td>-60%</td>
<td>-80%</td>
<td>-100%</td>
<td>-120%</td>
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<tr>
<td>UK</td>
<td>-80%</td>
<td>-100%</td>
<td>-120%</td>
<td>-140%</td>
</tr>
<tr>
<td>US</td>
<td>-100%</td>
<td>-120%</td>
<td>-140%</td>
<td>-160%</td>
</tr>
</tbody>
</table>
Nearly three-quarters accept that paying taxes is mainly about application of the law rather than a question about what is morally correct part of the problem rather than the solution, it would appear that the general public puts more faith in the professionals. Indeed, more than half of the respondents believe their work contributes to the efficiency, effectiveness and fairness of the tax system (figure 5). But again there are regional differences.

So there is no ground for complacency. The report concludes: ‘The profession must work to maintain the strong level of confidence people place in it throughout many G20 countries, and address issues and challenges where concerns arise.’

Philip Smith, journalist

More information
The full report, G20 Public Trust in Tax, based on joint research by ACCA, IFAC and CA ANZ, can be found at bit.ly/G20-Tax
The concept of integrated reporting (IR) has been gaining ground. Promoted by the International Integrated Reporting Council (IIRC), IR attempts to address weaknesses in traditional financial reporting and help business develop resilient operations for the medium and long term.

Rather than focusing solely on their use of financial capital, companies applying the IIRC’s International IR Framework also report on other forms of capital – manufactured, intellectual, human, social and relationship, and natural. The approach recognises that companies’ success depends on many factors, including the expertise of their people, the intellectual property they develop through research and development, and their interaction with the environment and societies in which they operate.

Since the release of the framework in December 2013, IR adoption has steadily increased. From 2018, the IIRC intends IR to enter a ‘global adoption phase’ and take up a position at the centre of corporate governance and reporting. Almost 2,000 entities already participate in IR networks worldwide, while the IIRC’s IR Business Network – its flagship programme for organisations committed to adopting the framework – now has over 80 members.

So how successfully are the adopters incorporating the ideas behind IR and producing integrated reports? What helpful advice could their experiences provide for others interested in applying IR concepts for the first time? A recent ACCA report considers these questions, building on a 2016 review of 41 corporate reports issued by IR Business Network participants and drawing on detailed interviews with a sample of those reporters.

The report, Insights into Integrated Reporting: Challenges and best practice responses, found that organisations encounter a range of barriers when adopting IR. These can include difficulties in aligning key stakeholders (including senior management) behind IR, finding sufficient dedicated resources, addressing concerns about the legal liability of directors in relation to future-orientated discussion, and overcoming prescriptive regulatory requirements.

Nevertheless, IR Business Network participants are making good progress in some areas of IR. For example, 71% were considered to have provided a good insight into the organisation’s strategy, with 64% highlighting what gave them a competitive edge. The vast majority of companies reviewed (88%) included information on the range of capitals used or affected by the organisation, with 63% thought to have
‘communicated well’ across the capitals that were material to them. Two-thirds of the reports explained well (at a high level) how the organisation creates value for itself and others.

Could do better
But there is also room for improvement. Companies could, for example, do better at talking about risks and opportunities in the context of value creation over time, and in linking their performance to the capitals. Demonstrating value creation is complex because entities struggle to find measures that convey the full impact of their actions. How do you measure the value of employment, for example?

Interviewed for ACCA's report, Susanne Stormer, vice president of corporate sustainability at Novo Nordisk, the global healthcare company headquartered in Denmark, says that thinking and practice are still ‘immature’ in relation to quantifying or articulating the value that organisations derive from non-financial capitals. ‘You can have a narrative about how you use intellectual capital and the value created by constantly educating your employees so they can keep their employability, but you don’t really have metrics for it,’ she says.

IR Business Network participants also face challenges in relation to IR's underpinning principles – in particular, connectivity of information, materiality, conciseness, reliability and completeness, and consistency and comparability.

Interviewee Mikkel Larsen, managing director and head of tax and accounting policy at DBS, a financial services group in Asia, says the next step in developing IR for his organisation will be to improve linkage between risks and the P&L – ‘linking through from our strategy to the differentiators, into our risk section, into our resources, and over to when those resources transform themselves into financial resources’. Better quantification is another goal – to improve understanding of how resource value translates into financial value. ‘Because if we build up a heck of an innovation team, at some point hopefully that translates into financial value,’ Larsen says.

Although materiality is a familiar concept to the accountancy profession, the IR framework requires its application in relation to matters that affect value creation. One of the challenges is to reconcile the needs of different stakeholders when determining materiality – an issue may be more material to one stakeholder than another. Companies may also be using different materiality definitions under different reporting frameworks, which can be confusing.

The principle of conciseness is also challenging for many integrated reporters. Only 41% of the IR Business Network participants reviewed had produced concise reports. Many found it hard to be concise while also producing integrated reports that satisfy the reliability and completeness principle.

Integrated thinking
Despite the challenges of IR, companies are making progress, as shown by the examples given in ACCA’s report. The research among IR Business Network participants also offers encouragement for organisations thinking of embracing this form of corporate reporting. In their interviews, company reporters identified many benefits of IR, including more integrated thinking and management across their organisation, greater clarity on business issues and performance, improved corporate reputation and stakeholder relationships, more efficient reporting, enhanced employee engagement and improved gross margins.

For example, José Miguel Tudela, organisation and corporate responsibility director at Spanish natural gas transmission company Enagás, says the company has strengthened its relationships with finance providers as a result of IR. ‘Providers of financial capital have a better understanding of our strategy and performance as well as a greater confidence in the long-term viability of our business model,’ he says.

‘Our interviews with participating companies found passionate support for the aims of IR and a strong belief in the benefits it can bring,’ says Yen-pei Chen, corporate reporting subject matter expert at ACCA and one of the report’s authors. ‘Our interviewees have found many challenges in the process of applying the framework but see this as a long-term journey towards better reporting and the creation of value by their businesses over time. We hope that the practical advice in the report will give more people the confidence to start their integrated reporting journey.’

Sarah Perrin, journalist
The digital CFO

This first article in a series by ACCA in collaboration with PwC explains how finance leaders can help shape their organisations to prepare for the technology of the future.

Digital is reshaping the global economy and changing the face of the workplace. In PwC’s 20th annual CEO Survey, 75% of business leaders expected their organisations to feel the force of advances in technology.

Four major changes are shaping how businesses operate:
- channels to market are being transformed
- traditional customer bases are eroding and new ones are emerging
- product and service line profitability is dramatically shifting
- barriers to entry are falling.

As a result, disruptive competitors are appearing from nowhere. With increased risks and opportunities arising from digital, many established businesses are being pushed to innovate rapidly. There is pressure to become more efficient, agile and forward-looking, and faster to adapt. Disruptive entrants into a market, in contrast, have an obvious advantage: they have no heritage and can quickly develop business models with no legacy challenges. They can scale quickly, with processes that have been built with the customer in mind.

The pace at which organisations can grow or fail is faster than ever before, and identifying growth opportunities more important than ever. For CFOs and their finance teams, the rapid pace of digital and technological development provides challenges, but also an entirely new starting point to reframe their role as central to helping the business.

Reap the rewards

Finance leaders who take the opportunity that digital provides and who seek to embrace the technology shift will reap the rewards – as will their organisations. Operational processes will become increasingly automated, and we may even get to the ‘lights-out processing’ goal that finance teams have set themselves for seemingly decades. The standardisation of processing through the use of emerging cloud technologies means that custom-built systems won’t be the norm in the future, and robotic process automation (RPA) and artificial intelligence will remove the majority of manual tasks from the finance team.

