

OCTOBER

2010

BusinessMatters

A Newsletter for Chartered Accountants in Business

Business Members Showcase 2010



Get involved in the full programme of activities designed especially for you. In this second Business Members Showcase, we've taken account of your work schedule and developed a programme for November, 11th through 26th.

Kicking off the Showcase will be a first for the Business Network Groups (BNGs). Participants of BNGs are invited to Chartered Accountants House for a short series of 'expert tables' in the evening and a panel discussion featuring President Paul O'Connor and relevant business personalities. The event is open to potential members of BNGs who would like to find out more about them and how they work.

BNGs have proved very useful for participants over the past three years. They are constantly evolving and new Groups are being developed to make peer support available to members in business across the island.

There are other significant events happening during the Showcase; a Technology for Business Seminar, a breakfast briefing from Central Bank Governor Patrick Honohan, and meetings of specialist groups focussed on XBRL implementation, NAMA, Charities & Not for Profit, Risk Management/Internal Audit. In addition to a broad range of CPD offerings, we will offer you a timely one-day blitz to bring you up to speed with essential competencies and issues.

The District Societies will also complement this programme for business members, with events including the Leinster Society's Published Accounts Awards. Check the Societies' websites for more details closer to the time.

Note highlighted Diary Dates on reverse and for more information visit:
www.charteredaccountants.ie/businessshowcase2010

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When members told us they would like more relevant services, we listened. To provide these, we need to know as much as possible about your professional interests and the sectors in which you work or volunteer. Such information is critical to improving how your Institute develops and serves you. Therefore we have developed a personalised “My Account” area on our website.

You have already received a request to provide more information on-line. The new “My Account” area of the website makes it easy for you to register any change in your details and you will be kept informed as to when these changes have been made. Simply log on to “My Account” (see below), using your Institute membership number & password. This couldn’t be easier and can be done on the bus or the train, at home or at work, wherever you have internet access

We first need you to ensure that your Profile Information is up to date. You then proceed to the new section ‘Employment Interests’ where you register further details on your professional interests and responsibilities. This area provides new categorizations which are in line with the current working environment. Additions you make to this area will be available for you to view on the following day. Your personal information will be stored according to the most stringent data protection requirements.

If you have any queries, contact email myaccount@charteredaccountants.ie. The web address for registering your details is <http://myaccount.charteredaccountants.ie>

NAMA – a changing landscape

As the CA NAMA Forum continues to provide supports for members and feedback and inputs to NAMA, the statement by the Minister for Finance, Mr. Brian Lenihan TD on 30th September 2010 regarding the thresholds for entry into NAMA was almost missed in the coverage given to the extraordinary final figures required to bail out the covered banks. The Minister’s statement included the following:

“The Government has decided, having consulted with the NAMA Board and the European Commission, that where the total exposure of a debtor is below a €20 million threshold in AIB and Bank of Ireland, that debtor’s loans will not now be transferred to NAMA. The threshold had previously been set at €5 million.”

“NAMA will continue to focus on realising maximum value for the taxpayer from the higher-value loans transferred into it. I have been advised by NAMA that there are 650 debtors with property-related debts of between €5m and €20m in these two banks. They account for just €6.6bn of the aggregate €80bn volume of NAMA eligible loans. Loans of this size can be efficiently managed by the banks themselves through their network of local representation and relationships. The Financial Regulator will ensure that the banks put in place prudent provisioning for these loans.”

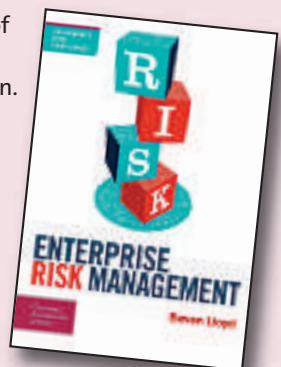
The full statement can be found on www.nama.ie

Meanwhile, the CA NAMA Forum presents another evening meeting on 13th October – “Issues for Borrowers and Advisors around NAMA.” A further event will be hosted before the year end, so keep your eyes on eNews for details.

Enterprise Risk Management

As a direct result of the current economic crisis, the areas of corporate governance in general and enterprise risk management in particular are receiving increased attention. Senior management, non-executive directors, internal auditors and even shareholders have been required to review, re-assess, and frequently re-design existing practices and procedures in their organizations, in order to avoid repeating past mistakes.

