24 IRELAND'S OFFSHORE WIND VISION | **38** SUPPORTING SMALL BUSINESS IN BUDGET 2023

Volume 54 | Issue 4 | AUGUST/SEPTEMBER 2022

Accountancy IRELAND

THE OFFICIAL MEMBER MAGAZINE OF CHARTERED ACCOUNTANTS IRELAND

PAYING IT FORWARD

How fintech is shaping the future of business, banking and buying

CHARTERED ACCOUNTANTS IRELAND

The President's welcome

Welcome to a new issue of *Accountancy Ireland*

I BELIEVE THIS IS ONE OF THE CRITICAL MEANS OF REPRESENTING MEMBERS IN SETTING OUT MEANINGFUL PROPOSALS TO REMOVE HURDLES AND MAKE LIFE EASIER FOR ALL BUSINESSES, THE PEOPLE WHO ALREADY WORK IN THOSE BUSINESSES, AND CRUCIALLY THE TALENT THEY WANT TO ATTRACT IN THE FUTURE.

I'm delighted to welcome you, for the first time as President, to this issue of Accountancy Ireland.

Working closely with the Institute's management, I have hit the ground running to make progress on our priorities, which include digital connectivity, the attractiveness and relevance of, and capacity constraints in, the profession, our educational offering, and IT enablement for the benefit of you, our members.

The environment you are operating in remains challenging and changeable. An earlier-than-usual Budget date of 27 September is just one symptom of the times we live in.

The lingering effects of COVID-19 on business, combined with geopolitical turmoil, are both contributors to significant inflation, which is challenging society at-large. In response, we need to challenge the conventional ways of thinking and operating.

The Institute has done so in recent weeks with the launch of its wide-ranging annual position paper *The Next Financial Year.*

I believe this is one of the critical means of representing members in setting out meaningful proposals to remove hurdles and make life easier for all businesses, the people who already work in those businesses, and crucially the talent they want to attract in the future.

It spans hybrid working, sustainability and digitalisation as well as technical accounting, tax, and governance issues. It also delves into areas like housing, transport, and pension provision, recognising that unless people can thrive, business cannot.

In keeping with our all-island remit, the 100-plus practical policy proposals we present aim to effect change on both parts of the island. This blueprint will be our calling card as we continue to engage in the coming weeks and months with members, business groups, and policy makers.

We have already spoken to a lot of members in compiling *The Next Financial Year*, but we welcome your input now as much as ever.

Pat O'Neill FCA
President

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Accountancy Ireland team: **Managing Editor:** Elaine O'Regan, Telephone: (01) 637 7240. **Deputy Editor:** Liz Riley. **Editor**: Sacha Brinkley.
Advertising Sales: Dylan Conway, Email: dylan.conway@charteredaccountants.ie, Telephone: (01) 637 7241.
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ITC

Your future. Our focus.

From the editor

Technology has long featured in financial services, from the advent of the first high street ATMs and mainframe computers to the more recent rise in machine learning, blockchain and digital banking.

Our cover story (**page 16**) looks at emerging trends in financial technology and considers the role Ireland will play in the future of fintech globally.

We talk to members Andrea Reynolds of Swoop Funding and Circit's David Heath about their respective fintech ventures, and to Seán Fleming, Minister of State at the Department of Finance, about the importance of fintech in Ireland's financial services sector.

Elsewhere in this issue, we talk to Pat Keating, another member taking a leading role in shaping Ireland's future. On **page 24**, the CEO of Shannon Foynes Port Company tells us about his plans to transform the Shannon Estuary into an international offshore wind hub and Ireland's potential to become a global leader in renewable energy.

The important role accountants can play in supporting positive change also features in Chris MM Gordon's article on social enterprises on **page 32**, while Suliyat Olalekan, Chief Accountant at SFL Corporation in London, tells us about her own positive experience forging a career as a Chartered Accountant starting in practice and moving into industry on **page 64**.

The latest Global Entrepreneurship Monitor (GEM) report has ranked Ireland third in Europe for entrepreneurs with high-growth job expectations.

As negative headlines continue to dominate, however, Ireland's entrepreneurs will need to be resilient as they grapple with mounting costs and continued uncertainty in the months ahead.

On **page 44**, we talk to Bernard Brogan, Sharon Cunningham and Colin Davitt, all successful members in business, about how they overcome challenges and stay focused and positive in the face of adversity.

To all our members, we hope you enjoy this issue and that the summer is bringing you a welcome opportunity to rest, relax and recharge.

Elaine O'Regan
Managing Editor

Our contributors

CHRIS MM GORDON
Chris MM Gordon, Chief Executive of The Irish Social Enterprise Network, outlines what is involved in starting a social enterprise and discusses the support accountants can provide. **Page 32**

ZARA DUFFY
Zara Duffy, Head of Chartered Accountants Northern Ireland, examines the unprecedented level of change facing businesses in Northern Ireland in 2022. **Page 41**

BERNARD BROGAN
Bernard Brogan, Co-Founder of PepTalk and Legacy Communications, discusses some of the difficulties he has faced in sport and in business, and how he has learned to overcome challenges and build resilience. **Page 44**

EDEL HAYES
Edel Hayes, Founder of Accelerate Accounting Solutions, struggled to separate her home from her work life during the pandemic, but now she has learned useful techniques and practices to help maintain work-life balance. **Page 60**

News in brief

District societies elect new Chairs

New Chairs have been elected at seven District Societies in the North, South and in Britain. The new Chair of the Ulster Society is Emma Murray, Audit Partner with PwC Northern Ireland (*pictured above left with outgoing Chair Maeve Hunt*) while the Cork Society has appointed Ray Egan, an Advisory Director with PwC, as its Chair.

Liz Feeney, Manager at Gilroy Gannon Chartered Accountants in Sligo, is the new chair of the North West Society, and Aisling Callanan, a Senior Manager at Mazars in Galway, is taking up the same position with the Western Society. The Leinster Society has appointed Ann-Marie Costello, a Corporate Finance Director with Grant Thornton in Dublin, as its Chair.

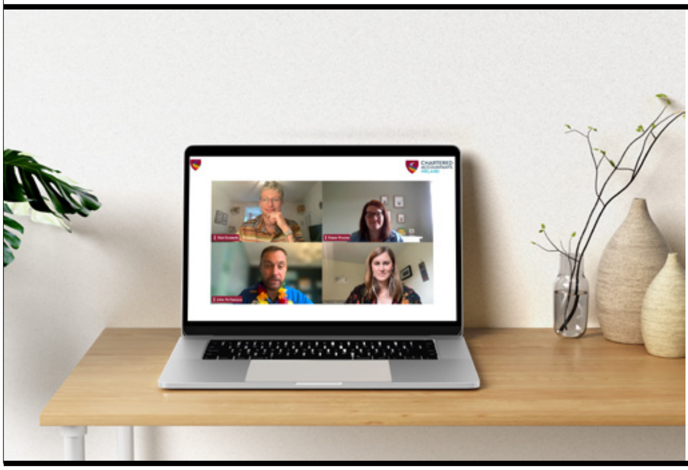
Jennifer Cleary, European Finance Manager at Analog Devices, has been re-elected as Chair of the Mid West Society. Triona Dowd has also been re-elected as Chair of the London Society. Dowd is Business Partner for Global Expansion Markets at Reckitt.

Institute welcomes FRC members

Members of the Financial Reporting Council were welcomed at the Institute's Dublin headquarters in mid-June for an in-person event on Pearse Street. Jenny Carter and Stephen Maloney of the FRC's accounting and reporting policy team gave Institute members in attendance an update on financial reporting matters, including progress on the ongoing periodic review of Financial Reporting Standard (FRS) 102. Phil Fitz-Gerald, Director of the FRC's Financial Reporting Lab, was also on hand to update attendees on recent reporting lab projects on structured reporting, net zero and cybersecurity risk disclosures, and environmental, social and governance data.

3.2%

THE INTERNATIONAL MONETARY FUND'S LATEST FORECAST FOR GLOBAL ECONOMIC GROWTH THIS YEAR, DOWN 0.4 PERCENT ON ITS EARLIER APRIL FORECAST



Balance celebrates diverse families

More than 120 members and students watched *Rainbow Families: Celebrating Diversity in Families*, a special webinar organised by Balance, Chartered Accountants Ireland's newly formed LGBTQ+ Allies network group, to celebrate Pride 2022. The objective of the webinar was to create awareness, share experiences, and generate a better understanding of the importance of diversity in families. It featured presentations from members of the Institute, BeLonG To, and Equality for Children.

The next financial year

Chartered Accountants Ireland published its annual blueprint for creating a better business environment on the island of Ireland in early July. This is the third year that the largest accountancy body on the island has published *The Next Financial Year*, informed by the insights of its 30,000 members.

The blueprint contains more than 100 individual recommendations aimed at helping to optimise the business environment, particularly for SMEs, and addressing personal finance and societal issues, so that employees can survive and succeed as well as businesses.

"This document sets out what is required for well-functioning economies and societies into the next year," Dr Brian Keegan, Director of Public Policy, Chartered Accountants Ireland, said.

"It is informed by the views of our members across the island of Ireland, and speaks to structural challenges in the business environment, the individual needs of businesses, and critically, the need of employees living in our communities."

The Next Financial Year has been sent to government ministers and other elected representatives in Ireland and Northern Ireland. *For more on the SME recommendations outlined in the report, see page 38.*

Chapter Zero Ireland launches

Karina Litvack, Chair of the World Economic Forum's Climate Governance Initiative, joined Minister for Finance, Paschal Donohoe, last month for the launch of Chapter Zero in Dublin. The Irish chapter of the Climate Governance Initiative aims to equip non-executive directors to lead crucial boardroom discussions on climate change. Barry Dempsey, Chief Executive of Chartered Accountants Ireland, was also present at the launch, which is supported by the Institute, Deloitte, HSBC Ireland, the Institute of Directors, and Ibec.

"The labour market is now extremely strong. This is not an economy that's in recession. But we're in a period of transition in which growth is slowing and that's necessary and appropriate"

Janet Yellen,
US Treasury Secretary

Housing and personal tax key to competitiveness

The Consultative Committee of Accountancy Bodies-Ireland (CCAB-I) has called on the Government to prioritise tax measures that support individuals and make Ireland an attractive place to live and work.