To protect the future, finance leaders need to rethink how and where the business invests around its core capabilities. They need to drive the transformation of the business processes that create most value. Finance must become more customer-centric and more focused on products and services, how they are provided and at what price.

CFOs must capture, measure, report and predict future performance in a more agile manner. Data quality is critical, but so too is ensuring that finance teams have the skills to analyse decision-making and help identify opportunities. As such, digital demands an entire revolution of the CFO role, a different way of operating that first and foremost thinks ‘customer’. This means finance operations moving away from operational processing towards insight and analytics.

Today’s CFO needs to be a strategist, transformer and technology evangelist, as well as the ultimate steward and leader of finance operations in the business. Finance must use technology solutions to provide real operational insight.

Emerging trends

We see four pillars of technology:
- analytics: the explosion of data inside and outside the organisation to drive ‘big decisions’ and capitalise on ‘first-move’ opportunities, as well as rethinking key performance indicators and core processes
- cloud: running the entire business from cloud, lowering cost, delivering enriched and more versatile data to serve better decision-making
- collaboration: digital tools revolutionising how teams work together
- RPA: the adoption of virtual-worker software to drive automation, reduce process costs and increase control and standardisation; in the longer term, artificial intelligence will offer even greater opportunities.

A fifth pillar has now emerged, as processing and data...
This is an extract from ‘The ascent of digital – What does this mean for the CFO?’ by PwC and ACCA, identifying areas of opportunity in the face of digital change. See bit.ly/ACCA-PwC-digi

Things to think about

How can finance influence business decision-making? Where should you invest, which processes are key to creating value, and how can the organisation change to drive growth?

What is the role of different technologies across the organisation and across the finance function in better supporting the business? Where do you need to invest, what is the current fit with existing technologies, and how can you leverage technologies to deliver the most value?

Is the quality of your data a source of competitive advantage and do you understand how to use it to drive insight? How effective is the data governance and have you established the right teams and collaborative forums within the organisation to analyse and gain value from your data?

What are the implications of digital for finance talent – including, for example, analytical thinking, collaboration and commercial skills. Look beyond traditional recruitment to bring in new skills. Future-proof career paths. Examine the interventions you need to develop your finance workforce.

Skills shortage

With better access to rich data and increasing opportunities to automate operations, the balance of finance roles is pivoting towards insight generation and performance management. New roles in scenario-planning, business-model simulation and decision support are emerging. Nearly every organisation we talk to is reducing the time taken to process information through RPA. Many are finding that they don’t have the skills within their teams that they will require in future.

Commercial insight and digital know-how are critical as finance operations become increasingly analytical, judgment-demanding and technology led. Recruitment pools will need to diversify into skills not traditionally associated with finance. Many finance teams have moved away from these skills over the past decade as they have focused on cost and efficiency – perhaps there is now a risk that there is a skills shortage?

Traditional career paths in finance no longer exist; as enterprise functions are transformed and collaborate in the face of digital, the range of career opportunities becomes increasingly diverse, reflecting the broader skills of those in the organisation, and the needs of the business.

Finally, in the face of digital, learning interventions in finance are being transformed. The pace of change, innovation and virtual working all place a new premium on activities such as reverse mentoring, secondments, intergenerational knowledge-sharing and social-media engagement strategies. ■

Jamie Lyon, head of corporate sector for ACCA, in collaboration with Brian Furness and Andrew McCorkell of PwC, and Jens Madrian, CFO/COO of Reactive Technologies
Gain before pain

It’s not the information you convey so much as the order in which you say it that’s the clincher when it comes to negotiating, as our talent doctor Rob Yeung explains.

How many times have you had to negotiate in the last year? Many people think of negotiation as something that is required only in occasional, formal situations, such as when an employer and candidate discuss terms of employment or when suppliers deal with customers and clients. But life – both working and personal – is, in truth, full of opportunities for negotiation.

When you and any colleague discuss the nature of a task or project and decide who will do what, that’s a negotiation. In your personal life too, even the process of coming to an agreement over the household chores with your partner or a flatmate is a type of negotiation.

Some standard negotiation skills courses teach that negotiation should be approached as an almost mathematical exercise: the application of logic in finding an agreement that best suits all parties. However, psychologists continue to discover that human beings are far from rational – and that we can use this irrationality to achieve better outcomes for ourselves.

Imagine you are negotiating with a client over the price of a product that your company sells, such as a pallet of bricks. You could say ‘I would like you to pay €1,000 for a pallet of bricks’ or ‘I will give you a pallet of bricks for €1,000’. From a logical point of view, the two are identical statements. Both contain the same information: that a certain financial sum should be exchanged for a specified number of bricks.

But from the point of human decision-making, it turns out that these two statements are not perceived in the same way at all. In a series of studies conducted jointly by Leuphana University and Saarland University, in Germany, the researchers discovered that the choice of wording made a material difference to how these opening bids were perceived.

Across eight studies, the researchers led by Leuphana University’s Roman Trötschel discovered that sellers always obtained better financial outcomes when they phrased their proposals as an offer (eg ‘I will offer you my services for €800’) rather than a request (eg ‘I would like €800 for my services’). In other words, if you are selling a product or service, you should be sure to mention what you can do for your customers or clients ahead of what you want in return.

However, the reverse was true for buyers. Buyers who opened the discussion with an offer (eg ‘I can give you €1,200 for your car’) tended to come away with better deals than buyers who began with a request (eg ‘I would like €800 for my services’). In other words, if you are a customer and looking for the best deal possible, remember to open the negotiation with the fee you can offer.

The order in which you phrase offers or requests matters because it affects the degree to which the person hearing it is reminded of either gain or loss. When people hear something like ‘I will offer you this computer for €620’, they are more likely to focus on what they can gain (the computer) rather than...
what they will have to part with in return (£620). On the other hand, when people hear the request ‘I would like £620 for this computer’, they focus more on what they would lose from it (£620) rather than what they would gain from it (the computer).

This effect holds even though the different forms of wording result in sentences that are equivalent from a logical perspective. It is a quirk of human psychology that we seem to be more persuadable when we think we are gaining something rather than losing something.

Summarising all of this research, the underlying principle is to phrase your proposals in terms of what the other person can gain rather than what they lose. In the opening stages of any negotiation, therefore, be sure to talk about what you are offering before you mention what you would like in return.

In practice, it can be quite difficult to remember the particular order in which you need to phrase opening offers should you be improvising. To give yourself the best chance of choosing the right wording, it could be worth writing down the precise statements that you intend to use.

By making the most of this loophole in the way that the human mind makes decisions, you may ultimately achieve a better outcome for yourself.

Dr Rob Yeung is an organisational psychologist at leadership consulting firm Talentspace: talentspace.co.uk

Q

I have a fairly specialised finance role within a large corporate, and all of my experience has been in large organisations. However, I like the idea of moving to a smaller organisation where I can assume a broader range of responsibilities and get more involved in decisions that meaningfully impact the business. What steps should I take to explore whether this might be a realistic option for me?

A

Whenever someone is considering a career move of any kind, I encourage them to research their options, ideally through face-to-face, one-on-one conversations. Get in touch with friends or ex-colleagues who may be working in the kinds of organisations you admire. Offer to meet them before work, after work or even at weekends, and ask for a half-hour of their time.

Meet with a written agenda as it is your responsibility to structure the meeting. Think about both your aspirations and concerns: what open-ended questions will allow you to gather useful insights? At the same time, be careful to maintain a light tone; this should be conversation, not interrogation.