Written by Bevan Lloyd, Head of Risk at the Sisk Group, this book provides a practical guide on how to design, implement and maintain a robust enterprise risk management process throughout organisations, whether large multinationals or small, single-site businesses. It also suggests specific real-life responses to risk topics such as disaster recovery and fraud risks.



For details view <http://www.charteredaccountants.ie/General/Shop/Books/>

New Code of Practice for Revenue Audit Published



The new Code of Practice for Revenue Audit is effective from 1 October. Revenue conducts in the region of 13,000 audits and raises over a third of a million queries on taxpayers annually. In essence the Code is concerned about how we respond to these interventions.

You will find it useful that the new Code accommodates stage payments of arrears, and more straightforward settlements where tax default didn't result in a loss of money to the exchequer (e.g. no VAT paid but no input credit claimed). This Code is also much better than its predecessor at specifying what kind of Revenue contact triggers the need to make a disclosure and the penalty mitigation available as a consequence. Since 2002, Revenue powers have mushroomed and the introduction of mandatory electronic filing ensures that not only can a taxpayer be penalised for what they return, they can be penalised for the manner in which the return is made.

Despite having a new Code of Practice, any audit notification or Revenue enquiry is still unlikely to improve your day. Chartered Accountants Ireland has published a guide to the new Code, which will help you with the approach you need to take when responding to a Revenue enquiry. "Surviving Revenue Audits" is written by Brian Keegan, the Institute's Tax Director. Brian's commentary highlights the benefits and pitfalls when making a disclosure to Revenue, whether prompted by them or otherwise. "Surviving Revenue Audits" also contains the full text of the new Code, along with the key sections of the Taxes Consolidation Act which govern the outcome of Revenue audits, so you have all the key references together in one volume.

"Surviving Revenue Audits" is available for purchase from the Institute's website at www.charteredaccountants.ie.

Free Services

Members are often astonished to realize how much information and how many services are available to them free of charge from their Institute. These are developed and driven through the website. The most valuable tool is obviously CHARIOT, your essential reference and information tool. You can access a growing suite of electronic newsletters on-line, which provide you with up to date information and useful feature articles. Why not explore what's available? On www.charteredaccountants.ie you will see eNews on the left. Click here and you will see on the left a list of publications for you to explore and browse on-line or subscribe to have mailed to you. Some are weekly, others monthly, bi-monthly or quarterly. The latest in this suite, Talking Technology is being finalized as Business Matters goes to press.

But that's not all. There is a wide range of other services available to you and these can be accessed on www.charteredaccountants.ie/ourserviceoffering where free services are highlighted.

Recruitment 2010: Uncharted Territory

It is now an employer's market and there has never been a better time to source "A list" talent. Our Careers & Placements Service has seen a marked rise in opportunities for members in the third quarter of 2010. Companies hiring at the moment are attracting positive attention, which in turn is good for business. If you are an employer, you should capitalize on the feel good factor by ensuring that you showcase your company as an employer of choice, and a good option for those looking for stability.

Once you have identified potential candidates for your vacancy and initiate the selection process, it's important not to lose momentum. In general, companies are taking longer to make hiring decisions and to move candidates along in the process. This results in quality candidates securing roles elsewhere and puts you, the employer, back at Square One. 2010 has been a year of uncertainty and some roles have been put on hold indefinitely halfway through the recruitment process. In some cases, offers have been made and then withdrawn as the employer reconsiders the need for the new hire. Good manpower planning should prevent this from happening but if it does, it's important to keep people informed and, if the news is bad, to let candidates know as soon as is practical. Unreasonable delays and communication gaps damage your reputation as an employer. Recruitment is a two-way process and the customer (candidate) experience is important, whether or not the end result is a hire.

We can help you to identify Chartered Accountants with the appropriate skills and experience for the role for which you are recruiting - from Financial Accountant level to CFO. If you would like to find out more about our service please contact careers@charteredaccountants.ie or call 00353 (1) 637 7331.



Trusteeship Tackled

David Glennon, Corporate Business Development Manager, Zurich Life

Trustees are vital to the running of occupational pension schemes, but they need to have a clear understanding of what their many duties and responsibilities are so that they can discharge them effectively.

The Pensions Board has openly stated that Trustees must have a certain basic knowledge, act reasonably and engage. Inexperienced Trustees should appoint appropriate professionals to advise on investment, administration and communications.