CCAB-I published its Pre-Budget Submission 2023 in June, outlining a range of measures that could alleviate cost-of-living pressures and tackle barriers to recruitment and retention in the Irish economy.

The residential property market is in crisis, the report stated, and parity is needed in the treatment of corporate and individual landlords to support a functioning housing market.

"In the Irish tax system, corporate landlords holding rental property have a more favourable tax treatment, at 25 percent, whereas individuals face rates of 52 percent and beyond," Cróna Clohisey, Tax and Public Policy Lead, Chartered Accountants Ireland, said.

"The 25 percent rate should be extended to individuals to address some of the inequity. By removing disparities, the tax system could be effectively harnessed to encourage landlords to stay in the market and new entrants to meet the supply shortage."

News in brief

Leinster Society launches salary survey

The Chartered Accountants Ireland Leinster Society partnered with Barden to launch its latest salary survey for members on 6 July.

Released annually for over 25 years, this year's salary survey has a specific focus on the continued impact of the pandemic on working arrangements, and on understanding how employers are preparing for gender pay gap reporting requirements.

As organisations continue to adapt to new working arrangements, taking part in the survey will give Leinster Society members an opportunity to have their say on workplace policies and the future of work for the profession. The survey findings will be released at a special launch event on 8 September.

National Economic Dialogue

The Institute was represented at the National Economic Dialogue by Dr Brian Keegan, Director of Advocacy and Voice. The theme of this year's forum was Building Economic Resilience to deal with International Challenges. Dr Keegan emphasised to Ministers the importance of capacity-building within the economy, and the valuable contribution of the accounting profession to the services sector. He also outlined recommendations put forward in the Pre-Budget Submission of the Consultative Committee of Accountancy Bodies-Ireland. The National Economic Dialogue provides a forum for public consultation and discussion ahead of Budget 2023. The annual stakeholder engagement was hosted in June by the Department of Finance and the Department of Public Expenditure and Reform.

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Dean Ladrigan BA, Relationship Manager | T: 087 983 8170 E: dean.ladrigan@dubcoireland.ie
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Andrea Reynolds

Paying it forward

Technology is shaping the future of financial services and creating exciting opportunities for innovative professionals at the heart of the fintech revolution

As Chief Executive of Swoop Funding, Andrea Reynolds occupies a unique position at the nexus of fast-changing trends in financial services, emerging technologies, and the evolving role of the financial professional.

The Chartered Accountant established Swoop in 2017 with Ciarán Burke, the company's co-founder, to develop software that could help accountants identify the best funding options for SMEs.

"The platform has been used now by 75,000 businesses to access funding, ranging from equity and grants to loans and tax credits. That's given us an interesting overview of how much technology is changing the world of finance," said Reynolds.

Headquartered in Dublin, Swoop was founded in the UK where Reynolds had been working as a management consultant with KPMG in London before deciding to go into business with Burke.

"At the time, everyone was moving to cloud accounting and open banking was coming down the line with the EU's Revised Payment Services Directive (PSD2). We were seeing these new fintech lenders emerging, offering alternative funding to businesses and consumers," she said.

"In accountancy, you are trained to solve a problem by breaking it down into smaller elements, and that's basically what I did with Swoop. I built a platform that could bring all of these funding options together in one place and do the heavy lifting for accountants advising SMEs."

Five years on, Swoop is on course for expansion in North America and other markets, having recently raised €6.3 million in Series A funding.

"Finance is increasingly data-driven and borderless and that creates opportunities for fintechs like us, but different markets also have different strengths and weaknesses," said Reynolds, pointing to her experience launching her own start-up in Ireland and the UK.

"The idea for Swoop originally came from my experience navigating the funding system for SMEs in the UK, which is a lot more fragmented than the Irish system," she said.

"The flipside is that the UK has been much more open to alternative finance, as have other European countries. That's meant a lot more activity in non-bank lending, whether that's crowdfunding, or loan finance from the likes of Wayflyer, Clearco or Youlend."

By comparison, Ireland is in 'catch-up mode', but it is catching up fast, said Reynolds. "Wayflyer is a huge fintech success story and there are other alternative lenders in the Irish market, like Linked Finance, Flender, and Accelerated Payments.

"Ireland already has a very strong fintech base in regulatory technology, anti-money laundering, ID verification, and Know Your Customer (KYC) technology. Where we still have to build up momentum is in the area of open banking."

Automating auditing

For David Heath, FCA, it was his early experience training as an auditor that sparked the idea for Circit, the fintech venture he co-founded in Dublin in 2015.

IRELAND ALREADY HAS A VERY STRONG FINTECH BASE IN REGULATORY TECHNOLOGY, ANTI-MONEY LAUNDERING, ID VERIFICATION, AND KYC TECHNOLOGY. WHERE WE STILL HAVE TO BUILD UP MOMENTUM IS IN THE AREA OF OPEN BANKING.

"I trained with Grant Thornton, and it was a really great experience because the firm was so ambitious and the clients so varied, but as an entrepreneur, your starting point is always 'what is the problem and how can we solve it?'

"For me, it was a case of thinking back to those early years in my career and digging into the processes that were the most challenging," said Heath.

"Auditors typically have a good relationship with their clients but getting the information they need from third party evidence providers is a big pain point.

"You have to verify the information your client gives you with an independent source—usually a bank, law firm or broker—and that process can take anywhere from three to six weeks."

Heath saw an opportunity to solve this problem with the advent of PSD2, using the EU's open banking regulation to create a digital verification platform for auditors.

A cloud-based open banking platform, Circit connects auditors to their clients' banks, solicitors, and brokers, allowing them to verify information within seconds.

Circit is approved by the Central Bank of Ireland as an Account Information Service Provider (AISP) under PSD2. It works with more than 300 accounting firms in Ireland and overseas and recently closed a €6.5 million funding round.

"The funding will help us to increase our footprint and build out our open banking and regulated products, leveraging the license we have from the Central Bank of Ireland," said Heath. "The problem we're addressing may be niche, but it has global application."

Global ambition

This global ambition is a common trait among Ireland's most promising fintechs, according to Matt Ryan, a director in the Financial Services Consulting Group at Deloitte Ireland.

"The ones to watch—the ones that do well quickly—tend to be thinking globally from day one. They have the talent and the funding, but they also know that Ireland is a very small market, so they are thinking in cross-border terms from the get-go," said Ryan.

FINTECH WAS ALREADY A FAST-GROWING MARKET, BUT COVID-19 HAS MADE DIGITAL AND CONTACTLESS PAYMENTS THE NORM AND THAT HAS CATAPULTED FINANCIAL TECHNOLOGY INTO A NEW ERA OF GROWTH.

Ryan points to Transfermate and Wayflyer as two such Irish fintech ventures whose global vision is paying dividends.

A business payments infrastructure company founded in 2010, Transfermate closed a $70 million funding round in May, valuing the Kilkenny fintech at $1 billion.

Wayflyer secured $300 million in debt financing in the same month following a $150 million Series B funding round, closed in February, which earned the Dublin start-up a $1.6 billion valuation and coveted 'unicorn' status.

The pandemic effect

The speed with which Wayflyer's revenue-based financing and e-commerce platform succeeded globally reflects a wider trend in fintech.

"The pandemic really accelerated the development of the sector as businesses and consumers suddenly moved online en masse," said Ryan.

"Fintech was already a fast-growing market, but COVID-19 has made digital and contactless payments the norm and that has catapulted financial technology into a new era of growth."

DIGITAL INNOVATION IN FINANCIAL SERVICES

Already a leader in payments globally, Ireland is now shaping the business environment for digital finance, writes Seán Fleming TD, Minister of State at the Department of Finance

As Minister of State with responsibility for financial services, I lead the whole-of-government strategy for developing international financial services in Ireland, titled Ireland for Finance. I very much welcome this timely report on fintech.

In recent years, new entrants and long-standing financial institutions have looked to capture the opportunities presented by digital technologies.

Ireland is well-placed to benefit from the application of new technologies in the financial services industry. We have both a well-developed financial centre and a renowned technology sector.

This makes Ireland a centre of excellence for start-ups and big-name companies that want to establish operations in the European Union.

Ireland has shown leadership in shaping the business environment for digital finance. Important to this is Ireland's education system, which has produced some of the finest innovators in the world. These graduates are leading the development of cutting-edge technologies.

The Government has an ambitious agenda for education. Two out of 15 Cabinet Ministers are dedicated to education and skills. Consecutive Governments have invested substantially in education, making it a cornerstone of Ireland's economic strategy.

This economic strategy has created a strong mix of multinationals that have chosen Ireland as a place to do business. We have been very successful in supporting high-potential start-ups, with over 200 Irish fintech firms at various stages of development.

Ireland is a leader in payments, and a number of firms have substantial development operations here. The digital finance ecosystem has expanded in recent years to include institutional financial services providers that have chosen Ireland to help them develop their fintech capability.

The importance of fintech is reflected in the Ireland for Finance strategy. I identified Fintech and Digital Finance as one of the five themes in Action Plan 2022.

The Department of Finance's Fintech Steering Group leads the cross-government approach with other departments and state agencies, and with representatives of the financial services and information technologies industries, and third-level researchers.

Financial Services Ireland, the Ibec sector representing financial services companies, recently identified the future talent pipeline as being critically important. Particular areas they identify are fintech, digital finance and the environmental, social and governance agenda.

I will shortly be publishing the updated Ireland for Finance strategy and fintech will be a key theme, and it will be at the centre of our work in the coming years.

David Heath

While fintech awareness among consumers tends to centre on high-profile digital banks like Revolut and N26, the fintech sector globally, and in Ireland, is far more diverse.

"People usually think of full stack providers like Stripe and Revolut when they think of fintech, but that's really not the whole story," said Ryan.

"Equally relevant are the technology companies selling services and solutions to financial institutions.

"There are some very successful Irish companies in this space, such as TansferMate and Fenergo, which specialises in KYC technology for banks."

Fintech in Northern Ireland

The established financial services sector is equally important to the fintech ecosystem in Northern Ireland, according to Alex Lee, Executive Chair of Fintech Northern Ireland (Invest NI).

Figures published last year by Fintech NI found that there were 74 fintech companies in the region and 7,000 people employed in fintech jobs.