Thank the people that you meet for their time and let them know every few months how you are getting on. You never know: one of these people could potentially recommend you for the kind of opening you want.

Consider recruitment consultants. Show them your CV and ask for advice. But be aware that some commission-based consultants may try to push you into a role because there’s a fee in it for them. So weigh up their advice more carefully as they may be telling you more of the pros than the cons of the options they recommend.

Finally, accept that moving into a new role may not be possible swiftly. If you have insufficient commercial experience or lack the breadth of financial skills that a smaller business requires, you may need to make a plan to tackle your deficiencies and make yourself more attractive as a candidate.

Tips for the top

I recently coached an executive who wanted to become a more charismatic presenter. Here are three tips that really helped him:

* Rather than trying to make eye contact with everyone in the audience, focus on only four points: the top, right, left and bottom sides of the audience. It’s less stress-inducing than trying to look at everyone in an audience.
* Start every presentation with a story rather than a fact. That way, you can talk about why a topic or issue is of importance to you, which helps you come across more passionately.
* Do at least two timed run-throughs of the entire presentation. This ensures you have enough content to fill the allotted time slot – but also that you don’t have so much to say that you run over.
Agility training

In uncertain times adopting a flexible, fluid approach to planning can enable more creativity and encourage strategic thinking, says Tony Grundy

The concept of ‘agile’ was born out of software projects and can be traced back to the 1970s. It arose in response to project planning that tried to grasp the whole scope of a project – all of its deliverables, all of its options, all activities to be planned and all timescales, milestones and resources needed for the entire project up front.

Software projects are particularly vulnerable to uncertainty, caused by many variables that are not only volatile individually but when brought together cause havoc. But an agile philosophy can help strategic thinking and planning in coping with uncertainty.

‘Agile’ has many ingredients. It suggests that:
* all-singing, set-piece planning processes for complex, uncertain and interdependent issues are likely to be too ineffective, too rigid and ultimately fail to deliver much value
* where the end product (strategic decisions, plans and actual implementation) has to be innovative, a highly comprehensive and rational process is at best going to produce banal outputs and ones that aren’t resilient in the real world
* once these plans are in their final form, they are likely to be set in stone and not adapted or steered to their destination around emerging obstacles.

Instead, agile prescribes that design planning processes should be:
* iterative, so that teams are willing to revisit and rework ideas
* possible to refine, re-engineer and stress-test against the strategy

These ideas are highly attractive to any strategic planning process where change is very fast and accelerating.

A more iterative and fluid process also helps us digest surprising insights and abandon false assumptions. It also allows time emotionally for letting go of commitments to inappropriate strategies, and to switch agendas to support new options. Agile is sometimes associated with very loose brainstorming, freedom from any pre-conceived process.

According to type

But agile actually extends beyond the strategic planning process. It should encompass the strategy itself, regardless of type.

For example, business academic Henry Mintzberg identifies ‘deliberate strategy’ – one that ‘has a clear logic, that is based on the position (internal and external), and opportunity-set of a company and is crystallised in a number of strategic decisions’. He also identifies ‘emergent strategy’ – ‘a pattern in a stream of decisions or actions. It can typically be observed or discerned only after the event.’

Mintzberg’s ideal is for these two forms to be in balance; just as someone walking will first move one leg forward and then the other, a company might experiment with some developments, find a combination that seems to work (emergent strategy), then refine it into a plan and formalise it. At that point it becomes a deliberate strategy.

Mintzberg’s classic picture of emergent strategies is of little arrows neatly aligned in the same direction, like iron filings on a piece of paper after being stroked underneath by a magnet. That ‘magnet’ only exists in business through a rare combination of strategic vision, leadership and high-quality strategic thinking. But when that is not all present we see frustration, confusion and wasted resources, which is mostly the case.

Other forms of strategy are:
* ‘submerged’, where the strategy isn’t working but is still committed to
* ‘emergency’, where the strategy isn’t working and commitment is low, but no one knows what to do about it strategically.
‘detergent’, where a strategy to sort out a mess is under way. These strategies often seem to go around in a cycle, from deliberate-emergent-submergent-emergency-detergent and back to deliberate again. This is horrendously inefficient and value destroying.

**War footing**

So what exactly should an agile strategy be? A good start is to have a mix of mainly ‘emergent-deliberate’, but more is needed to cope with multilevel uncertainty. So a ‘contingent strategy’ is needed. As US general Tommy Franks said during the 2003 Iraq War, ‘A principle of war is flexibility, flexibility is the key to planning. Plans don’t last, plans are just there, plans are something in the future, and once you start you adapt as necessary.’ In military strategy a ‘contingent approach’ is essential, given the interacting effect of many uncertainties. So why can’t managers use a similar model?

Strategy is about managing a future that is often uncertain. All of strategy is thus a bet about the future. Any entrepreneurial approach to strategy recognises that all strategies and business plans are bets, but how can we improve the odds of success? And how do we manage strategies that are essentially contingent on aligned future states of the world? This is where the contingent strategy comes in.

Instead of making a single, relatively irrevocable commitment to a course of action, the commitment is held in as fluid a form as is possible, reducing exposure to the bet. Contingent strategy should, other things being equal, increase the strategy’s return and reduce its risk.

A contingent strategy is committed to only when certain external and internal conditions are sufficiently aligned, and is then communicated as contingent, too. This fluid approach might heighten anxiety but could give better results, as learning would be optimised.

Having a contingent strategy requires resources earmarked in plans and budgets to be allocated and subsequently managed in a flexible way. Resource availability may be contingent both on achievement of key success indicators within the strategy itself, and on other alignment conditions – ie on the environment being as we assumed it would be. It also requires new processes for communicating, monitoring and adapting specific contingent strategies.

**Focus on breakthroughs**

It is best to focus on a really small number of strategic breakthroughs alongside more tactical, continuous improvements. Again, one of the weaknesses of conventional strategic and financial planning is that it attempts to sweep up everything that might potentially be on the planning horizon, so there is a lack of prioritisation and concentration of resources. This can be avoided through the Japanese philosophy of strategic breakthroughs: within a particular business you only focus on between one and three really challenging or new strategies. Then you take each one of these relentlessly to its target using agile or flexible strategies and plans.

If conventional planning could be likened to launching a missile from a specific location to a fixed target with a set trajectory, an agile process would be more like a cruise missile that navigates around obstacles as it goes, using a clever and very sensitive guidance system.

Dr Tony Grundy is an independent strategy consultant and trainer. 
tonygrundy.com

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*More information*

Get CPD units by answering questions on this article at accaglobal.com/abcpd
Mind the mentor

Having a cluster of mentors to guide you and a safe haven to help weather the storms is really important for those at the sharp end, says David Parmenter.

In this day and age, only the foolish venture forward without having a mentor supporting them from behind the scenes. The legendary leader Jack Welch, who was CEO of General Electric, believes you will seldom find all your help in one mentor so you need a cluster of them.

A mentor is normally someone older than you, wiser, with more grey hair, who knows something about what you are doing. It could be a retired CEO, a retired board member who has known you for a while, a professional mentor or someone in the sector where there is no conflict of interest.

In business many costly failures could have been averted if advice had been sought from a trusted and wise mentor. A good mentor will save your career a number of times.

Mentors are also well connected and often will further your career. When looking for a mentor, start at the top and work down. Even the most successful people are happy to mentor up-and-coming younger guns.

The key is the selection (and use) of your mentor/adviser and realising that just because you have asked once, does not preclude a second or third request.

