The Leinster Society held its Annual Charity GAA lunch in aid of Barnardos on 31st August 2018 at Croke Park. Pictured from left to right are: Alan Brogan, Lindsay Peat, Leinster Society chair Lorna Larkin, Marty Morrissey, Institute President Feargal McCormack, and Alan Dillon.

NEW CHAIR OF MEMBERS IN PRACTICE COMMITTEE

Kathya Rouse writes:

My name is Kathya Rouse and I am a member of Council for Chartered Accountants Ireland, having been elected in June 2017. I have my own small practice in Sligo. I have recently been appointed as the Chair of the Members in Practice Committee for Chartered Accountants Ireland. The primary aim of the Members in Practice Committee is to ensure that the views and experiences of our members in practice are communicated to Council, the Members Board and relevant Institute directors. In this regard I would like to ask for some assistance from you!

We have 18 people who sit on the Members in Practice Committee, who assist in advising the Institute of their various experiences and views on a wide variety of topics, and it is fantastic to have their feedback. However, we also recognise that this represents a small number of the practitioners around the country, and we are keen to widen the scope for feedback from our members on the ground. I am hoping to gather as much feedback from the wider practitioner community as possible and this is where you fit in! I would really appreciate if you could get in touch with me to let me know any thoughts you have surrounding the issues facing our members in practice, and ways and means that you feel Chartered Accountants Ireland might be able to assist. I will then be able to collate all feedback and feed that information back to Chartered Accountants Ireland to help shape its future for us all. My contact email address is kathya@mcmdr.ie and as mentioned above I would be only too delighted to hear from you with any thoughts/ideas etc that may come to you.

Thank you so much for your time.
THE CHANGES KEEP COMING, ARE YOU STAYING ON TOP OF THESE?

Jeremy Twomey writes:

With autumn’s arrival, it is timely to look back at the key events thus far in 2018 that have impacted accountancy practitioners. As in previous years, regulatory and legislative change has continued apace, including:

- The General Data Protection Regulation (GDPR) came into force across Europe on 25 May, resulting in the largest change to the Irish & UK Data Privacy regimes in over a generation, with wide ranging effects on all businesses, including accountants; and
- The Companies (Statutory Audits) Act 2018 was signed into Irish law in late July, with its resulting principal changes for practitioners outlined in a dedicated article in Technical Signpost below.

It is fair to say that achieving compliance with these new requirements presents a challenge for practitioners, especially so soon after the introduction of the Small and Micro Company regimes in ROI via the Companies (Accounting) Act 2017, as well as the new and separate Auditing Frameworks for Ireland and the UK early last year.

2018 has thus far also been a very busy year for the Institute’s Practice Consulting team, as we work to assist our members across the island in meeting the challenges they face. Our Training courses in the areas of Auditing, Financial Reporting and GDPR are proving particular popular. We have developed these three courses to address the practical needs of our members, providing clear examples of how to address the issues in each respective area that both you and your clients face each day. An example from our Financial Reporting course includes how to meet the various financial statements note disclosure requirements under the Small & Micro Company regimes.

We use the experience that we have gained from numerous compliance assignments at practices over the years, together with the knowledge garnered from developing our practice aids such as Pro Forma Financial Statements, Procedures for Quality Audit (PQAs) and our recent comprehensive GDPR guidance and related templates. Marrying these with insights from the Institute’s Professional Standards Department on key regulatory compliance issues that they see at firms as part of their monitoring role, our courses help to ensure that both you, and your clients, stay ahead of emerging issues and meet your regulatory requirements. Feedback that we have received over recent months on these courses has been very positive and each carries a 3 hours CPD credit.

Looking ahead, our upcoming courses during the autumn months include courses on Auditing and Financial Reporting in five regional centres across the island (Belfast, Cork, Galway, Limerick and Sligo), as well as Dublin. We typically provide both of these courses in one day at each centre, allowing participants to attend both courses, should they wish. Further details on the dates and times during November and December for each course/location, as well as booking details, are available on the Professional Development area of the Institute website.

The option of availing of these three courses in-house at your firm also continues to be very much in demand. This option allows you to tailor a particular course to your firm/staff’s specific needs, while having one of our consultants provide a course at your practice is a particularly cost efficient way to meet CPD requirements for both you and your staff. One very popular example of such an in-house course over recent months is our half day GDPR consultation, where one of our team can visit your firm and offer practical advice and guidance on how to tailor your procedures, make progress on your GDPR journey, and meet key compliance milestones.