"The financial services sector here has a good track record of attracting foreign direct investment (FDI), particularly over the last 15 to 20 years," said Lee.

"Large institutions like Citi, Allstate, CME, TP ICAP and Liberty Mutual have all established a meaningful presence here."

WE ARE MAKING STRIDES NOW AND MY HOPE IS FOR A HOMEGROWN FINTECH 'UNICORN' TO COME OUT OF NORTHERN IRELAND. WE'RE NOT QUITE THERE YET, BUT I WOULD LIKE TO SEE THIS 'POSTER CHILD' FOR THE SECTOR EMERGE IN SOON

Together, these US multinationals form 'the foundation' on which Northern Ireland's fintech sector has continued to build, Lee said.

"Attracting big international players has helped to grow out our fintech expertise and talent pool, because most of these companies have global technology development centres running out of Northern Ireland, and that has contributed to the rise of some really successful homegrown fintechs," he said.

FinTrU is one such success story. Founded in 2013, FinTrU develops regulatory technology for investment banks, ranging from legal, risk and compliance, to Know Your Customer (KYC).

The Belfast-headquartered company employs 1,000 people and, in July, announced plans to create a further 300 jobs at a European Delivery Centre in Letterkenny, Co. Donegal.

Another scaling success story in Northern Ireland is FD Technologies (formerly First Derivatives).

Founded in 1996, the Newry-headquartered data firm employs 3,000 people at 13 offices in Ireland and globally and recently announced plans to create 500 jobs at a new technology hub in Dublin.

Northern Ireland is also continuing to attract FDI. In June, the Bank of London announced plans to establish a Centre of Excellence in Belfast, creating 230 jobs by 2026.

"We are making strides now and my hope is for a homegrown fintech 'unicorn' to come out of Northern Ireland. We're not quite there yet, but I would like to see this 'poster child' for the sector emerge soon," said Lee.

Alex Lee

Decline of the unicorn

Such is the pace of growth in the fintech sector globally, however, that even the much sought-after 'unicorn' moniker is losing its lustre.

"In developed markets at least, I think there is a view that 'unicorn' status has lost some of its cachet," said Ian Nelson, FCA, Head of Financial Services and Regulatory at KPMG Ireland, and a member of the Council of the Fintech and Payments Association of Ireland.

WE CAN EXPECT TO SEE MORE FINTECH COMPANIES FOCUSED ON CLIMATE CHANGE, DECARBONISATION AND THE CIRCULAR ECONOMY, AND MORE JURISDICTIONS SETTING UP INCUBATORS SPECIFICALLY FOCUSED ON ESG SOLUTIONS

Even Stripe—perhaps the best-known 'unicorn' with Irish origins—has outgrown the label.

Established in Silicon Valley in 2010 by Limerick brothers Patrick and John Collison, the online payments giant's $95 billion market capitalisation has soared beyond the $1 billion unicorn requisite.

"Stripe is really now a 'centicorn', if you like, and there are numerous other fintechs in the same sphere, and 'decacorns' valued at $10 billion coming up behind them," said Nelson.

"At $1 billion, becoming a 'unicorn' has less meaning for fintech start-ups in developed markets, but it will continue to be an important building block for start-ups in emerging markets and less mature fintech hubs."

Among the other trends Nelson is keeping an eye on is the role technology will play in supporting environmental, social, and governance (ESG) capabilities in business.

"Since COP26, we have seen a lot of attention directed towards fintechs with ESG capabilities," he said.

"This really reflects the growing prioritisation of ESG in financial reporting and financial services generally. ESG is going to be a really important play in fintech.

"We can expect to see more fintech companies focused on climate change, decarbonisation and the circular economy, and more jurisdictions setting up incubators specifically focused on ESG solutions."

Responsible investment boosts member engagement

Aon is taking the lead on ESG engagement with a new offering that gives members real insight into how their money is being invested. **Frank Keating** and **Elaine Reilly** explain how.

For years, Defined Contribution (DC) pension schemes and their advisors have grappled with the challenge of engaging members, particularly younger members, with retirement savings.

For people in their twenties or thirties, retirement can seem like a distant concept that is far removed from their immediate financial priorities.

This lack of engagement can lead to a concerning 'pension apathy,' resulting in inadequate retirement planning and, ultimately, less optimal outcomes for members.

It can also result in a lack of appreciation for the employer's high spend on this valuable employee benefit. There are some welcome signs of change, however.

Seemingly far removed from the 'grey world' of pensions, the environmental, governance and sustainability (ESG) movement, and social media campaigns such as the Reddit revolt, could become a catalyst for pension engagement among those members that have traditionally been the hardest to engage.

The ESG movement

ESG criteria can be used to evaluate and rate how sustainable and ethical a company is. An ESG assessment would consider a company's policies in relation to the planet and its environmental impact in respect of activities, such as waste management, energy use, and emissions.

It would also assess its social impact—how it treats its employees, the diversity of its workforce, and human rights practices—and at its governance structure and practices—how the company is run by its leaders, the diversity of leadership and board members, political donations and lobbying, and legal issues.

Recent years have seen the release of new European regulations covering ESG requirements and considerations for pension schemes. This has become a compliance priority for pension schemes, but it is important to recognise the real impact pension scheme assets can have in relation to ESG.

At Aon, we have been working with Trustees to develop their policies in relation to ESG following recent regulatory changes. It is crucial that these policies do not 'live on the shelf,' however, and instead form a real part of the decision-making structure for our Trustees.

People are increasingly aware of the effects of climate change and of wider ESG issues. Pension scheme members quite reasonably expect trustees and pension schemes to respond to the ESG movement on their behalf.

It is important to remember that responsible investment can, and does, mean different things to different people. It is also important that members get the chance to voice their views on ESG matters in relation to their pension scheme assets.

The Reddit revolt

The so-called Reddit revolt of 2021 highlighted the potential power retail investors could wield in stock markets through their use of social media.

Social media forums have become breeding grounds for 'activism investment' and an anti-Wall Street movement, driven by retail investors who have banded together in a bid to take down financial institutions by squeezing their short positions. At its core, this movement is about a fundamental lack of trust in these financial institutions.

Greenwashing and trust

This fundamental lack of trust is also evident among the members of the public and social media users who have raised concerns about the authenticity of the ESG movement. Accusations of "greenwashing" are common.

Greenwashing occurs when an organisation makes false, unsubstantiated, or outright misleading claims about its positive ESG impacts and activities.

This has expanded to the investment funds industry where investors might struggle to understand if a fund is as ESG-friendly as it purports to be.

Recent statements dismissing the extent of climate change, made by the head of responsible investing at a high-profile global investment bank, will have done nothing to improve the trust the conscientious investor has in the industry.

Leaving aside the authenticity, or otherwise, of some ESG claims, and the financial wisdom or ethics of the Reddit Revolt, one thing is clear – individuals want greater transparency and democratisation when it comes to their investments.

A potential solution for DC members

When three students at Cambridge University succeeded in their campaign to ensure that the university's multi-billion-pound fund would be sustainably invested, they knew they were onto something.

These students were Tumelo co-founders Georgia Stewart, Will Goodwin and Ben King, and they had recognised a global problem.

Millions of ordinary people contribute to our investment system through workplace pensions and other investments, yet most have no visibility over where their money is going—and no voice within the many companies they own through these investments.

The result? A society that is disengaged and an investment system that is failing to address critical social, environmental and governance challenges.

"Tumelo was founded to change this," explains Georgia Stewart, Tumelo's CEO and co-founder.

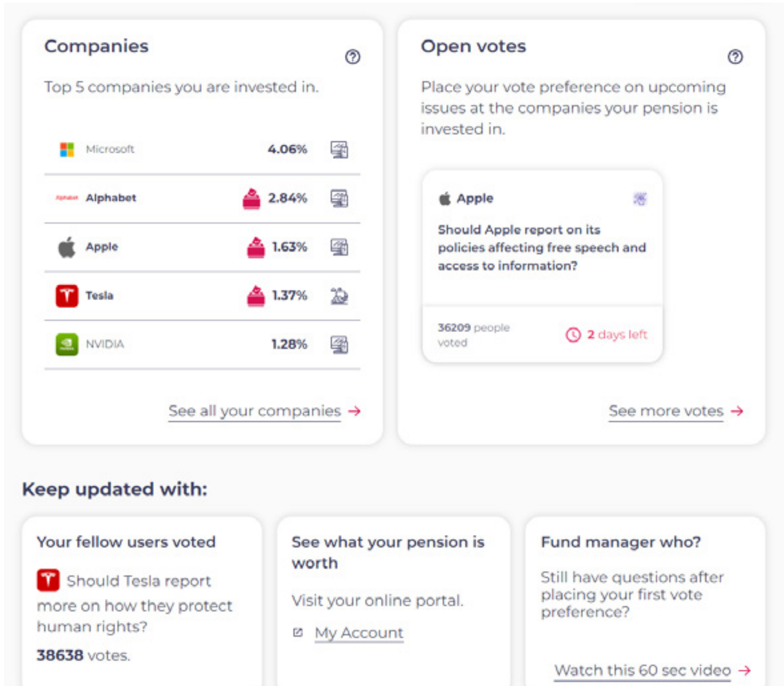
"Our software platform shows investors the companies they own and empowers them to engage on issues they care about. In doing so, it helps investment firms connect with customers so they can better serve people and protect the planet."

How does Tumelo work?

At Aon, we are integrating the Tumelo platform with our member web portal. Data feeds are established with the underlying investment manager so that when a member logs in, they can see a full list of the companies the pension fund invests in.

This type of transparency has never before been available, but we believe that it is something all members should expect when it comes to their investments—and the transparency does not stop there.

The platform also publishes details about upcoming shareholder votes with ESG implications. A summary of the 'for and against' arguments are presented, and the formal AGM document is available to download.



**Source: Tumelo*

Every registered pension plan member can then cast their own vote on the issue at hand.

It is important to note here that pension plan members do not have direct shareholder voting rights. Their preferences are, however, collated and fed back to the different investment managers who do have voting rights.

The investment managers who have agreed to participate (and they all want to participate) must then disclose on the platform how they have voted and why.

The transparency of the platform and the (almost) democratisation of the process has proven to be truly empowering for members who care deeply about social and environmental issues.

For the first time, there is a real sense of ownership, a sense of community and of course, a social media presence.