While organisations need to get behind mentorship programmes, it is important to have a real chemistry between the mentor and mentee.

Leadership coaches Mick Ukleja and Robert Lorber believe there are four different types of mentor.

Upward mentors are the people whom you respect and admire. They have helped and are still helping you become who you are. They can be a parent, grandparent, coach, author, pastor, rabbi or boss. They may be someone you have yet to meet.

Friendship mentors are the people with whom you experience life. You have gone through various stages with them. They are your peers and you’ve learned from them in a mutually giving way.

Then there are the sandpaper mentors. You don’t have to look for them; they always find you. These are people who rub you up the wrong way. Don’t reject all that they say simply because they are critical or cranky. In reality they can help you – if you are observant, open and non-defensive.

Finally, downward mentors are the people in whom you are investing time to help them progress. They may be younger than you, but not necessarily. When you invest in others in a giving relationship, you actually learn a lot about yourself. You experience what's important to you.

Second passion

All leaders will have many soul-searching moments during their journey. The magnitude of these can be severe if the leader is taking their team on a significant conquest. In order to cope with these ‘downs’, you need to have built a safe haven, a place where you can retreat and recover. Leaders need to nurture close family relationships and hobbies that offer relaxation. Without a safe haven, leaders will succumb to the sense of failure that can permeate when all they have in their life is their chosen conquest that has now derailed.

The importance of the second passion, consultant Paul Drucker noted, was that it acts as a failsafe and also stimulates the brain in different ways, leading to clearer thought patterns and better decision-making.

David Parmenter is a writer and presenter on measuring, monitoring and managing performance.
Insurance contracts

Many insurance companies will need to make significant changes to their accounting policies to comply with IFRS 17. Adam Deller explains how the standard will work.

The International Accounting Standards Board (IASB) is close to publishing IFRS 17, Insurance Contracts, to replace IFRS 4, Insurance Contracts. It is expected to have an implementation date of 1 January 2021.

IFRS 4 was issued in 2004 as an interim standard that permitted companies to continue their accounting practices. It focused on greater disclosure about the amount, timing and uncertainty of future cashflows from insurance contracts, and was the initial stage in designing an accounting standard for insurance contracts – a second stage was always planned.

Different accounting models have evolved in each jurisdiction according to the circumstances and types of insurance products. This has led to a significant diversity in accounting practices for insurance contracts. These differences have made it difficult for investors and analysts to understand and compare insurers’ results.

IFRS 17 completes the IASB’s project to make insurance accounting practices consistent across jurisdictions. It offers three major models to apply to insurance contracts: the general model, the premium allocation approach, and the variable fee approach. As the general model is the default for all insurance contracts, we will examine this in the most detail and give only a brief overview of the other two approaches.

General model
In terms of recognition of items, IFRS 17 introduces two key terms: contractual service margin and fulfilment cashflows.

The contractual service margin is calculated at the start of the contract as the difference between the present value of the expected cashflows (plus a risk adjustment) and the present value of expected premiums. In its simplest form, the contractual service margin represents the overall profit expected on the insurance contract.

The fulfilment cashflows represent the estimate of the present value of the future cash outflows less the present value of the future cash inflows that will arise as the entity fulfils the contract.

A key principle of IFRS 17 is that no gains are recognised when the contract starts. This is because the entity has not yet satisfied any of its performance obligations. Instead, the contractual service margin is recognised as the entity satisfies the performance obligation, making the treatment consistent with IFRS 15, Revenue from Contracts with Customers. Any unearned profit (such as premiums received) is recognised as a contract liability, being released over the contract period, consistent with the general principles of deferred income.

As for grouping contracts, entities will continue to assign contracts to portfolios with similar risks and managed together in a single pool, such as whole life insurance or car insurance. Each portfolio must be divided into...
The timing of gains recognition – example
An entity receives $900 in premiums at the start of an insurance contract spanning three years. It calculates the expected cash outflows to have a present value of $600 ($200 each year), giving a contractual service margin (expected profit) of $300.

In year one, the entity would record $300 in insurance revenue and $200 for incurred claims. As the entity has received $900 but recorded only $300 in revenue, the remaining $600 will be held as a liability. This must be disclosed as between the fulfilment cashflows of $400 to be incurred at $200 a year and the remaining contractual service margin of $200 (the remaining unearned profit). The liability will decrease to $300 at the end of year two as $200 fulfilment costs are incurred and a further $100 contractual service margin is earned. This will be repeated in year three.

groups for contracts issued in the same 12-month period, as follows:
* Contracts that are onerous at inception: will require an immediate loss to be recognised in profit or loss
* Contracts that at inception have no significant possibility of becoming onerous subsequently: will require any unearned profit to be recognised as a liability and released as the insurance is provided
* Other profitable contracts: will require recording in the same way as contracts deemed to have no significant possibility of becoming onerous.
A narrow exemption here is where an entity is constrained by law or regulation to set prices or benefit levels that vary according to policy characteristics. This followed lobbying by insurers operating in the EU, who must charge men and women the same for the same insurance products without distinction on grounds of gender. If this exemption applies, the entity may include these contracts in the same group and disclose the fact that it has been applied.

Dealing with changes
In terms of discount rates, insurance contracts will be measured at current value, using discount rates that reflect the characteristics of the insurance cashflows. The use of current interest rates will be a change for companies that currently use the expected return on assets held as the discount rate.

As the discount rates used are updated regularly to show the current interest rates, any changes to the liability arising from a change in the discount rate used should be shown in other comprehensive income, rather than profit or loss.

Any increases in the liability arising from the time value of money based on the discount rates used will still be shown in profit or loss, following the ‘unwinding the discount’ principle prevalent in many existing IFRSs.

For the contractual service margin, in addition to the changes made to reflect discount rates and the time value of money, the present values of the fulfilment cashflows must be updated each year to reflect the anticipated cashflows. This has been a point of debate, but the tentative conclusions drawn by the IASB are:
* Changes in estimates of the present value of future cashflows arising from non-financial risks (other than those relating to incurred claims), are adjusted against the contractual service margin, so these changes will effectively be spread over the remaining contract period as the service margin is recognised.
* Changes relating to incurred claims should be recognised in profit or loss for the period, rather than in the contractual service margin. This will result in the full impact of the changes being recognised in the current period rather than being spread over the remainder of the contract.

Alternative approaches
This premium allocation approach can be used where the coverage period is less than a year, or where there are no significant expected changes in estimates before the claims are incurred.
The calculations are similar to those under the general model, but there is no requirement to discount the liability to reflect the time value of money. There are also fewer disclosures required.

The variable fee approach has been introduced to cut IFRS 17 implementation costs for simpler contracts, such as short-term non-life insurance.

The variable fee approach can be used only for contracts with direct participation features, as outlined in the following situations:

* The policyholder participates in a share of a clearly identified pool of underlying assets
* The entity expects to pay a substantial share of the return from those underlying assets to the policyholder
* Cashflows are expected to vary with underlying assets.

Under the variable fee approach, the fulfilment cashflows that are expected to vary directly with return on the underlying items are presented in accordance with the treatment of the underlying item.

Accordingly, if the underlying item is a financial instrument held at fair value through other comprehensive income, the changes in the fulfilment cashflows that vary directly with these returns are also taken to other comprehensive income. Likewise, if the underlying pool of assets is held at fair value through profit or loss or at amortised cost, the changes would be taken through profit or loss.

Disclosure changes
Many of the disclosures for IFRS 4 are kept in IFRS 17, along with an outline of the risk adjustment applied and the contractual service margin. No such disclosure is required under the variable fee approach.