Trustees' Duties & Responsibilities

Trust law imposes many duties on Trustees of pension schemes, including administering the trust, acting fairly and in the best interests of beneficiaries, acting carefully and diligently and exercising good faith in the discharge of their duties. Failure to do so may constitute a breach of trust, resulting in possible prosecution by the Pensions Board or legal action by the beneficiaries. Trustees cannot make a profit from the trust and should be aware of possible conflicts of interest. Information received must be kept confidential and only used for the purpose intended.

The Pensions Act 1990 imposes a number of specific duties and responsibilities on pension scheme Trustees. These include ensuring that contributions are received and invested on time, selecting the fund manager(s), administering the benefits and keeping membership records current.

Furthermore, the Occupational Pension Scheme (Disclosure of Information) Regulations 2006 provide that Trustees must ensure information in relation to the pension scheme and its operation are made available to scheme members and other specified persons within the statutory timeframe.

In relation to the investment of the pension schemes' assets, Trustees must demonstrate that they have taken appropriate investment advice, have followed a prudent investment strategy, have avoided excessive risk and have ensured the diversification, security, quality and liquidity of their chosen asset classes on regulated markets.

Breaches & Fines

The Pensions Board now has the power to issue Trustees with on-the-spot fines of €2,000 per trustee for breaches of specified provisions of the Act, and the Trustees are liable for prosecution if the fine is not paid and the breach remedied within 21 days. In 2009 fine notices were issued to the Trustees of a number of schemes for certain breaches of the Act.

Training

All pension scheme Trustees are now required to undergo appropriate Trustee training or risk similar fines as above. New Trustees must complete initial training within six months of their appointment, whereas existing trustees (appointed before 01/02/2010) must do so within two years. Training must be repeated every two years.

Supports

Aside from engaging professional advisors, Trustees can obtain information on their duties and responsibilities by visiting the Pensions Board website (www.pensionsboard.ie) and downloading a copy of their Trustee Handbook, and by availing of the free-of-charge e-learning facility. The IAPF run a Trustee Network which enables Trustees to meet informally and discuss issues of concern.

Conclusion

While the role is challenging, Trustees certainly do not have to be pension professionals. Adhering to checklists, receiving appropriate training and availing of support measures will help ensure regulatory compliance and the successful running of occupational pension schemes.



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Junior Achievement Ireland recently presented Institute Chief Executive Pat Costello with a plaque to mark the Institute and the Leinster Society's sponsorship of Junior Achievement's "Company Programme". Pictured with Pat are Lisa McKittrick of Junior Achievement and the victorious team from the Leinster heat of the Company Programme. Junior Achievement Ireland encourages young people to remain in education and fosters a culture of enterprise within the education system.

Cost Neutral

Member will be pleased to know that the savings in office rental and venue hire resulting from the Institute's move into our new training centre and headquarters are very significant. Taking everything into account, including running costs for the new facility, the operating cost is neutral in cash flow terms. In addition, the building is generating great interest among third parties as a location for premier events and is making a cash contribution.

Diary Dates

OCTOBER

14	IFRS for SMEs	CPD, Belfast
16	Cork Society: Annual 5-A-Side Soccer	Cork
18	Understanding Funds	CPD, Dublin
19	Increasing Profitability through Activity Based Costing	CPD, Dublin
19	London Society: Everything you should know about UK Personal Tax	London
20	Due Diligence	CPD, Dublin
20	PowerPoint 2003 Intermediate to Advanced	CPD, Dublin
21	Understanding Derivatives	CPD, Dublin
21	Internal Audit in the Spotlight	Business Members, Dublin
22	Driving Cash Flow through Working Capital	CPD, Dublin
23	London Society: CPD Seminar: IFRS Update	London
26	Directors Duties & Responsibilities	CPD, Dublin
28	YP Business LeadersCorner: Michael McAteer	Members Services, Dublin
28	Leinster October Luncheon: Alan Dukes	Leinster, Dublin