Other courses that we are running during October and November at the Institute include two courses focused on regulated areas. The first in late October focuses on Accounting and Auditing for Charities and Not-for-Profit Entities, while the second in late November concentrates on other Regulated Entities such as Insurance Brokers, Auctioneers, Owners’ Management Companies, Occupational Pension Schemes and Solicitors. If you are providing accounting or audit services to any of these organisations, then these courses may be for you, as we provide practical updates on the recent key changes in the standards, regulations and legislation affecting these sectors.

As you prepare for the remaining busy months of the year, and indeed for 2019, it may be worthwhile taking some time now to consider your current CPD requirements and how best to tackle these needs. As ever, my colleague Conal Kennedy and I are available to contact (see contact points below) on any of your practice related training needs over the coming months.
CPD COURSES FOR MEMBERS IN PRACTICE

As outlined in Jeremy’s article above, look out for the following courses presented by the Practice Consulting Team over the coming months. These are designed with small and medium sized practices in mind and can be booked online through the Professional Development area of our website:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Course Description</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>24 October</td>
<td>a.m.</td>
<td>Accounting &amp; Auditing for Charities &amp; Not for Profit Entities</td>
<td>Dublin</td>
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<tr>
<td>15 November</td>
<td>a.m.</td>
<td>Financial Reporting Seminar</td>
<td>Galway</td>
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<tr>
<td>15 November</td>
<td>p.m.</td>
<td>Audit &amp; Assurance Seminar</td>
<td>Galway</td>
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<tr>
<td>16 November</td>
<td>a.m.</td>
<td>Financial Reporting Seminar</td>
<td>Sligo</td>
</tr>
<tr>
<td>16 November</td>
<td>p.m.</td>
<td>Audit &amp; Assurance Seminar</td>
<td>Sligo</td>
</tr>
<tr>
<td>21 November</td>
<td>a.m.</td>
<td>Financial Reporting Seminar</td>
<td>Cork</td>
</tr>
<tr>
<td>21 November</td>
<td>p.m.</td>
<td>Audit &amp; Assurance Seminar</td>
<td>Cork</td>
</tr>
<tr>
<td>22 November</td>
<td>a.m.</td>
<td>Financial Reporting Seminar</td>
<td>Limerick</td>
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<tr>
<td>22 November</td>
<td>p.m.</td>
<td>Audit &amp; Assurance Seminar</td>
<td>Limerick</td>
</tr>
<tr>
<td>28 November</td>
<td>a.m.</td>
<td>Accounting &amp; Auditing for Regulated Entities</td>
<td>Dublin</td>
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<tr>
<td>4 December</td>
<td>(all day)</td>
<td>Going into Practice</td>
<td>Dublin</td>
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<tr>
<td>5 December</td>
<td>a.m.</td>
<td>Financial Reporting Seminar</td>
<td>Belfast</td>
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<tr>
<td>5 December</td>
<td>p.m.</td>
<td>Audit &amp; Assurance Seminar</td>
<td>Belfast</td>
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<tr>
<td>12 December</td>
<td>a.m.</td>
<td>Financial Reporting Seminar</td>
<td>Dublin</td>
</tr>
<tr>
<td>12 December</td>
<td>p.m.</td>
<td>Audit &amp; Assurance Seminar</td>
<td>Dublin</td>
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NONPROFIT ENTITY ANNUAL REPORTS – A KEY COMMUNICATIONS TOOL

Paula Nyland writes:

It’s that time of year when nonprofit sector leaders Carmichael promote participation in the Good Governance Awards, to be announced in November. The company’s annual report is widely regarded as a great place to showcase a nonprofit’s commitment to transparency, good communication and best governance practice.

Anybody looking at the winners in the category for larger nonprofits will be struck by the quality of these documents, representative of improving standards of disclosure from many such entities.

The Companies Act 2014 brought companies limited by guarantee (CLGs) into line with other companies in that it permits those qualifying as small companies to file their accounts in abridged form. Year on year since 2015, more CLGs have chosen to do so, with 32% charities filing abridged accounts in 2017.

One consequence of filing abridged financial statements is that the public learns nothing about nonprofit companies’ income and expenditure from their published accounts. Thousands of nonprofit companies receive funding from the State, and many more rely on the public for donations. The majority of CLGs incur the expense of having their accounts audited, and these financial statements form an important part of the material supporting due diligence research into their work – by prospective donors, government funders, volunteers and people considering serving as directors on their Board. Chartered accountants and auditors who advise the directors of nonprofit companies may need to consider whether the filing of abridged accounts is in the long-term best interests of these companies.

Benefacts is working to make the nonprofit sector in Ireland more accessible and transparent, and our website is used by thousands of these people every week. We urge the Directors of any nonprofit with public benefit purposes to consider their annual reports and financial statements as a key part of their communication with the public.