The application of IFRS 17 is likely to be complex, requiring the input of many specialists, and many entities will need to make significant changes to their accounting policies. The hope is that this first full attempt at a global standard for insurance contracts will help eliminate the myriad of different accounting policies in use.

Adam Deller is a financial reporting specialist and lecturer.
Tax update

Cora O’Brien looks at Revenue’s annual report, highlights issues around offshore income and welcomes clarification of the VAT exemption for education and training

Good year for Revenue
Revenue’s annual report for 2016 has been published. In terms of tax collection, 2016 was a very good year. Net receipts increased by 4.7% on 2015 to €47.95bn – the highest figure in the history of the state. Tax compliance rates remain very high with over 90% of taxpayers returning and paying their taxes on time.

A growing area of focus for Revenue is the exploitation of data and technology to direct compliance interventions and the expansion of online services for taxpayers. A key pillar of Revenue’s Customer Engagement Strategy (2016-19) is to enhance and improve the uptake of online services, and the report outlines a range of new online services. A new website will be launched in June, which is intended to be more user-friendly; we expect to see website developments aimed at practitioners’ needs in the latter half of 2017.

Revenue has a wealth of taxpayer data from domestic and international sources and has been heavily focused on improving its analytical capabilities, through specialist training for staff and further investment in data analytics. Under the automatic exchange of information rules, Revenue will receive financial account information on Irish taxpayers from more than 100 countries across the globe over the next two years. As Revenue’s ability to analyse data improves, we will likely see more focused data-driven interventions.

The report also acknowledges the challenges from Brexit. Revenue is considering the potential implications for customs controls and is working closely with the inter-departmental Brexit group as matters emerge.

Offshore disclosure changes
The deadline for making a qualifying disclosure expired on 4 May. We understand that Revenue will publish statistics shortly on the number of disclosures received and the yield.

Now that the deadline has expired, the new regime will come into full effect. It is no longer possible to make a qualifying disclosure in relation to offshore income and gains. This means that in the event of an audit or compliance intervention, taxpayers could be faced with stiff penalties and possible prosecution. It is not yet fully clear how it will operate in practice. No doubt penalty mitigation will still be possible where a taxpayer fully cooperates with a Revenue intervention. However, Revenue’s prosecution criteria have not been revised, and how they approach this issue will be important. It is worth remembering that the provisions in the Audit Code, which allow for self-correction of a tax return (within certain time limits), a technical adjustment where there is a difference in interpretation of the law and ‘innocent error’, remain. So, there is some scope for correcting mistakes where they are identified.

One of the trickiest areas of tax can be the treatment of offshore funds. The legislation is quite complex, but given the myriad of investment products, it can be difficult to fully understand the composition of clients’ investment portfolios.

Revenue has updated two manuals on the tax treatment of offshore funds. They now include decision trees and further guidance on determining whether an investment is subject to the offshore funds regime.

There is more information about making an offshore disclosure on the Revenue website at bit.ly/rev-disc.

VAT and education
Finance Act 2015 amended the VAT exemption that applies to education and training...
parties. According to Revenue’s most recent analysis of corporation tax returns, LCD cases account for 82% of the corporation tax yield.

In a significant change, only taxpayers who join the framework will have a dedicated case manager. Others will have to use the general LCD correspondence email address largecasesdiv@revenue.ie to submit queries via MyEnquiries.

RTS guidelines
The Revenue Technical Service (RTS) enables tax agents and taxpayers to submit complex technical tax queries to Revenue: for example, clarification of the tax position pre-transaction. For some time, agents have sought the opportunity to interact directly or meet with the RTS expert responding to the query, as it can be difficult to convey the context of the transaction and the full facts in email correspondence.

In a welcome development to the RTS, Revenue has acknowledged that it may be appropriate for the RTS expert to meet with the taxpayer/agent in some circumstances to fully understand the query. The RTS guidelines have been updated to reflect this operational development; they also include a new query submission form, updated query management officer details and some information on the exchange of tax opinions. You can access the guidelines at bit.ly/rts-guide.

Trump’s tax plans
There has been extensive coverage in the media of the US tax reform plan announced by President Donald Trump’s administration in recent weeks. At this early stage, it is difficult to ascertain its implications for Ireland. Considerable work will be required to convert the principles of the plan into a detailed legislative proposal, which will need to be agreed by both Houses of Congress, before it can move ahead.

Three measures on business taxes are proposed:
* a reduction in the corporate federal tax rate from 35% to 15%
* a one-time tax on the repatriation of foreign earnings of US companies (no rate is mentioned in the plan)
* a move from the existing worldwide tax system to a territorial one, with exemption for foreign dividends.

There was no mention of the controversial ‘border adjustment’ measures proposed by the House Republicans’ task force on tax reform in June 2016. It remains to be seen whether this is still on the agenda.

Cora O’Brien is director of technical services at the Irish Tax Institute.
Glenn Collins, ACCA UK’s head of technical advisory, provides a roundup of developments of relevance to practitioners in Northern Ireland.

**NI tax update**

**Notice and guidance updates**

**VAT Notice 718/2: The auctioneers’ scheme** is a new notice. It explains which goods are included under the scheme, how it works, how to calculate the margin and what the records requirements are.

**VAT Notice 701/30, Educational and Vocational Training** has been updated. The apprenticeship service treatment is incorporated within section 13, ‘Government approved vocational training schemes’. The general treatment is that supplies that are partly funded by an employer and partly funded by the new apprenticeship levy will ‘only be exempt to the extent of the funding from the apprenticeship service account. This includes any monthly top up from the government to that account.’

You can find these and other notices at bit.ly/gov-vat-not.

**Client notification letters**

Client notification letters to relevant clients should, if not already actioned, be sent by 31 August. The **International Tax Compliance (Client Notification) Regulations 2016 (SI 2016/899)** amend the previous 2015 regulations and require certain financial institutions and professional advisers to contact their UK tax-resident clients who have overseas income and assets. HMRC says that financial institutions and advisers falling under the obligations should:

- highlight how clients can make a disclosure
- warn clients about the increasing penalties and possible criminal prosecution if they fail to declare offshore assets.

The obligation is placed on financial institutions and also individuals and companies who provide advice or services to individuals relating to offshore accounts, income or assets. They are referred to within the legislation and guidance as a specified financial institution and a specified relevant person. Tax advisers are clearly referenced within the guidance material. The ‘specified’ firms and individuals are required to identify those clients falling within the legislation and send notifications to them on or before 31 August.

**Gift Aid: small donations**

On 6 April, some of the rules for the **Gift Aid Small Donations Scheme (GASDS)** were changed.

- The maximum amount of GASDS top-up you can claim is 10 times the total amount of Gift Aid donations claimed on by the charity or charities and community amateur sports clubs (CASCs) in that tax year.

For example, to claim a top-up payment on £100 of small donations you need to successfully claim Gift Aid on at least £10 of eligible donations in the same tax year.

- Donations will be eligible as long as the managers of the charity or CASC have taken reasonable steps to apply the £20 limit. (This limit is the amount an individual can donate, which is regarded as a small donation.)

- For both CASCs, the maximum donations limit is £8,000 per tax year. This limit applies to eligible small donations collected anywhere in the UK. Charities can choose whether to claim top-up payments on one of either up to £8,000 on donations collected anywhere in the UK, or up to £8,000 for each community building, under the new community buildings rules. See bit.ly/gasds-change.