For those members that may not have been engaged up until now, this is a new way of considering the impact their pension scheme assets can have.

For the first time, these members have a reason to proactively engage with their pension scheme and that can only be positive.

For more information, visit aon.com/ireland or email Frank at frank.keating@aon.com or Elaine at elaine.reilly@aon.com.

Aon Solutions Ireland Limited trading as Aon, is a private company limited by shares. It is authorised as an investment firm by the Central Bank of Ireland under the European Union (Markets in Financial Instruments) Regulations 2017 and as an intermediary under the European Union (Insurance Distribution) Regulations, 2018. It is also a Registered Administrator with the Irish Pensions Authority.

Frank Keating is Head of Administration at Aon

Elaine Reilly is a Senior Investment Consultant at Aon

Wind-fuelled future

As Shannon Foynes Port Company advances plans to become a global leader in offshore floating wind energy, CEO Pat Keating outlines his ambitious vision for the Shannon Estuary

The Shannon Estuary is primed to become a renewable energy leader and global hub for floating offshore wind farms as Shannon Foynes Port Company advances plans to harness the power of its close proximity to the Atlantic.

"Ireland's potential for floating offshore wind generation off the West Coast stands at 70GW, which is 12 times our current installed wind capacity on land," said Pat Keating, FCA and Chief Executive of Shannon Foynes Port Company (SFPC).

"The potential is enormous. It is all there, and it could play an enormous role in enabling Ireland's transition to a low carbon economy, but, without the right infrastructure, all that potential energy will be going nowhere. Now is the time to plan ahead and make the right decisions."

SFPC recently appointed Bechtel, the US engineering firm, to revise Vision 2041, the development masterplan it published back in 2013.

"Bechtel is assessing the entire potential of the Shannon Estuary for us, from an engineering point-of-view, so that we can plan out the roadmap of deliverable supply chain investments required to assemble these floating wind turbines and transport them out to sea," said Keating.

Ports like SFPC could act as a crucial focal point in the manufacturing, installation, and operation of large-scale offshore wind farms, while also supporting crucial local supply chains, Keating said.

"The port infrastructure is critical, but there is a lot more to it. We are looking at other critical elements like how we can accommodate the offshore grid along the Shannon Estuary, so that this renewable energy has a route to market.

"We're looking at the potential to produce eFuels from the wind energy resource, like hydrogen ammonia and sustainable aviation fuel.

"We won't see wind turbines in the Atlantic until 2030 at the earliest, but if we don't plan now for all of the different infrastructural and supply chain elements that will need to be in place, we may not even make that deadline."

As Keating sees it, Shannon Foynes Port Company is well-placed to play a leading role in the roll-out of such a strategy, with its most recent annual report, released in July, revealing record earnings in 2021 with profit before taxation exceeding €5.2 million for the first time.

SFPC is Ireland's largest bulk port company and second largest port operator. A commercial semi-state company, it is responsible for operating Foynes and Limerick ports and has statutory authority over all marine activities along the estuary, stretching from Kerry to Loop Head and Limerick city.

"Our 'harbour' is the entire Shannon Estuary, the largest and deepest watercourse in the country, which consists of 500 sq. km. of water with channel depths of up to 32 metres. That is a unique asset in its own right," said Keating.

"Now, we want to use this unique asset to harness the renewable energy asset we have here in the Atlantic."

Climate Action Plan

If realised, Keating's ambition to develop the offshore renewable energy resource off Ireland's West Coast could potentially exceed targets laid out in the Government's Climate Action Plan to achieve 5GW in offshore wind energy by 2030, rising to 30GW by 2050.

As it stands, Phase One projects currently in development under the plan mainly comprise fixed-pile developments situated off the East Coast.

These include the Codling Wind Park co-development between EDF and Fred Olsen off the Wicklow coast, Oriel Windfarm – a joint venture between ESB and Parkwind NV in Louth – the RWE Renewables and Saorgus Energy-led Dublin Array Project, and Statkraft's 750MW North Irish Sea Array.

Only after these Phase One projects have been completed is the focus expected to shift to the floating offshore wind developments Keating is envisioning, in the deeper waters off the West Coast.

Currently, offshore wind infrastructure in Ireland is markedly underdeveloped compared to other EU countries.

The 25MW Arklow Bank Wind Park in the Irish Sea off the coast of Wicklow is our only existing operational offshore renewable energy project, but recent developments suggest significant change ahead.


Pat Keating, Chief Executive of Shannon Foynes Port Company [Photograph: Arthur Ellis]

Offshore wind history

"The Arklow Bank Wind Park goes back to 2004 and it was actually one of the largest offshore wind farms in the world," said Noel Cunniffe, Chief Executive of Wind Energy Ireland.

"At that point in time, Ireland was regarded as a world leader in offshore wind, but then we put the brakes on, mainly I think because offshore wind was seen as prohibitively expensive to develop."

In the years since, Ireland has been overtaken by the UK and a clutch of European leaders in offshore wind energy, among them Denmark, Germany, Holland and Norway.

"We have definitely fallen behind, but there is an upside," said Cunniffe. "The cost of developing offshore wind energy has come down massively since the early 2000s and Ireland is now in a strong position to take the learnings from Britain and our EU neighbours, so that we can hit the ground running at a much faster pace."

Policy and legislation

The Irish Government has made substantial progress over the past 12 months in introducing policy and legislative measures to support the ramping up of offshore energy development.

The National Marine Planning Framework was published by Taoiseach Micheál Martin on 1 July 2021, followed late last year by the Marine Area Planning Act.

"The National Marine Planning Framework is Ireland's first comprehensive marine spatial planning framework, and the Marine Area Planning Act provides the legal and administrative underpinning for a new planning regime in the maritime area, facilitating the development of offshore energy," explained Rebecca Greene, Energy Tax Policy Leader with PwC Ireland.

A regulatory agency has also been announced to enforce the new planning regime and manage the relevant Maritime Area Consents (MACs) and foreshore licensing requirements.

The Maritime Area Regulatory Authority (MARA) is expected to be operational in 2023, while the first batch of MACs are expected to be issued soon to selected Phase One projects.

"All of these developments are critical to paving the way forward for our offshore wind sector and making Ireland an attractive location for renewable energy investment," said Greene.

"At a fundamental level, Ireland's maritime area is seven times the size of our landmass, so we have access to significant marine renewable energy resources, such as offshore wind, but also wave and tidal."

Renewable energy export

The Programme for Government set out targets of 70 percent renewable energy by 2030, underpinned by 5GW of offshore wind.

Thereafter, the plan is to commission at least 30GW of floating offshore wind by 2050, turning Ireland into a significant exporter of energy to other markets.

Speaking recently at the National Economic Dialogue in Dublin Castle, Tánaiste Leo Varadkar, TD, highlighted the country's potential to one day generate enough green energy to sell excess supply overseas.

"While weaning ourselves off coal, oil and gas is a global challenge, it also presents incredible opportunities for Ireland, specifically in the area of electricity generated by offshore wind, backed up by mega-batteries and interconnection, and of course, green hydrogen," Varadkar said.

"I believe, in a few decades, we can go from being an energy importer to being an energy exporter," he added, "with all the benefits that come with it – greater energy security and price stability, employment and regional development."

Surplus energy produced in the future would be transported through purpose-built interconnectors or existing gas infrastructure converted for the purpose. It could also be converted to green hydrogen stored in Ireland for energy security purposes.

Photograph: Arthur Ellis

"Under the new planning system, we expect to see the first planning application submitted for a new offshore windfarm in the first half of 2023, and the government is also working on the ancillary infrastructure needed to cater for offshore wind energy," said Cunniffe.

"The Department of Environment Climate and Communications is currently working with Eirgrid to work out the cable infrastructure plan for connecting offshore wind farms to the electricity transmission grid around our coastline."

Route to market

The route to market for new projects in the pipeline, meanwhile, will be handled initially via a series of auctions under the Offshore Renewable Energy Support Scheme (ORESS).

I BELIEVE, IN A FEW DECADES, WE CAN GO FROM BEING AN ENERGY IMPORTER TO BEING AN ENERGY EXPORTER. WITH ALL THE BENEFITS THAT COME WITH IT – GREATER ENERGY SECURITY AND PRICE STABILITY, EMPLOYMENT AND REGIONAL DEVELOPMENT.

Delivered by the Department of Environment, Climate and Communications with the support of Eirgrid and the Commission for Regulation of Utilities, the ORESS auctions will see offshore wind developers bid for capacity, receiving a guaranteed price for the electricity they generate.

"The most competitive projects will get contracts and they will then enter into construction. The first auction will open before the end of the year and we expect the bidding to take place around April 2023," said Cunniffe.

In addition to planning, licensing, and commercial supports, investment in the ancillary infrastructure for the developing offshore wind energy sector will be crucial in the years ahead, according to Greene.

"We need to invest significant amounts in port infrastructure, supply chains and workforce requirements. Doing so will enable us to meet our climate objectives, but it will also create huge opportunities for economic prosperity across our economy and society," she said.

Cunniffe agreed that a "major recruitment drive" would be needed to support anticipated growth in the sector.

"It is really great that we now have a planning system in place for offshore wind energy with the introduction of the National Marine Planning Framework and Marine Area Planning Act, but what we don't have enough of are the skills we'll need to support this," he said.

"There is definitely a shortfall in the number of marine ecologists, biologists and planners we will need to process the quantity of applications we'll see over the next few years.

"We're also going to need a lot of electricity

Photograph: Arthur Ellis

FROM A TAX PERSPECTIVE, DEVELOPERS AND INVESTORS IN THE IRISH ENERGY SECTOR – AND, IN PARTICULAR, THE OFFSHORE WIND SECTOR – REQUIRE CERTAINTY AND STABILITY IN THE TAX REGIME GIVEN THE SIGNIFICANT INVESTMENT INVOLVED.

transmission grid reinforcement around our coastline, so that we have sufficient capacity to move offshore power from where it's being created to where it's needed."

Budget 2023

As we await the announcement of Budget 2023 on 27 September, PwC is calling on the Government to prioritise measures that will support private investment in offshore wind and other renewable energies.

"From a tax perspective, developers and investors in the Irish energy sector – and, in particular, the offshore wind sector – require certainty and stability in the tax regime given the significant investment involved. Minimising the administrative burden they face is critical," said Greene.