Paula Nyland is Head of Finance and Operations at Benefacts, which captures and analyses the company filings and regulatory returns of Ireland’s c.9,000 nonprofit companies (about half of them registered as charities), and publishes extracts on Benefacts’ free public website at https://www.benefacts.ie/. She is also co-chair of the Chartered Accountants Ireland Charity and Not-For-Profit Group.
Companies (Statutory Audits) Act 2018 (‘the Act’)
The Act was signed by the President on 25 July. It makes a number of changes to the law, including but not limited to, the following. The Act will change the rules for the loss of audit exemption when an annual return is filed late. Audit exemption will not be lost for the year in which the annual return is filed late, but will be lost for the two successive years. The term ‘statutory auditor’ has been inserted in place of ‘public auditor’ in the Credit Union Act, 1997, the Industrial and Provident Societies Act, 1893 and the Friendly Societies Act, 1896. The term ‘public auditor’ excluded incorporated entities whereas an incorporated entity may be a ‘statutory auditor’ under the Companies Act 2014. Clearly this will have implications for practices who are considering incorporating and for practices that retained a partnership after incorporating. The full text of the Act is available on the Oireachtas website. We will inform members regarding commencement of the Act as soon as information is available.
We are pleased to bring to your attention details of some of the key matters we have been working on recently.

Technical Releases (TRs) and Technical Alerts (TAs)
The following technical publications have been issued recently by Chartered Accountants Ireland to provide guidance and assistance to members. These documents are available to read on CHARIOT online as well as in the Technical section of our website.

**Technical Release 03/2018 ‘PSRA Licence application’:** Following extensive engagement with the PSRA in Q1 2018, the wording of the Accountant’s report was agreed. This TR provides updated guidance for members when assisting their clients with the licence renewal process under the Property Services (Regulation) Act 2011 and the Property Services (Regulation) Act (Client Moneys) Regulations 2012. This Technical Release is based on the forms issued by the Property Services Regulatory Authority in April 2018. Information Sheets (IS) 02/2013 and IS 01/2012 have been withdrawn.

**Technical Release 04/2018 ‘Companies Act 2014 – Small and micro companies’:** The Companies (Accounting) Act 2017 (‘CA 2017’) makes a range of amendments to the accounting and filing requirements of the Companies Act 2014. This TR is intended as a signpost to assist with the preparation of statutory financial statements of small and micro companies. CA 2017 has reduced the number of disclosure requirements for small and micro companies compared with larger companies. The TR discusses these disclosures and also highlights some key aspects of the revised legal requirements regarding directors’ reports and abridged financial statements applying to small and micro companies.

**Technical Alert 02/2018 ‘Illustrative auditor’s report on the relevant elements of the Solvency and Financial Condition Report (SFCR) for periods beginning on or after 17 June 2016’:** TR 13/2016 ‘Guidance for auditors of insurance undertakings in Ireland’ gives guidance to auditors engaged to provide a reasonable assurance opinion in relation to the relevant elements of the SFCR of an insurance undertaking pursuant to Regulation 37 of the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485 of 2015) (‘the 2015 Regulations’). Appendix 2 to the TR provided an illustrative reasonable assurance report for such engagements, performed in accordance with International Standards on Auditing (ISAs) (UK and Ireland) for periods which commenced before 17 June 2016. TA 02/2018 now provides illustrative auditor’s reports on the relevant elements of the SFCR, performed in accordance with ISAs (Ireland) (the Irish auditing framework published in January 2017) for periods commencing on or after 17 June 2016. This TA should be read in conjunction with Section 3 of TR 13/2016.

**Technical Alert 03/2018 ‘Guidance on ISQC (Ireland)’:** The purpose of this TA is to highlight changes made to ISQC (Ireland) 1, from ISQC (UK and Ireland) 1. The source of these changes is primarily the relevant requirements of the EU Audit Regulation and Directive. IAASA issued the Irish audit framework on 31 January 2017, which includes International Standard on Quality Control (Ireland) 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements (‘ISQC (Ireland)’) 1. Systems of quality control in compliance with ISQC (Ireland) 1 were required to be established by firms in Ireland by 1 February 2017. The TA is based on the March 2018 edition of ISQC (Ireland) 1.

Dublin Metropolitan District Licensing Court – Annual Licensing

As members are aware, the requirements associated with the renewal process include an ‘Independent auditor’s or accountant’s certificate confirming up to date compliance with all filing and tax requirements pursuant to the provisions of the Companies Act 2014’ for applications for renewal of licences. Having corresponded with the Court regarding why professional accountants should not sign such a certificate, we met with senior representatives of the Court, at which a report format was agreed. Members are advised to use this report format in fulfilling this requirement of the Licensing Court. The report is available on our website.
REPUBLIC OF IRELAND TAX DEVELOPMENTS

Pre-Budget submission 2019 calls for tax measures to support home-grown business talent

Budget Day 2019, Tuesday 9th October is fast approaching. Chartered Accountants Ireland made a pre-Budget submission under the auspices of the CCAB-I setting out tax proposals aimed at supporting the local business community and called for the re-thinking of certain Revenue electronic facilities to assist business taxpayers whose tax agents are accountants.