**Tax case: HMRC information**

The **PML Accounting Ltd case judgment** has been made (bit.ly/pml-hmrc). The original tribunal case surrounded a number of issues and went against HMRC. The tribunal decision was that a defective notice made all other stages dependent on it invalid. HMRC carried on with its investigation and case and, according to the tribunal, ‘an important plank of its defence is that the tribunal had no jurisdiction to decide that the information notice was invalid’.

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**Accounting and Business June 2017**
Auditors and the ODCE
A minor but important change to the Companies Act 2014 was made by section 65 of the Companies Accounting Act 2017. It requires auditors to report category 1 and 2 offences to the Office of the Director of Corporate Enforcement, and the threshold for reporting has been substantially lowered. The old text read: ‘... there are reasonable grounds for believing that the company or an officer or agent of it has committed a category 1 or 2 offence...’ The new text replaces ‘has’ with ‘may have’.

Director loans discounting
Director and shareholder (natural persons) loans under FRS 102 have just got easier to account for. The Financial Reporting Council (FRC) has confirmed that FRS 102 now includes an option to measure such loans at cost (rather than discounted). The change is with immediate effect and retrospective.

Suspicious transactions
Accountants, bookkeepers and tax advisers are designated persons under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and 2013. Designated persons are required by the legislation to identify clients, monitor their clients’ transactions, adopt certain policies and procedures, train staff, keep records and report suspicions of money laundering to the Garda Financial Intelligence Unit (FIU) and Revenue. Professional accounting bodies (or the Department of Justice for unregistered practices) monitor compliance. In an accounting or tax practice, most reports relate to suspicions of fraud, theft and tax evasion by clients. Up to now, they were paper based but since the end of May this has changed with the introduction of an online reporting system, goAML.

The new system allows accountants and tax advisers to submit suspicious transaction reports (STRs) electronically to the FIU either via a secure website or by uploading XML files. The money-laundering reporting officer (MLRO) must register before making a first report. The FIU recently emailed accountants and tax advisers who had previously made an STR with some guidance on the registration process, but there are full details at fiu-ireland.ie.

Once an STR has been uploaded to goAML, it can be printed and forwarded to the Revenue. It would seem easier for the Garda to share the information directly with the Revenue; the FIU says it is looking to introduce automatic sharing in the future. However, the GoAML system allows for the secure submission of STRs and electronic receipts, and includes a secure messaging system. The FIU plans to use this to share information on money laundering and terrorist financing. The periodic feedback letters that used to be sent to a practice that had made an STR will cease.

The FIU helpline is (01) 666 3714 or email FIU-Ireland@ garda.ie.

Grant-aided organisations
Pobal, which acts as an intermediary for government and EU funding, requires that the recipients of its funding provide the information set out in DPE.
provision for deferred taxation on investments marked to fair value
posting ‘temporary’ diminutions in fair value to OCI rather than profit and loss, ie using the old treatment in SSAP 19 for temporary diminutions in investment property and applying that to stock market investments
* not discounting long-term financial instruments (long-term directors’ loans and similar)
* abridging, claiming audit exemption or using FRSSE for any entity regulated by the central bank – including entities with incidental regulation, such as car dealers and other businesses selling warranties
* assuming that the accounting does not change under FRS 102 compared to old GAAP.

The UK is 12 to 18 months ahead of Ireland on the conversion to FRS 102, and use of the wrong GAAP (FRS 102, 105, old GAAP or FRSSE) for a particular year-end has been identified as a problem in the UK too. In Ireland, FRSSE ceased to be available for accounting periods beginning on or after (a/b) 1 January 2016. Old GAAP ceased to be available for a/b 1 January 2014. FRS 102 (1A) is partially available for a/b 1 January 2016 and fully applicable (subject to law changes) from a/b 1 January 2015. FRS 105 will be fully applicable subject to law changes from a/b 1 January 2015.

One area coming up quite often is the audit of income. None of the standard audit programmes deals with between electricity and heating was correct. Putting the expenses in an appendix relieved auditors of this work, although they were still, in effect, providing assurance that the split was in accordance with their understanding. While an auditor will do a regularity and probity test on expenditure in charities, auditing the split of such expenditure among different grant-aided activities will be very difficult.

Accounting estimates
The IAASB is consulting on changes to the auditing standard. The proposed changes will apply to the audit of all accounting estimates but have been developed to support the audit of expected credit losses in banks, following the introduction of revised accounting standards. The guidance will also be relevant to auditors of credit unions auditing the loan provision. More details at bit.ly/Proposed-ISA-540.

Audit monitoring
Outcome statistics for audit monitoring visits have dipped marginally in Ireland in the past year. Some members are reporting that they have done ‘well’ in their audit work but have made errors in the conversion to FRS 102. Some of the training firms have said the same thing, that they are coming across transition errors and incorrect accounting during their pre-monitoring and compliance visits. The main issues identified are:
* provision for deferred taxation on the inherent CGT on revalued buildings...
Proposed changes to FRS 102
This is one exposure draft that will be welcome in owner-managed SMEs and in SMPs. Most entities adopted FRSSE for 2015 and are implementing FRS 102 for 2016 for the first time this year. Practices are struggling with this, so telling them that there are already proposed changes to the standard that they are trying to implement will not engender much love for the standard-setter, FRC. However, practitioners and businesses will be happy to hear that almost all of the suggested changes will simplify or provide an option to avoid the unnecessarily complicated accounting required in FRS 102. Here are the most relevant proposals:

* Loans to directors and shareholders will not need to be discounted and will be allowed to be measured at cost/nominal value.
* There is a simplification option for the accounting for intangible assets acquired in an acquisition, which will not need to be separated out, measured and accounted for.
* Property rented to a group company will not be treated as investment property in single company accounts (previously treated as investment property at single-company level and own-use property at group level).
* Additional guidance will be issued to ensure financial instruments on the margin of simple or complex now fall into the simple category more easily.
* Some group treasury functions had accidentally pushed an entity into the ‘financial institutions’ category. The definition has been tightened to remove these types of entity.

Comments to FRC by 20 June. The final proposals are due to be published in December 2017, with an effective date for accounting periods beginning on or after 1 January 2019. Early application will be permitted so, in effect, 2017 year-ends can use the new treatments when they prepare their accounts in 2018. See bit.ly/Draft-FRS-102.

ESMA 2016 report
For members using IFRS in the quoted company environment, a report from the European Securities and Markets Authority at bit.ly/ESMA-enforcement-report identifies the activities of regulators across Europe. In total 1,200 financial statements were looked at, representing 21% of all entities within scope. From this, 311 actions were taken to address departures from IFRS. Areas of greatest interest for ESMA in 2016 were: the presentation of financial performance; the distinction between equity instruments and financial liabilities; and disclosure of the impact of the new standards issued by the IASB, but not yet mandatorily applicable (IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases).

Auditing the split of expenditure among different grant-aided activities in a small organisation will be difficult

Aidan Clifford is advisory services manager, ACCA Ireland
New benefits from our strategic alliance

Reach magazine, CPD opportunities and a higher profile

Find out more about the alliance at accaglobal.com/alliance
Tax diary

Financial professionals working in Ireland should note the following important dates and deadlines for June and July 2017, supplied by the Irish Tax Institute.

**Companies**

**Dividend withholding tax**
14 June Dividend withholding tax return filing and payment date (for distributions made in May 2017).

**Corporation tax**
21 June Due date for payment of preliminary tax for companies with a financial year ending 31 July 2017 (ROS extension to 23 June 2017).

**Corporation tax**
21 June Last date for filing corporation tax return and making final payment for financial year ended 30 September 2016 (ROS extension to 23 June 2017).