NOVEMBER

1	Capital Tax Update	CPD, Belfast
2	MS Excel 2007 - New Features	CPD, Belfast
2	Leinster Pensions Seminar	Leinster, Dublin
3	Advanced Reading Techniques	CPD, Belfast
4	Ulster Society Quiz	Ulster, Belfast
8	The Competent Communicator and Persuader	CPD, Dublin
8	London Society City Lunch with Samantha Smith, finnCap	London
8	R & D Tax Update	CPD, Belfast
9	Accounting for Groups: Advanced	CPD, Dublin
9	Time & Stress Management	CPD, Belfast
10	Financial Instruments and Capital Markets	CPD, Dublin
10	Company Law & Insolvency Update	CPD, Belfast

Business Members Showcase

11	Business Network Groups (BNGs) Forum 2010:	Business Members, Dublin
11	Corporate Restructuring & Turnaround	CPD, Dublin
11	MidWest Ladies Evening	MidWest, Limerick
12	Performance Measurement and Benchmarking	CPD, Dublin
12	IFRS for SMEs: The Core Issues	CPD, Carlow
13	London Society CPD Seminar: Planning & Organising	London
15	Tax Implications of Insolvency & Liquidations	CPD, Belfast
15	Advanced Treasury Risk Management	CPD, Dublin
16	Upgrading to Microsoft Office Excel 2007	CPD, Dublin
17	IFRS for SMEs: A New Beginning: Day Two	CPD, Dublin
18	Communicating & Influencing Skills	CPD, Belfast
18	IFRS Update	CPD, Dublin
18	Excel 2007 Intermediate	CPD, Dublin
18	Ulster Society Wine Tasting	Ulster, Belfast
19	Technology for Business Seminar	Business Members, Dublin
19	IFRS for SMEs Day 2	CPD, Belfast
19	Leinster: Published Accounts Awards	Leinster, Dublin
22	Advanced Reading Techniques	CPD, Dublin
22	XBRL Implementation Tales from UK	Members Services, Dublin
22	ROI Tax Update	CPD, Belfast
22	Cork Society, Monday CPD Series	Cork
23	Top Tips for Managing People	CPD, Dublin
23	London Society CPD Seminar: How to handle stress	London
23	Automating Analysis with Advanced Features of Excel	CPD, Dublin
23/24	Excel VBA	CPD, Belfast
24	Breakfast Briefing: Patrick Honohan, Governor, Central Bank	RTP, Dublin
24	Company Valuations	CPD, Dublin
24	NorthWest CPD Day	NorthWest, Sligo
24	C&NFP Group: Charity Technical & Reporting	Members Services, Dublin
25	The Role of the Company Secretary	CPD, Dublin
26	Blitz your CPD – Business Members Forum	CPD, Dublin

26	Chartered Accountants Ireland Annual Dinner	Dublin
29	Personal Effectiveness: Time/Stress Management	CPD, Dublin
29	Income Tax Update	CPD, Belfast
29	Cork Society, Monday CPD Series	Cork

DECEMBER

1	Excel 2007 Advanced	CPD, Dublin
1	Internal Audit	CPD, Belfast
2	Negotiating Skills	CPD, Belfast
3	Regulation Conference	CPD, Dublin
3	Annual Christmas Lunch with Ivan Yates	MidWest, Limerick
3	London Society Christmas Lunch	London
4	Ulster Society Snowman and Santa	Ulster, Belfast
6	Communicating and Influencing Skills	CPD, Dublin
6	Corporation Tax Refresher	CPD, Belfast
6	Property Tax & Stamp Duty Update	CPD, Belfast
8	MidWest Budget Briefing, Deloitte	MidWest, Limerick
9	Internal Audit	CPD, Dublin
10	Leinster Society Christmas Lunch, with Des Bishop	Leinster, Dublin
10	Cork Society Christmas Lunch, with Matt Cooper	Cork
10	Ulster Society Charity Christmas Lunch	Ulster, Belfast
14	IFRS for SMEs: The Core Issues	CPD, Dublin

Contact Points

Business:	Simone Doran	01 637 7242	simone.doran@charteredaccountants.ie
	Stephen Molloy	01 637 7222	stephen.molloy@charteredaccountants.ie
	Marie Charlesworth	01 637 7356	marie.charlesworth@charteredaccountants.ie
	Mailboxes		business.members@charteredaccountants.ie
	Website		members.services@charteredaccountants.ie
			careers@charteredaccountants.ie
			www.charteredaccountants.ie
CPD:	Dearbhla Gallagher	01 637 7209	dearbhla.gallagher@charteredaccountants.ie
LLL:	Joe Carroll	01 637 7316	joseph.carroll@charteredaccountants.ie

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