Among the recommendations outlined to the Government in PwC's Pre-Budget 2023 Submission for Climate Action is the introduction of accelerated capital allowances for investment in port infrastructure, and the extension of the capital gains tax participation exemption to pre-trading ventures, including renewable energy developers.

"We would like to see a broad exemption for infrastructure projects extending to Irish companies investing in renewable energy projects, even if they are not directly involved in the project," said Greene.

"We'd also like to see the pre-trading expenditure window increased from three to seven years and would welcome clarity and confirmation from the Government with regard to the qualifying nature of grid connection costs."

The R&D tax credit regime could be improved to support green innovation and the development of climate technologies, Greene added.

"We are also recommending that the Government reintroduces the relief for investment in renewable energy generation (s486B TCA 97), which ceased in 2014, in order to encourage corporate investment," she said.

"And we would also like the Government to amend the Relevant Contracts Tax regime to enable non-resident contractors with good tax standing to avail of the zero percent rate, and allow for monthly VAT returns to improve cash flow for projects at development or construction phase."

Modern thinking in medieval times

At a time of rising conservatism and regressive thinking, the EU's progressive approach to ESG reporting is raising the bar on climate change action and it will have an impact far beyond the boardroom, writes **Dr Brian Keegan**

Bad law, like the British legislation overturning the Northern Ireland Protocol, and bad judgments, like the US dismissal of *Roe v Wade*, don't just change the rules. They disrupt attitudes within a society. A disruptive change in attitude can be more damaging than any one piece of repressive law or legal interpretation.

Some people speculate that we are seeing a return to the protectionist thinking of the 1980s, given the resumption of the Cold War and soaring inflation. The evidence suggests that the reset is more dramatic than that, however.

Disregard for the rule of law in international treaties and women's welfare points, not to a 1980s outlook, but to a medieval way of thinking about the world.

Against this backdrop of toxic conservatism and protectionism leading to international conflict and rising inflation, the management of climate change is slipping down the list of international priorities.

Shepherded through the EU institutions last month by Mairead McGuinness, Ireland's EU Commissioner, the new Corporate Sustainability Reporting Directive is looking to address this slippage.

Reporting standards traditionally address shareholder concerns and what is material to them. Now the EU has taken this idea a step further by insisting on what it is calling "double materiality" — reporting not just on what is directly material to shareholders, but also on what is material to the wider community and society.

Double materiality is a concept that remains highly subjective, and expert groups within the Institute are working through how it can best be interpreted.

Critical also for this profession is the recognition within the directive of the role of auditing firms in assuring both the "traditional" financial report and the environmental, social and governance aspects.

Chartered Accountants Ireland lobbied hard to ensure that this recognition was included in the text of the directive, because it was by no means guaranteed at the outset.

International accounting standards currently under development by the International Sustainability Standards Board (with the blessing of the G7) are committed to the notion of single materiality, albeit recognising that it is usually in the interests of shareholders that the environment be preserved too.

About 50,000 larger companies within EU member countries will be directly caught by the new directive. They will have no choice but to adopt these new reporting requirements as the directive will have the force of national law.

The profession will, therefore, have to adopt additional standards for reporting and assurance, and draft standards are already in the public domain. This adoption will come at a cost, for the companies themselves and the firms that audit them.

Are these costs worthwhile? I hope so. The Corporate Sustainability Reporting Directive will have a greater practical impact on climate change than any number of impassioned Thunburg-esque speeches from quangos, or government white papers as high on aspiration as they are thin on funding.

Voluntary codes and practices won't deliver climate change management, but a legal requirement on corporates to declare progress or failure can.

However, the real benefit of the Corporate Sustainability Reporting Directive is the way it will change attitudes on sustainability and the public attitude towards the accountancy profession as assurers of sustainable change over time.

A new legal framework doesn't merely reflect existing attitudes in society – it changes future attitudes. This directive is a piece of modern thinking at a time when thinking has been turning distinctly medieval.

Dr Brian Keegan is Director of Advocacy and Voice at Chartered Accountants Ireland

So, you want to start a social enterprise?

Social enterprises can empower ordinary people to bring positive change to their communities and society, but what are the options and where do you start? **Chris MM Gordon** outlines what's involved, and the invaluable support accountants can provide

If the COVID-19 pandemic has taught us anything, it is the importance to society of the power and resilience of ordinary people and local organisations providing community services.

Some of our busiest times at the Irish Social Enterprise Network were in the opening stages of the crisis when it seemed that for every private profit-making business that shut its doors, a social enterprise was opening theirs.

Communities formed groups to raise money for meals on wheels or to manufacture personal protective equipment for front-line workers. All of this was organic and determined—and because ordinary people felt empowered to make a difference.

Throughout that time, more people became interested in setting up social enterprises, to better manage volunteers or oversee any money that is being raised and spent.

There was an increased drive from communities to form social enterprises, make them sustainable and retain goodwill—and they turned to their professional advisors to help them set up these new entities.

What is a social enterprise?

A social enterprise is the original 'business for good'. Social enterprises sell products and/or services for a profit, which is reinvested for a social and/or environmental cause. The *National Social Enterprise Policy for Ireland 2019–2022* provides a more detailed definition:

- A Social Enterprise is an enterprise whose objective is to achieve a social, societal, or environmental impact, rather

than maximising profit for its owners or shareholders.
- It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives.
- It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission."

Social enterprises differentiate themselves in several ways. I find it useful to think of a social enterprises in terms of its ownership, funding and social impact.

Ownership: Social enterprises are generally held by, or in trust for, the people they aim to serve. Social enterprises might be democratically owned, as in a co-operative where one person has one vote. More commonly, they might be structured as a company limited by guarantee, the idea being that no-one can sell the organisation for their personal gain. (*Social Enterprises in Ireland: Legal Structures Guide*, published by the Thomson Reuters Foundation and Mason Hayes & Curran, discusses the legal structures available for social enterprises in Ireland.)

Funding: While social enterprises must generate income by selling products and/or services, it is common for them to receive grants or other public or philanthropic funding to supplement their income and allow them to function fully. Funding can come in many forms, but some funding streams are available to social enterprises only if they are set up as a specific type of company.

Social impact: There must be some measured social (and/or environmental) impact – for example, reducing homelessness – and the money raised or spent by the social enterprise needs to positively affect that impact.

'Work integration social enterprises' are organisations that employ those that are furthest from the labour market. These could be people with physical disabilities or mild, moderate, or severe learning difficulties. Such social enterprises are providing employment and opportunities that may not otherwise be available.

Setting up a social enterprise

The best approach to setting up a social enterprise will depend on the context and a variety of other factors, including the nature of the problem the community or individual is trying to solve. For the professional advisor, the first step is to understand this, ask the right questions, and to listen.

- **Community or individual?**

Is the social enterprise being set up for and by a community or an individual? While it often takes a single individual to get things started, having the support and buy-in of a wider group of people shows there is a real need for the enterprise. It also increases the diversity of opinion and expertise needed to make a social enterprise successful.

- **An issue seeking an enterprise?**

Someone wanting to set up a social enterprise may want to solve a specific problem that is close to them. They may have a sibling with a learning difficulty for whom they want to create a full-time job, for example. Their sibling loves making coffee, so they set up a café. This is an issue (finding employment for those distant from the labour market) that is looking for a business model to make it sustainable (a café).

USEFUL RESOURCES

- The Social Enterprise Toolkit is a resource for communities and individuals setting up a social enterprise in Ireland. It is available to download for free at social enterprisetoolkit.ie
- The Irish Social Enterprise Network is the national body for social enterprise in Ireland. It provides information on the sector and useful pointers for people setting up a social enterprise online at socent.ie
- *Social Enterprises in Ireland: Legal Structures Guide* (Thomson Reuters Foundation and Mason Hayes & Curran, November 2020) is available to download at trust.org
- BuySocial.ie is a growing online directory of social enterprises operating in Ireland: buysocial.ie.
- The Charities Regulator provides guides to setting up a company with charity status: charitiesregu-lator.ie
- The Irish Co-operative Organisation Society (ICOS) provides information on setting up as a co-opera-tive: icos.ie/starting-a-co-op/intro.

- **An enterprise seeking an issue?**

The same could be true for someone with specific skills, such as a business-minded barista, who would like to do more than simply sell coffee. They are also looking for a social purpose to invest in and decide to employ people that are distant from the labour market—in this case, people with learning difficulties. This is an enterprise (a café) seeking an issue (employment for those distant from the labour market).

Legal structure

There is no specific legal structure required for social enterprises in Ireland. However, in my experience, people setting up a social enterprise for the first time often think that it must be a charity, without being aware of what that entails.

Gaining and maintaining charitable status can be onerous for a start-up and may not be necessary, or even relevant, in all cases. Some sources of funding may require charitable status, however. Knowing the sources and requirements of initial funding is important for choosing the right company type for a social enterprise.

It may be tempting to advise a client to set up a social enterprise as a private company limited by shares and to spend its profits on whatever social cause they choose. This company type does not suit all circumstances, however.

Social enterprises come in a variety of forms. The use of each type of legal structure should be suitable, considered on its merits and aligned with the aims of the enterprise.

Again, the source of the entity's funding and related requirements often determine the choice of structure. Here is an outline of the types of company set-up available to social enterprises:

- **Company Limited by Guarantee (CLG)**

This company type is the one most often chosen for social enterprises and comes close to company types in countries that have specific legal structures for social enterprises.

- **CLG with Charitable Status**

While charitable status (by application to the Charities Regulator) can apply to several types of legal structure, it most commonly applies to CLGs, subject to certain changes made to the constitution of the company, such as directors not being paid. There are advantages and disadvantages to having charitable status. Caution should be exercised as to whether it is necessary.

- **Co-operative**

A co-operative is an enterprise that is owned and controlled by its members and operates for the benefit of its members. A minimum of seven members are required to register a co-operative. The law governing co-operatives is currently being reviewed and updated. It is hoped that more co-operatives will appear as their benefits become more apparent.

- **Private Company Limited by Shares (LTD)**

Although this is the most common company type in Ireland, social enterprises tend not to be structured as private companies limited by shares.

