

“
ENSURE
THAT
ACTION
TAKEN IS IN
PROPORTION
TO THE
OFFENCE
COMMITTED

01 ODCE STRATEGY STATEMENT 2009-2012

ACCA made a formal submission to the Office of the Director of Corporate Enforcement (ODCE) on the preparation of the Office's Strategy Statement for the period 2009 – 2012. The key points made by ACCA were:

- Ensure that action taken is in proportion to the offence committed;
- Provide greater emphasis on the provision of information on company law to compensate for the increased use of audit exemption;
- Work with the judiciary and legislators to make non-compliance with company law a more serious matter than currently;
- Work with the judiciary and legislators to bring in a fixed fine regime for breaches of company law;
- Work with CRO to put in place a filed accounts inspection regime and have incomplete or incorrect financial statement rejected by CRO;
- Publish an ODCE code of practice so that directors, auditors and members of the public will have certainty over how they will be treated;
- Fund the liquidation of insolvent but un-liquidated companies where there is a suspicion of fraud or reckless trading;
- Improve the transparency in the reporting of cases.

02 COMMISSION ON TAXATION

The Commission on Taxation was established on 14 February 2008 to review the structure, efficiency and appropriateness of the Irish taxation system. Chaired by Frank Daly, former Chairman of the Revenue Commissioners, the Commission requested submissions from interested parties on its work. As well as contributing to a joint submission with the other accountancy bodies under the

CCABI (the Consultative Committee of Accountancy Bodies – Ireland) umbrella, ACCA also made its own supplementary submission to the Commission. This submission focused on pension provision and freeing dead capital to grow the working economy. ACCA suggested that an SSIA-style pension be introduced, with matching state funding to a certain level, but also with the flexibility to draw down some of the funds prior to retirement. ACCA also suggested reforms of Capital Acquisition Tax (CAT) and Stamp Duty to encourage the circularisation of capital currently tied-up in non-productive assets. The Commission has since sought clarification of the ACCA recommendation on pensions. Full versions of both submissions are available on the ACCA Ireland website, www.accaglobal.com/ireland/publicinterest

03 DEPARTMENT OF ENTERPRISE, TRADE & EMPLOYMENT

ACCA has made formal responses to the Department on the following European Directives in recent months:

Implementation of Directive 2006/46/EC on company reporting

Eighth Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, specifically on:

- Article 14: approval of statutory auditors from other member states via aptitude test; and
- Member States derogations under Article 9 (awarding of exemptions from study), Article 11 (qualification through long-term practical experience) and Article 12 (combination of practical training and theoretical instruction).

REPRESENTING YOU

CCABI plays an important role in policy direction, and operates in a cooperative and consultative manner. Aidan Clifford reviews the activities of its main committees

The Consultative Committee of Accounting Bodies Ireland (CCABI) is the representative body for the main accounting bodies in Ireland: ACCA, ICAI, ICPAI and CIMA. It is made up of a head committee to which each body nominates three members, including the CEO of each organisation and a representative from their technical department. ACCA is currently represented by David Leonard, George Maloney and Brendan Murtagh. Kevin Kernan and Aidan Clifford attend on behalf of the ACCA executive. The head committee deals with non-technical issues affecting the profession such as the protection of the term accountant; the funding model for IAASA; and auditor liability.

Technical Coordinating Committee

The Technical Coordinating Committee (TCC) usually meets quarterly and ACCA is represented on this body by Cathal Cusack and Aidan Clifford. The committee co-ordinates the work of CCABI working parties and identifies issues where a common CCABI approach would be appropriate. Recent meetings have looked at:

- summaries of proceedings at recent CCABI technical committees;
- Company Law Review Group developments;
- recent developments and representation made to the Office of the Director of Corporate Enforcement;
- developments in Credit Unions including recent circulars by the Registrar;
- the amended Eighth Directive;
- EU Quality Assurance recommendation;
- progress reports on practice notes for pensions, credit unions and insurance companies; and
- recent meetings/contacts with the UK Accounting Standards Board.

The committee agreed members needed additional guidance in the area of credit unions audits and this is to be developed as a matter of urgency.

Business Law Committee

As the name suggests, the Business Law Committee (BLC) considers any changes

to company or other law that might affect the profession or business in general. The committee is currently getting to grips with the forthcoming Consolidated Companies Bill. ACCA is represented on this committee by Paul Dowling, Pat Larragy and Ken Garvey. The committee also noted the recently issued discussion paper from the ODCE on 'Whistleblowing and Irish Company Law' and the draft directive amending the Fourth (78/660) and Seventh (83/349) Accounting Directive as regards disclosure requirements for medium-sized companies and the obligation to draw up consolidated accounts published by the European Commission in April 2008.

Insolvency Committee South

The Insolvency Committee South ICS is a very busy committee and ACCA is represented on it by David Hughes, Brian McEnery and Mick McAteer. The committee has recently been looking at the insolvency aspects of the Consolidated Companies Bill and has also just completed a statement of Insolvency Practice on Examinerships. It is also examining comments received from the CCABI anti-money laundering working party on proposed guidance for insolvency practitioners.

Taxation

This committee has a number of sub-committees looking at different aspects of taxation. ACCA is represented on CCABI Tax by Enda Faughnan, Gerry Higgins and Andrew Feighery. The committee drafted the pre-budget submission, a submission to the Commission on Taxation and a number of other technical submissions on a range of technical taxation matters. The sub-committees are liaison committees with Revenue and consist of: TALC Main; TALC Audit; TALC VAT, TALC Technical; TALC Capital. These committees are very active and are an integral part of the tax collection mechanism in the country.

Practice Notes

The practice notes on 'The Audit of Credit Unions in the Republic of Ireland' is currently with APB staff for final comment and has been issued in draft form. Brendan Howard

represents ACCA on this working party. The practice notes on Pension Scheme Audits in Ireland is due to be sent to APB for staff comment by the end of October. The process of revising the practice note on the audit of Insurers in Ireland has now re-commenced. Work on updating Practice Note 9: 'Reports by Auditors on Companies Legislation in the Republic of Ireland' has also commenced with completion anticipated in early 2009.

Other issues

Work has been ongoing at technical level to produce joint guidance with ODCE on identifying the more common indictable offences likely to be encountered by auditors and practical issues associated with the decision-making process on whether a report to ODCE needs to be made. Work is ongoing on updated anti-money laundering guidance. This has been delayed because draft regulations may not be available until close to the end of the year. The Irish Government is on an EU prosecution list for the delay in implementing the third anti-money laundering directive. CCABI's involvement with the Department of Enterprise Trade and Employment (DETE) in transposing the amended Eighth Directive continues. DETE is expected to consult formally on this and the proposed EU audit quality assurance recommendation in the near future.

CCABI has recently responded to a request for comments from DETE on commencement of certain sections of the Companies Act 2003. Most of the un-commenced sections will change again as a result of the Eighth Directive transposition so our response suggested that their commencement be delayed.

IAASA is currently undertaking a consultation on draft regulations aimed at implementing IAASA's powers under section 24 of Companies Act 2003 which gives IAASA power to undertake directly its own investigations of members and member firms of the recognised accountancy bodies and essentially by-pass the professional body's processes.

Aidan Clifford is Advisory Services Manager with ACCA Ireland