**Corporation tax**
21 June Due date for payment of initial instalments of preliminary tax for ‘large’ companies with a financial year ending 31 December 2017 (ROS extension to 23 June 2017).

**Form 46G**
30 June Final date for companies with year-end of 30 September 2016 to file third-party payments return.

**Dividend withholding tax**
14 July Tax return filing and payment date (for distributions in June 2017).

**Corporation tax**
21 July Due date to pay preliminary tax for companies with a financial year ending 31 August 2017 (ROS extension to 23 July 2017).

**Corporation tax**
21 July Last date for filing tax return and making final payment for financial year ended 31 October 2016 (ROS extension to 23 July 2017).

**Corporation tax**
21 July Due date to pay initial instalments of preliminary tax for ‘large’ companies with a financial year ending 31 January 2018 (ROS extension to 23 July 2017).

**Form 46G**
31 July Last date for the filing of the third-party payments return (form 46G) for companies with a financial year that ended on 31 October 2016.

**General**

**PAYE**
14 July P30 monthly return and payment for June 2017 (ROS extension to 23 July 2017).

**Professional services withholding tax**
14 July F30 (PSWT) monthly return and payment for June 2017 (ROS extension to 23 July 2017).

**VAT**
19 July Bi-monthly VAT 3 return and payment for May/June 2017 (ROS extension to 23 July 2017).

**Relevant contracts tax**
23 July Monthly Relevant contracts tax return and payment date (if required) for June 2017 (principal contractors file via ROS).

Information supplied by the Irish Tax Institute

Disclaimer: This calendar of main tax compliance deadlines is not intended to be an exhaustive list. While every effort has been made to ensure the accuracy of this information, the Irish Tax Institute does not accept any responsibility for loss or damage occasioned by any person acting, or refraining from acting, as a result of this material.
The road more travelled

A recent ACCA forum in Limerick heard from Uber’s Kieran Harte how new ideas on the sharing economy could help cities tackle some age-old problems.

The future of our cities is at risk due to traffic congestion impacting mobility and adversely affecting business development and growth, according to Kieran Harte, Uber’s head of cities in Ireland and the UK, who outlined the company’s business model to Ireland’s financial leaders at the ACCA Business Leaders’ Forum in Limerick in April.

Harte said that Uber’s business is based on travel for everyone, the development of smart cities and the alleviation of congestion – a significant problem in all major cities worldwide with serious environmental consequences.

Standstill problem

Harte, who oversees a workforce of 250 at Uber’s Limerick base, pointed out that while heavy traffic causes problems to businesses and commuters, 96% of cars remain stationary for most of the day.

He went on: ‘Think about city centre car parks; think about on-street parking in city centres; think about park and rides, travel centre car parks such as airports and train stations: what do they all have in common? They are all almost at full capacity on a nearly permanent basis. Uber offers a simple solution to this that has proven effective in other major European and international cities.’

Harte outlined Uber’s plans for Ireland and praised the business community in Limerick for its forward thinking, innovation and objectives for a smarter and more sustainable city.

‘There is a real appetite in Ireland to develop and evolve the cities, which are the beating hearts of the country, to smarter, innovative and sustainable business and lifestyle hubs,’ he said: ‘To enable this development and growth, we need sustainable transport solutions that are affordable and convenient for business users. Here in Limerick, the business community has been incredibly welcoming and supportive of our business and the assets we can bring forward for its development.’

Rules of the road

Attendees at the meeting also heard how Uber is working with the Irish government to change regulations to enable Uber to operate nationwide. Harte said: ‘Ireland is a frontrunner in the tech industry and is home to many of the leading global innovators. It is a matter of accepting this type of growing economy that we are currently investing heavily in.’

Liz Hughes, head of ACCA Ireland and mainland Europe, said: ‘While Uber certainly experiences continued success in certain jurisdictions, it is hugely interesting and important to hear about the strategy the company employs here to remain successful and overcome the challenges it faces in terms of regulation, and the habitual nature of Irish consumers.

‘As the largest global accountancy body, ACCA and our members have a responsibility as business leaders and decision-makers to actively embrace innovation and thought leadership, and to support Ireland economically in the midst of challenging times.’
Alliance opportunities

Presidents look ahead to second year of successful collaboration between ACCA and Chartered Accountants Australia and New Zealand (CA ANZ)

ACCA president Brian McEnery FCCA and CA ANZ president Cassandra Crowley FCA (third and fourth from right) are flanked on the right by Helen Brand OBE, ACCA chief executive, and Lee White, CA ANZ chief executive. On the left (from l to r) is Stephen Heathcote, ACCA's executive director, markets; Simon Grant, CA ANZ’s global head of members; Mark Millar FCCA, ACCA Council member; and Murray Jack FCA, CA ANZ board chair.

The strategic alliance between ACCA and Chartered Accountants Australia and New Zealand (CA ANZ) has created significant value for members and there are further opportunities to be pursued together.

This was the conclusion of a recent joint meeting of senior member representatives and staff in Singapore, ahead of the alliance’s one-year anniversary later this month.

'We discussed how the strategic alliance has increased the profile of both designations worldwide,' said ACCA president Brian McEnery, 'for example through joint research – most recently G20 Public Trust in Tax (see page 36). We look forward to our teams working on further joint research projects – watch this space.'

CA ANZ president Cassandra Crowley added: ‘We’ve enhanced support and networking opportunities, with ACCA and CA ANZ members joining each other at events, not just in Australia and New Zealand, but across Asia and in the UK.’

ACCA is also working on a co-brand for joint initiatives: ‘Together we believe we can create an enduring impact on the future of the profession’.

In addition, ACCA and CA ANZ are considering how teams could work more closely in critical markets including Sydney, London, Singapore, Malaysia and Hong Kong. This important step will also see teams developing combined strategies that will benefit members and business.

The two bodies share member CPD resources, and teams from both bodies are to explore further opportunities in this area. And the two bodies are looking at synergies such as assessing opportunities in New Zealand in the accounting technician sphere.

Read ACCA and CA ANZ’s special joint publication, Reach, and find alliance CPD resources via accaglobal.com/alliance.

June 2017 Accounting and Business
Live and kicking

A new web presence for ACCA’s professional insights and accompanying materials makes it easier than ever to find the reports you need.

ACCA has refreshed the professional insights area of its global website to further raise the profile of its industry-leading research.

The newly launched hub contains all the latest research work summarised in short, engaging articles featuring animated ‘trailers’ and clear graphics.

‘The relaunch of our web presence is part of an ongoing aim to engage more deeply with professional accountants, governments, regulators and other influencers in the future of accountancy via ACCA’s research,’ said Maggie McGee, ACCA’s director of professional insights.

‘We’re the global thought leader that delivers innovative insights that shape the future of business and economies, and that's why our research is free to all. The new design will help showcase our views.’

Visit the site at accaglobal.com/insights

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Annual General Meeting 2017

ACCA Council notifies ACCA Members that ACCA’s 2017 AGM will be held on the 30 November 2017.

This notice of change of date from September to November is given under Bye-law 44(a).

Find out more on accaglobal.com/agm

Please note that the deadline for submission of nominations for election to Council will now be 30 August 2017, in accordance with Bye-law 16. The deadline for submission of members’ resolutions remains 12.00 GMT on 2 June 2017, in accordance with Bye-law 46.

Peter Jenkinson
ACCA Secretary
Elections to Council

Nominations are now invited for any ACCA members wishing to stand for election to Council at the 2017 AGM. Have you got what it takes?