- **Designated Activity Company (DAC)**

While the designated activity company structure has been applied to some social enterprises, it is more generally associated with financial institutions. There are relatively few DACs in Ireland that are considered social enterprises.

The role of the accountant

Working with social enterprises as they succeed in making a difference is inspiring. Accountants are in a unique position to advise individuals and communities from start-up, setting them on a path for sustainable impact.

Accountants can help social enterprises choose the first door they walk through. Picking the right door is the challenge.

People setting up a social enterprise often focus on the type of company that is being formed. Having taken time to listen to the client and understand the problem they are aiming to solve, the accountant can ensure that all of the available options (and the pros and cons of each) have been considered, the finance requirements planned for and aligned, and ownership and governance issues anticipated before a legal structure is chosen.

Chris MM Gordon is Chief Executive of The Irish Social Enterprise Network

CHARTERED ACCOUNTANTS IRELAND

TECHNICAL HUB

The Chartered Accountants Ireland Technical Hub is a **free online resource** for members. It contains content on audit and assurance, financial reporting, insolvency, links to legislation, anti-money laundering, and a wide range of proprietary content from Chartered Accountants Ireland.

Other features of the Technical Hub include:

- Up-to-date Q&As on each page;
- Accounting standards;
- Company and business legislation for Ireland and the United Kingdom;
- Technical Sheets, Miscellaneous Technical Statements, Technical Alerts and Technical Releases.

Visit our website at www.charteredaccountants.ie/knowledge-centre/technical-hub/home

Global outlook and commitment to flexible working pays off for RSM

What started as a small firm in 1987 has evolved into the only first-generation professional services firm in the top 10 accountancy practices in Ireland, and by developing its flexible working policies, RSM continues to grow

Investing in the future is part of RSM's DNA, and the professional services firm is doubling down on its hybrid working strategy.

Managing Partner John Glennon is justifiably proud of RSM's success and growth since he founded the firm as Ryan Glennon with Liam Ryan in 1987.

"We had fee income of just IR£80,000 in our first year, and we are the only first-generation professional services firm in the top 10 in Ireland," he remarks.

That success has its roots in the firm's culture, he believes. "You need to have a culture of investing for the future," he says. "Short-termism inhibits growth. We have also had a global orientation for nearly a quarter of a century. We have been members of international networks since the 1990s and have taken a global perspective ever since."

That forward-looking culture also applies to strategic decision-making.

"Over the last two years, practically all businesses were focused on reacting to the COVID-19 crisis. They have been consumed with the day-to-day running of the business, but you need to continue to think and plan strategically. That's where our hybrid working strategy comes from – it's been an exciting and timely change we made with the future in mind."

John Glennon, Managing Partner, RSM Ireland

The firm took a similar approach during the global financial crisis more than a decade ago. "We reacted very quickly when the recession happened," Glennon recalls. "We looked at Ireland's thriving FDI base as a new business source and built our consulting business."

But reactions, however effective, can only take a company so far. "As your business gets bigger, you can tend to focus on outcomes," he notes.

"We place a big emphasis on culture and encouraging and embedding not just good behaviours but great behaviours within the firm.

"As a firm, we laud and encourage individual achievement. But we don't encourage individualism. We believe professional services is a team sport. Individuals can score goals, but teams can win championships. That's our philosophy."

That ethos aligns perfectly with the five key characteristics that define RSM globally – caring, curiosity, collaboration, courage, and critical thinking.

"We made a strategic decision to join RSM in 2016 when the network had just established a single brand. We were Baker Tilly Ryan Glennon up until then. Joining RSM was transformational for us.

"RSM has been going from strength to strength. It had 15.8 percent growth in 2021. It now has revenues in excess of $7.26 billion, with more than 860 offices in 123 countries.

"Referrals from RSM have grown exponentially over the years, particularly in tax and audit. More than 50 percent of our clients are now non-Irish-owned globally active companies.

"During the lockdowns, there was a methodology in place for all firms to follow. This saw us react, reactivate, and re-imagine for the future. That really helped us. We have also adopted the ISO 27001 information security management system."

The pandemic certainly had an impact, he says.

"When the first lockdown happened, I remember how concerned I was. How would we do audits if we can't go to clients' premises? But we adapted quickly. We took a hit on turnover in the first year. But like the Irish economy, we bounced back stronger than ever. We had compound annual growth of 30 percent in our audit practice"

The firm is now in the process of adopting ISQM 1 – the International Standard on Quality Management. This is the quality management standard for firms that perform audits, reviews of financial statements, or other assurance or related services engagements.

"RSM is rolling it out globally," Glennon points out. "We are constantly planning for the future, and over the past 18 months, we have had a series of working groups within the network which have been working on our new strategy.

"We have five different action and learning groups, and I was involved in the group on alternative business models for the future. Our global strategy to 2030 will be launched this year, and I'm sure one of the strategic enablers contained within the strategy will be to harness our global strength."

People development is another key area of focus. "The Forward Sprint is a creative problem-solving event for emerging talent," says Glennon. "Each firm puts people forward for the programme where they develop their problem-solving skills. This year we had three people participating."

Another programme is the RSM Academy where hand-picked future leaders gather for a challenging week to develop their leadership skills and understanding of working in multinational and multicultural teams.

"Two of our new partners participated last year," said Glennon. "The agenda covers many aspects of our strategy, client service ambitions, brand, and ultimately, what it means to be part of our global organisation. Five of our partners have been through the programme over the years."

The firm is committed to the UN Women's Empowerment Principles. "These principles are embedded in our policies and strategies. It's part of the next phase of our transformation process. We have a project team looking at our recruitment policies, family-friendly benefits packages, and so on. Two-thirds of our employment growth over the past year was made up of women. That was probably due to our flexible working policies."

Looking at that growth, he says the firm has appointed eight new partners since March 2020. "Two came in from outside the firm, and six came through our system. We now have 15 partners and are in the market for five or more over the next year to eighteen months. These partner appointments will come from within the firm and externally."

Those flexible working policies make it easier for the firm to attract talent. "There is a talent shortage, but we have had to be creative and imaginative. We have had people in RSM South Africa helping us, for example. We are doing well in graduate recruitment but still have many vacancies. Part of what attracts younger accountants is global opportunities. Our people have gone to the US and Australia on placements, and we have had people from the US coming here. RSM encourages global mobility."

Hybrid working is here to stay for RSM Ireland, he adds.

"There is no compulsion for anyone to work in the office, and ours is an energising culture based on trust and empowerment.

The debate in the firm has moved beyond working from home versus working in the office. We have offloaded 30 percent of our office space and are about to revamp the remaining space to create more meeting rooms and collaborative spaces.

Coming into the office is not just about plugging in a laptop and working. You can do that at home. Our people can choose to come in one day a week to meet people and figure things out. I am happy to be explicit and open in saying this is our chosen road. We have strategic goals, one of which is to achieve balance in our lives."

Certain realities are unavoidable, however. "There are times when people have to work long hours due to client demands or pressing deadlines. Those things can't be avoided. But we are ruthless about wanting to be as lean as we can in our daily activities. We want to make it easier for people to work for us. We now have 50 senior people living outside Dublin. Three of our partners moved outside Dublin during the pandemic, and some of our new partners live 150 miles from the city.

The new model is definitely working.

"We surveyed our staff, and 90 percent believe they are more productive working hybrid. They do enjoy their time in the office. But it's for a purpose; for collaboration, meetings, training and so on."

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Finance, tax and business supports

As SMEs grapple with tough trading conditions, spiralling costs and mounting uncertainty, **Michael Diviney** looks at what they will need in *The Next Financial Year*

The exit of Ulster Bank and KBC from the Irish banking market has reduced competition in business lending considerably.

For too many SME owners and their advisors, this lack of competition is having a detrimental effect—a point made by Chartered Accountants Ireland in *The Next Financial Year: Creating a Better Business Environment*, our most recent annual position paper, published in July.

If a business is not granted a loan by one of the two remaining pillar banks in the Irish market, it may have no option but to go to the other and accept its terms. Is this good for business? Most would agree that it is not.

What went wrong?

Among the 50-plus recommendations we have outlined in *The Next Financial Year* is the suggestion that the Irish Government carry out a review examining the reasons why Ireland has lost both Ulster Bank and KBC.

These reasons are likely to include the capital asset requirements of the Central Bank, regulatory costs associated with banking in Ireland, and the legal complexity of repossessing properties.

So, what can we do? We believe that there is widespread support for creating a third pillar bank and this role could be fulfilled by Permanent TSB, given the apparent lack of interest by foreign institutions in the Irish banking market.

Permanent TSB announced a new €1 billion SME-lending fund earlier this year. Further investment is required to achieve the scale necessary to deliver the financial products and services needed by the SME sector, however.

This is particularly important for the short- to medium-term as the economy emerges from the pandemic. For the long term, we recommend that the State continues its policy of reducing its ownership in the private banking sector.

Supporting alternative lenders

As well as supporting competition in business banking, the Government also needs to recognise the importance of next-tier alternative lenders, which provide much-needed funding to SMEs.

As it is, the non-bank funding market in Ireland is too small and requires state support to grow. In particular, the Strategic Banking Corporation of Ireland (SBCI) must continue to grow and develop its partnerships.

There has been some progress here with the announcement of the SBCI's risk-sharing partnership with Metamo Credit Unions, and a separate agreement with Finance Ireland to provide €75 million in low-cost lending.

Now, the SBCI must continue to encourage niche asset financiers and non-bank lenders into the under-€1 million lending market, fuelling the competition needed to better benefit and support SMEs.

Grants and other supports

In addition to strengthening sources of SME funding, grant-aid and other supports also play a crucial role.

Enterprise Ireland and the Local Enterprise Offices (LEOs) offer both. The problem is that they are aimed mainly at the manufacturing or internationally traded services sectors.

We suggest that the Government and its agencies consider widening the eligibility criteria for such grants to include the more 'traditional' industries and service sectors that are so important to local economies and communities.

We also ask if it is time to adapt the policies under which many grants and supports are offered—and on which the success of Enterprise Ireland and the LEOs is measured, i.e. the creation of new employment.

In such a tight labour market, in which many people are working in the 'gig economy', are SMEs being excluded from important supports simply because they are not adding full-time equivalents?

Adapting policy to the reality of Ireland's 21st-century economy, we believe that performance measurement should be more balanced and include money spent domestically by State-supported businesses, for example on professional advice to help them grow.