A summary of the key measures for Budget 2019 are as follows:

- Investment in electronic facilities to assist taxpayers fulfill their obligations is urgently required for Professional Services Withholding Tax and CAT compliance purposes.
- The VAT cash-flow constraints facing traders who import goods from the UK post Brexit can be alleviated through the introduction of a postponed method of accounting for VAT.
- The additional layer of corporation tax applied to service companies is a barrier to entrepreneurship and should be abolished.
- Current work practices are at odds with the age restriction under Retirement Relief and should be removed.
- Tax practitioners must be allowed adequate opportunity to comment and consult on complex tax legislation.
- Tax laws can be used to help relieve the housing crisis by making changes to support landlords to continue in the rental market.
- The CAT thresholds should be indexed to ensure that family home transfers are not subject to expensive tax liabilities.
- Growth targets recommended for the SME sector could be supported through accelerated R&D tax credit refunds.
- Tax relief for pension contributions should not be restricted to fund pension reform initiatives.
- Anti-avoidance tax legislation must include specific bone-fide provisions to ensure genuine commercial transactions are not impacted.
- European Commission digital tax proposals must be vigorously resisted by Ireland. Digital taxation is a global challenge and should be addressed by the OECD as a global organisation with the backing of the G20.
- Changes to Ireland’s tax laws on foot of the Coffey Review must be appropriate to the needs of Irish businesses and sustainable by reference to the structure of the Irish economy.

The full submission is available at https://www.charteredaccountants.ie/knowledge-centre/Tax/Representations

NORTHERN IRELAND TAX DEVELOPMENTS

2017/18 self-assessment online filing exclusions

HMRC have recently published an updated version of the self-assessment (“SA”) online filing exclusions for the tax year 2017/18. Taxpayers with returns falling within the list of online filing exclusions must file paper returns instead.

Disappointingly, the list contains 12 new exclusions (numbers 79-90 inclusive). HMRC advise that paper returns be filed for the cases on the list of exclusions. HMRC will then check manually that the tax calculation is correct. It would be good practice to include a note referring to the specific exclusion in the white space of the relevant SA return.

Where a SA return cannot be filed online for one of the exclusions, provided that a paper return is delivered on or before 31 January 2019 for the 2017/18 tax year, HMRC will accept that the taxpayer had a reasonable excuse for failing to file a paper return by the normal 31 October 2018 deadline. A reasonable excuse claim should accompany the paper return.

According to HMRC, exclusion 70 has been partly fixed and affects fewer taxpayers in 2017/18. Exclusion 79 affects a small number of taxpayers. Exclusions 80 and 81 are retained in 2017/18 because “it was too late to make the necessary changes”. HMRC advise that exclusions 70, 79, 80 and 81 will be fixed for 2018-19.
advise that exclusions 70, 79, 80 and 81 will be fixed for 2018-19. Retained in 2017/18 because "it was too late to make the necessary changes". HMRC the paper return. By the normal 31 October 2018 deadline. A reasonable excuse claim should accompany will accept that the taxpayer had a reasonable excuse for failing to file a paper return. Paper return is delivered on or before 31 January 2019 for the 2017/18 tax year, HMRC advise that paper returns be filed for the cases on the list of exclusions. HMRC will then filing exclusions for the tax year 2017/18. Taxpayers with returns falling within the list NORTHERN IRELAND TAX DEVELOPMENTS centre/Tax/Representations • European Commission digital tax proposals must be vigorously resisted by Ireland. • Growth targets recommended for the SME sector could be supported through • Tax laws can be used to help relieve the housing crisis by making changes to support • Tax practitioners must be allowed adequate opportunity to comment and consult on • Current work practices are at odds with the age restriction under Retirement Relief • The additional layer of corporation tax applied to service companies is a barrier to • Investment in electronic facilities to assist taxpayers fulfil their obligations is A summary of the key measures for Budget 2019 are as follows: Thinking of certain Revenue electronic facilities to assist business taxpayers whose tax Ireland made a pre-Budget submission under the auspices of the CCAB-I setting out tax Budget Day 2019, Tuesday 9th October is fast approaching. Chartered Accountants Technical articles is solely to draw the attention of the reader to issues, and these should Queries, comments and suggestions are welcomed. The opinions expressed are solely...