Council is the governing body of ACCA and as such has a pivotal role in ACCA affairs. It has a wide-ranging remit that includes:

* ensuring that ACCA operates in the public interest and delivers the objectives stated in its Royal Charter
* setting the overall direction of ACCA through regular approval of ACCA strategy
* ensuring that governance structures are aligned to the effective delivery of strategy
* engaging with ACCA members to explain and promote ACCA’s strategic direction
* acting on behalf of all members – and on behalf of future generations of members (today’s students)
* providing an objective environment for the executive team to explore new ideas or challenges.

Council and the executive team collaborate in order to devise ACCA’s strategy, which is then approved by Council.

Delivery of strategy is the responsibility of the executive team, with governance of the process and performance management provided by Council.

Whatever their geographical or sectoral bases, Council members do not represent particular areas or particular functions. Council members are elected by the membership as a whole.

Candidates in the Council elections come from all parts of the world, from every sector of the profession, and represent a wide range of senior positions. Long-term or technical experience is valuable, but so is proven ability to actively participate in strategic decision-making.

Council-level experience is not necessary but an understanding of good governance is essential, and personal and professional integrity must be of the highest standard. Experience has shown that those candidates with a previous record of engagement in ACCA activities tend to stand a greater chance of election.

Specifically, ACCA expects members to bring the following skills and attributes to Council:

* an ability to take a strategic and analytical approach to issues and to see ‘the big picture’
* an understanding of the business and the marketplace
* communication and networking skills
* an ability to interact with peers and respect the views of others
* decision-making abilities
* an ability to act in an ambassadorial role in many different environments
* planning and time management
* a willingness to learn and develop.

Anyone wishing to stand must be nominated by at least 10 other members in good standing. Candidates are also required to sign declarations of their willingness to comply with, and be bound by, the code of practice for Council members.

This year, candidates will again have the opportunity to produce a video in support of their election statements. The videos will be posted on a dedicated section of the ACCA website, together with the written statements and photographs.

More information on Council and the election process can be obtained at bit.ly/ACCA-Elections or by sending an email to secretariat@accaglobal.com, quoting ‘Council Elections’ in the subject box.

Please note that the date of the Annual General Meeting this year is 30 November.

The closing date for submission of nominations to the Secretary is therefore 30 August, in accordance with bye-law 16.
Upcoming events

ACCA Ireland runs an exciting programme of events across the country, featuring high-profile speakers and offering networking and CPD opportunities.

Cork

Cybersecurity
13 June 18.00–20.00
Clayton Hotel, Lapps Quay.
Speaker: Martin Adams
special risks director,
Arachas, Cork.
* cybersecurity statistics
* common breaches
* practical steps
* cyber liability insurance
* questions an organisation needs to ask itself to identify and mitigate the threat
* the new EU data regulations in force from 25 May 2018.
Organised by: Munster Members’ Network.
CPD: two units.

The discussion will focus on the following key areas:
* accounting differences between FRSSE, FRS 102 and FRS 105
* the transition process in section 35 of FRS 102 and section 28 of FRS 105
* transition case studies
* presentation and disclosure under the small companies regime and the micro entities regime
* illustration of pro forma accounts
* helping clients with the transition process
* a true and fair view – additional disclosures.
Event held in partnership with Mercia Ireland.
CPD: three units.

Practical VAT, RCT and payroll taxes for the corporate sector
14 June 9.30–16.30
Venue TBC
Speakers: Breda Ballantyne of Deloitte, Elaine O’Rourke of PwC, and Sinead Leahy of Itron Inc.

The payroll taxes element will include:
* directors’ fees
* travel and subsistence
* non-resident, non-executive directors
* what is a foreign employment?
* mobile works, non-Irish employments and outbound assignees
* in-house considerations for tax equalisation
* interaction with DTAs and the concept of PEs
* PRSI and USC
* SARP and FED
* getting the paperwork right – VISA, PPS number, tax credit certificate
* share options and RSUs: inbound and outbound assignee issues
* Revenue audits.
The VAT and RCT element will include:
* place of supply rules – goods and services
* deemed supplies and self-supplies
* MOSS
* relevant construction operations – SIN and pre-approval of payments

Dundalk

Small and micro entities – implementing the new regime
8 June 9.30–12.30
Crowne Plaza.
Speaker: Kathryn Burns,
Mercia Ireland.
For a rundown of what the discussion will focus on, see the entry for Dublin.
Event held in partnership with Mercia Ireland.
CPD: three units.

Thurles

Small and micro entities – implementing the new regime
1 June 9.30–12.30
Horse & Jockey Hotel.
Speaker: Jonathan McGee,
Mercia Ireland.
For a rundown of the event, see the entry for Dublin.
Event held in partnership with Mercia Ireland.
CPD: three units.
ACCA president Brian McEnery had a busy start to the new financial year, engaging with ACCA members at meetings and events in South Asia, Africa and Asia Pacific, visiting ACCA offices in various cities and negotiating local partnerships.

Pakistan
In April he addressed around 600 delegates at the Leaders in Islamabad business summit, strengthening ACCA's position as leading the agenda on business issues in Pakistan. He also travelled to several other regions of the country, where he met representatives of the Millennium University College, the auditor general's office, the State Bank of Pakistan, and more.

Next stop was Africa, where McEnery visited ACCA's offices in Rwanda, Kenya and Uganda to hear about developments in the region and about some of the work that ACCA and our members are doing across the continent. Here he met with local members, students and employers, and signed two memorandums of understanding: one with major ACCA Approved Employer Safaricom, and the other with KPMG.

In May, the president joined hundreds of ACCA members at the annual conferences in Beijing, Shanghai and Guangzhou, a fantastic opportunity to hear from members on important global topics such as the One Belt One Road initiative and the China-Pakistan Economic Corridor.

Insights
‘Thank you to all of you who took the time to meet with me and my team to discuss issues of local and global importance. Your insights are extremely valuable in informing our positioning and strategic direction,’ McEnery said.

**AB Africa launches next month!**
ACCA members in Africa will get their own dedicated version of Accounting and Business from next month. Bringing the number of AB versions to seven, AB Africa will offer a tailored cocktail of Africa-sourced and international content designed to entertain and inform members, and help them in their jobs and careers. We hope you enjoy it.
Global presence: ACCA and Crown Agents will cooperate on projects that change systems vital for peoples’ wellbeing and prosperity

ACCA has signed a memorandum of understanding (MoU) with international development organisation Crown Agents, paving the way for future cooperation.

Both ACCA and Crown Agents share a strong global presence and interest in capacity building and skills development in the accountancy profession globally and will be collaborating on a number of projects in the future.

In the first instance, they will be exploring training and consultancy opportunities involved in the implementation of IFRS Standards across Africa.

‘This MoU aligns with our mutually shared value of opportunity,’ said Andrew Steele, ACCA’s market director, partnerships and recognition. ‘We are both committed to opening up the accountancy profession and ensuring that people who work in it are well-trained in the latest developments, including IFRS Standards, the international standard for financial reporting.’

Crown Agents, with offices in 22 countries and a presence in another 18, partners with governments, aid agencies, NGOs and companies in nearly 100 countries, making changes to the systems and organisations that are ‘vital for people’s wellbeing and prosperity. We help countries grow their economies, strengthen their health systems and governance and improve financial management by providing consultancy and training in areas including trade and growth, tax, public-private partnerships, public financial management, health systems strengthening and governance.’
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Professional insights

To celebrate our global thought leadership we’ve launched a new professional insights hub on our website: accaglobal.com/insights which is free and accessible to all. Now that really is worth celebrating.

Access the new professional insights hub accaglobal.com/insights