Business financial planning grant

We have been consistent in our praise for the COVID-19 Business Financial Planning Grant administered by Enterprise Ireland.

This scheme provides a grant to businesses of up to €5,000 towards the cost of engaging an approved external consultant to help them overcome challenges posed by the pandemic—but its design holds potential value beyond that.

The scheme helps a business to understand its immediate liquidity needs, create a financial plan to secure the external

SUPER-DEDUCTION CAPITAL ALLOWANCE

"The SME sector must be incentivised to use its limited resources for business investment. Given the mounting inflationary pressures, as well as ongoing liquidity issues due to trading conditions during the pandemic, a 'super-deduction' capital allowance regime would encourage and enable investment, and ultimately yield returns to the Exchequer in the form of increased taxes on the profits generated. This 'super-deduction' regime would provide that companies' investments in plant and machinery would qualify for a capital allowance deduction in excess of the cost of the asset(s) acquired. In other words, the allowance rate might be set at 130 percent, as it is for a similar scheme currently operated in the UK. A 'super-deduction' would encourage investment which in turn would spur growth."

Cróna Clohisey, Tax and Public Policy Lead at Chartered Accountants Ireland

TAX MEASURES TO SUPPORT SMES

"Very few companies have implemented the Key Employee Engagement Programme (KEEP) Scheme since it was introduced by Finance Act 2017. The scheme was designed as a focused share option programme to assist SMEs to attract and retain talent in a competitive job market. Official figures show that, in 2019, fewer than 10 claimants exercised their shares. The eligibility criteria for the KEEP Scheme should be broadened to include a wider category of businesses—e.g., professional services."
Larissa Feeney, FCA and Chief Executive of Accountantonline.ie

"The Employment and Investment Incentive (EII) Scheme is a tax relief aimed at encouraging individuals to invest in qualifying trading companies. Designed to support early-stage companies and SMEs seeking funds for expansion, the cost and complexity issues of the scheme are insurmountable for many of the businesses that most need it."
Tony Dignam, FCA and Managing Director of The Agile Executive

A LOWER RATE OF CGT COULD INCENTIVISE INNOVATION AND RISK-TAKING, WHICH WOULD DRIVE INVESTMENT ACTIVITY, THEREBY IMPROVING RETURNS FOR ENTREPRENEURS.

finance required for business continuity, and avail of a framework to manage the finances of the business.

We propose that the scheme be given a more permanent status, beyond COVID-19, to become the Business Financial Planning Grant, and extended to include a follow-up review after 12 months, and quarterly check-ins thereafter for up to three years.

This would serve to improve levels of financial literacy among business owners and managers, and address gaps in the financial management knowledge and skills of Irish businesses.

Also administered by Enterprise Ireland, the Sustaining Enterprise Fund and Sustaining Enterprise Fund for Small Enterprises were both introduced to help businesses rebuild after the impact of the COVID-19 outbreak.

No sooner had the pandemic begun to recede, however, then Irish businesses were hit by the effects of cost inflation caused by a global supply-chain crisis and the war in Ukraine.

In the context of such geopolitical uncertainty, we propose that a Sustaining Enterprise Fund or similar be made available on a permanent rolling basis for companies impacted by current or future shocks outside their control—though with eligibility decided on a case-by-case basis.

Again, we suggest here that the eligibility criteria be expanded to broader sectors of the economy beyond manufacturing or internationally traded services companies.

Capital tax reliefs

The SME sector relies heavily on capital tax reliefs such as Retirement Relief and Revised Entrepreneur Relief.

Both tax incentives encourage entrepreneurs to invest time and money in their businesses—and both could be improved if the recommendations outlined in the external review, carried out by Indecon in 2019, were implemented.

The report recommended that Revised Entrepreneur Relief be retained as a valuable entrepreneurial support; that the requirement for the claimant to hold a minimum of five percent of ordinary shares be reformed; and that the lifetime cap of €1 million be increased to €12 million for entrepreneurs reinvesting in a new business.

Lowering capital tax rates

Though asset values have recovered since the financial crisis of 2008, capital gains tax (CGT) and capital acquisitions tax (CAT) rates have increased, and the high yields from capital taxes that flowed into the Exchequer during the 'Celtic Tiger' boom years have not been matched in recent years.

Is it time to consider lowering CGT and CAT rates? We think so, because this would likely lead to more private and commercial transactions, resulting in much-needed tax revenues.

A lower rate of CGT could incentivise innovation and risk-taking, which would drive investment activity, thereby improving returns for entrepreneurs.

Chartered Accountants Ireland believes that a headline capital tax rate of 20 percent would be a more reasonable level of taxation on gains, gifts, and inheritances.

Measures introduced in Finance Act 2019 to enhance the R&D Tax Credit, particularly for small and micro enterprises, continue to await approval subject to Ministerial Order.

These include: increasing the R&D Tax Credit rate from 25 to 30 percent; raising the limit applying to cash-refundable tax credits to double the payroll tax liabilities for relevant accounting periods; and extending availability of this tax credit to companies engaging in research and development before trading commences.

Michael Diviney is Executive Head of Thought Leadership at Chartered Accountants Ireland

SMEs and *The Next Financial Year* in Northern Ireland

Businesses in Northern Ireland are facing unprecedented levels of change as they continue to adjust to the new normal in the aftermath of the pandemic, writes **Zara Duffy**

The war in Ukraine and supply-chain challenges have led to inflation in the costs of fuel, materials and components. This means that businesses in Northern Ireland now need to review their pricing on a quarterly, if not monthly, basis.

Facing changing financing and cost structures, these businesses need professional advice on how to adapt and plan – advice they often see as another cost.

Business and financial planning grant

To help these SMEs, Chartered Accountants Ireland would like to see Invest Northern Ireland (Invest NI) reintroduce a Business and Financial Planning Grant similar to the scheme launched in October 2020 in response to the pandemic, which remained open for only a few months.

This scheme offered businesses up to £8,000 towards 80 percent of the eligible cost of engaging an external consultant to undertake a business and financial review to plan for their recovery.

If the scheme is reopened, we recommend that it be 100 percent funded up to the limit, and that it also be extended to non-Invest NI clients in a broader range of sectors across the economy.

We also recommend that the scheme be established on a permanent basis—particularly for micro and small businesses—and funded to include a follow-up review 12 months into the roll-out of the financial plan, with quarterly check-ins thereafter for up to three years.

The goal would be to ensure that financial plans do not just 'sit on the shelf', but become dynamic benchmarks, which are updated and adapted over time.

System of funding for SMEs

As the positive effect of COVID-19 support schemes wanes, a longer-term, sustainable and mature system of funding is needed for SMEs in Northern Ireland—one that involves an appropriate mix of grants, loans and equity investment.

We want the Northern Ireland Government to prioritise SMEs and make more money available for funding, while also moving away from a 'grants culture' and towards the support of a vibrant business debt and equity market.

More private equity investors will be encouraged to enter the Northern Ireland market if they see the commitment of the Government and its agencies through the provision of part-funding.

This will create a self-sustaining ecosystem, as both investors and the State will get their money back and more, such as the creation of jobs.

The hiatus with the Northern Ireland Assembly and Government has brought uncertainty to the three-year budget, including the allocation to Invest NI, a key agency for the region's SMEs.

AS THE POSITIVE EFFECT OF COVID-19 SUPPORT SCHEMES WANES, A LONGER-TERM, SUSTAINABLE AND MATURE SYSTEM OF FUNDING IS NEEDED FOR SMES IN NORTHERN IRELAND.

The indications are that the budget for Invest NI's programme of supports and initiatives has been reduced from its previous level of £200 million.

Given Northern Ireland's immense business potential, driven by its innovative start-ups and growing SMEs, it could be argued that at least £300 million should be made available from government sources for a 'fund of funds' for SMEs in the region.

Chartered Accountants Ireland would like to see clarity on the quantum and focus of the budget allocation for Invest NI, for important programmes like Co-Fund NI, Tech start NI and the Small Business Loan Fund (SBLF).

We are concerned about the large gaps that are currently emerging in available funding, particularly given that money

from the European Regional Development Find (ERDF) will begin to fall away from March 2023.

The business model for banks, the traditional source of SME finance, has changed. Low interest rates mean that margins are not there to take on risk, or at least not all of it. Government schemes are dwindling and even grants are not forthcoming.

This scenario is not ideal for an economy trying to recover from a pandemic, but it is good news that British Business Bank (BBB) has earmarked a £70 million fund for SMEs in Northern Ireland.

We understand that more funding could be made available if the UK Government-owned BBB were to receive an appropriate proposal for an Enterprise Capital Fund. The Northern Ireland Government should at least match this commitment from BBB, if not exceed it to meet the potential of its business community.

With the right funding approach and leverage, there is an opportunity to create a more vibrant and self-sustaining SME sector in Northern Ireland.

We suggest benchmarking with other devolved nations and regions of the UK where this approach has worked—the Northeast and Midlands, for example.

Equity investment & non-executive directors

Northern Ireland accounts for just one percent of SME equity investment activity in the UK. There is potential for much more equity investment in the region, which would enable businesses to scale and grow.

As well as good corporate finance advice for SMEs, an awareness campaign using real-life case studies is needed to inform both business owners/managers, and their trusted advisors, about the benefits of equity as a source of finance.

Equity investment provides more than just cash to a business. The investor also brings valuable expertise and experience, a new network of contacts, and strategic input, typically joining the board of the company as a non-executive director (NED). The perception that this involves unwanted cost and loss of control needs to be overcome.

Chartered Accountants Ireland sees value in Invest NI's Non-Executive Director Scheme and we believe its funding should be continued.

The scheme is designed to help SMEs strengthen their leadership capability, by supporting the appointment of an experienced independent NED. It also offers advice on the engagement of a suitable NED, and financial support of up to £15,000 or 49 percent of eligible costs, whichever is the lesser.

There is some cost to the SME, but this serves to focus understanding of the value a NED will bring and the full buy-in of the business.

More proposals by Chartered Accountants Ireland to create a better environment for businesses in Northern Ireland are presented in our annual position paper The Next Financial Year, published in July and available at www.charteredaccountants.ie

Zara Duffy is Head of Northern Ireland at Chartered Accountants Ireland

Best foot forward

Keeping your head up when the chips are down can be tough, but resilience is a learned skill and a valuable asset for entrepreneurs. **Liz Riley** talks to three members in business about how they stay resilient

Bernard Brogan

Just as the pandemic was easing and talk of an upswing in the economy had begun to lift spirits, the Ukraine invasion prompted fresh concern as rising inflation sparked speculation of impending recession.

The uncertain outlook is a worry for everyone, but perhaps more so for business owners now tasked with revisiting strategic plans and rallying their teams to adapt to changing circumstances.

Former Dublin footballer Bernard Brogan co-owns two businesses. PepTalk has developed workplace wellness software and Legacy Communications specialises in PR and sponsorship.

For Brogan, the pandemic hit hard and fast in early 2020. "Legacy Communications is in the sports PR business, and the world of sport closed down for the guts of a year due to the pandemic. We had a real challenging time there," Brogan says.

Colm Davitt, founder of Dental Care Ireland, also encountered difficulties in the weeks following the announcement of the first Government lockdown in March 2020.

"We suddenly had no income or cash flow to meet our financial commitments. We had to lay off almost all our staff within a matter of days, which was very difficult," says Davitt.

For Sharon Cunningham, CEO and co-founder of Shorla Oncology, meanwhile, the onset of the pandemic presented her with the "biggest challenge" of her career to date.

Cunningham had co-founded Shorla in 2017 in Clonmel, Co. Tipperary, to develop new cancer treatments for women and children. The sudden standstill in international travel brought huge disruption for the business.

"There were delays associated with the US Health Authorities' ability to travel overseas to complete our outsourced facility's inspection, which ultimately delayed product approval," explains Cunningham.

"It was the biggest challenge of my career and required careful stakeholder management."

Best foot forward

Despite these challenges, all three Chartered Accountants found the strength to push through, protect their businesses, and plan ahead.

While the pandemic was a setback for Dental Care Ireland, not once was Davitt tempted to close up shop. He knew the company could come through the other side.

"I was able to draw on my experiences from the 2008 recession to take decisive action. We had to lay people off in mid-March 2020, we started to re-hire in early to mid-May, so they were off for about two months," he says.

Brogan shares the same sentiment. "The Legacy team got together, we put our heads down and we hustled. It's a word I use in sport, but it's what we did," recalls Brogan.

"We hustled to create opportunities in different spaces. We worked on different COVID-19 plans and we fought through. The team showed massive resilience getting into the trenches together."

As Brogan sees it, team resilience like this is earned over time. "You need to have trust and clarity. It's really important, especially in times of challenge, that everyone is clear on what the challenge is, where we are at, and the opportunities that can follow."

For Sharon Cunningham, resilience in the face of the deepening pandemic came down to changing course quickly and decisively.

"Shorla faced tough challenges in terms of how we adapted the way we conduct our business activities," she says.

"Embracing innovation and accelerating our digital transformation journey, particularly in sales and marketing, has positioned us for success in the new normal."

No matter what challenge a business is facing, communication is 'everything,' says Cunningham: "We make a big effort to communicate what we're doing, how we're doing it, and why we're doing it. This ensures we stay focused on our vision and mission."

Building resilience

While resilience may sound like a millennial term for 'getting on with it', the American Psychological Association (APA) defines it as much more.

According to the APA, resilience is: "the process and outcome of successfully adapting to difficult or challenging life experiences—especially through mental, emotional, and behavioural flexibility, and adjustment to external and internal demands."

The pandemic, the war in Ukraine, spiralling inflation and the threat of recession—all pose potential challenge. According to Lynsey Hanratty, however, what really matters is how we respond.

A business and life coach who works with female entrepreneurs, Hanratty says that resilience can be learned with practice and dedication.

"Go back to basics. Are you getting enough sleep, exercise, and proper nutrition? Are you hydrated? Are you taking the time to get organised for the week?" asks Hanratty.

"If the basics are working, you are in a better place to face any setbacks that come your way. That's not to sound trite or to simplify a complex situation, but it's a start on the road to resilience."

People who have overcome difficulties in the past are more likely to be resilient in their response to new challenges.

"The people who suffer the most setbacks are usually the most resilient, because they have developed coping mechanisms to deal with their setbacks and traumas," says Hanratty.

"Learning from failures and mistakes instead of berating yourself for making them in the first place is a good start on

Colm Davitt

Sharon Cunningham (right) pictured with Orlaith Ryan, co-founder of Shorla Oncology

the road to resilience. However, being willing to accept and tolerate a situation and work from there is also a great place to start."

Davitt understands this well. "I worked through the last recession from 2008 and, by 2012, I honestly thought it would never end. For several years, it was a constant cycle of cost reduction and restructuring and at one point in 2012, there wasn't too much positivity around Ireland," he says.

"Thankfully, by 2013, things did gradually start to improve and move to a more positive note. The onset of the pandemic was massively challenging and quite stressful. However, as in 2008, we remained calm, came up with a plan and worked really hard to protect and save the company.

"I feel the whole experience made us closer. Clear, objective, and regular communication throughout this time was critical. We have some very loyal and hard-working team members as a result."

Turning point

Brogan believes his own resilience was cultivated during his years in football, and recalls a significant turning point during his career with the Dublin team.

"It was during a training game the Thursday before the match. The ball was kicked to me, and I went up to get it and I came down and ruptured my cruciate ligament… In my head, that was the end of my career. I thought I'd never play again," he says.

"I was absolutely devasted. We were on a big journey – the Dubs were after winning three [All-Ireland Championships] in a row and we were on course for history. I was trying to do my bit for the team.

"So, I made the decision: 'I'm not done. I'm not finished yet'," Brogan recalls. "I sat down with Jim Gavin in a hotel up near Dublin airport with a calendar and we counted back the weeks. I said, 'If I get the operation this date, I'll be five months on this date and coming into a super eight game. I can do this.'

"I circled the date of that game. My target was to get back for that game—five months and a couple of weeks.

"When I look back on it now, I'm kind of surprised I responded like that. I changed my mind in a day – I'm not going to lament on this. I'm not going to let this drag me down. I'm going to try to get back and get positive and get after this.

"After the operation, I hit the gym with physio James Allen every second day for five months and got back out on the pitch against Roscommon on that day I had circled. It was only for five minutes – half dragging the leg – but I got back out.

"To get back out running in Croke Park in front of 80,000 people, for me, is everything. I turned it around to make good decisions. I got back," he says.

Brogan's story is a masterclass in resilience, not just in sports, but in life and in business. With enough practice, patient and dedication, resilience is a skill anyone can learn.

Is there a cure for this current inflation?

The glorious era of falling inflation has come to an end as we enter a concerning new cycle of spiralling prices, so what now for the global economy? **Cormac Lucey** looks ahead to the potential implications of tightening monetary policy and second-round psychology

Recent spikes in inflation were initially described as "transient," and attributed generally to one-off supply chain problems. The comforting implication was that high inflation readings would swiftly retreat once supply arrangements returned to normal.

This has not come to pass, however, and successive central bank forecasts predicting inflation would soon retreat have failed to materialise. Instead, price hikes have accelerated.

The most recent inflation readings are 8.6 percent in the euro area, 9.1 percent in Ireland and 12.7 percent in the UK. These inflation rates compare to central bank base rates of a mere 1.25 percent for Sterling and 0.5 percent for the euro.

In fact, real base rates of interest have never been this low — so, have central bankers fallen behind the curve?

Whether we wish to accept it or not, the reality is that we are currently experiencing inflation regime change. Zoltan Pozsar has observed: "It's blatantly clear that this is not an average business cycle. This is not an average inflation backdrop. And this is not an average hiking cycle."

The post-1980s era of steadily falling inflation rates has ended. From a financial perspective, it was a glorious era as ever-falling inflation rates permitted ever-falling interest rates that spawned ever-rising asset prices.

Following an unprecedentedly large economic stimulus to combat the pandemic-induced economic slowdown, that era culminated in record stock, property, and bond prices. With the return of inflation, all of this is at risk.

The danger is that inflation expectations rise and second-round effects kick in as companies, unions and workers seek to raise their prices, not just to recoup past cost increases, but also in anticipation of future increases.

As the Bank of International Settlements noted in its recent annual report: "Ultimately, the most reliable warning indicator is signs of second-round effects, with wages responding to price pressures, and vice versa. These can be especially worrying if they go hand in hand with incipient changes in inflation psychology."

The report also points out that "the degree to which the general price level becomes relevant for individual decisions increases with the level of inflation. When inflation rises, price changes become more similar."

With inflation at nearly 10 percent, this danger is now very real. What can the authorities do to squeeze the inflation genie back into its bottle?

In a nutshell, central banks need to tighten monetary policy to slow down the economy. If inflation is a form of economic cancer, monetary tightening represents economic chemotherapy.

While its aim may be to treat only those parts of the economy that are diseased, however, monetary tightening risks unleashing unpleasant side effects, including recession.

The economic downturns in the US over the past 50 years were preceded by tightening monetary policy. It was the ECB's steady raising of interest rates after July 2005, however, that finally pricked Ireland's property and banking bubble.

As Pozsar notes: "We have never achieved a soft landing, so let's not pretend that the fastest pace of [interest rate] hikes in a generation, and an unprecedented shrinkage of the [central bank] balance sheet, will yield one."

In my opinion, the monetary conditions for recession are now present. Even before central bank interest rate hikes really get going, the growth of real money has turned negative in both the US and the eurozone.

And, as was stated in the March 2019 issue of the ECB Economic Bulletin, "The leading and pro-cyclical properties of real M1 with respect to real GDP in the euro area remain a robust stylised fact."

Previous chairs of the Federal Reserve, Alan Greenspan and Ben Bernanke, drove asset prices up. Jerome Powell is driving them down, and he could keep pushing against stock price rallies until he succeeds.

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

Preparation is key to getting value from Professional Indemnity Insurance

Starting early with the renewal process for Professional Indemnity Insurance is a must for accountancy firms who can also turn past claims into positive learnings. **Brian O'Mara** explains how

Brian O'Mara

O'Leary Insurances has been providing Professional Indemnity Insurance (PII) to accountants for more than three decades, building up considerable experience over that time. They are delighted to announce the launch of a new accountants PII facility with CNA Hardy, an A-rated insurer that acts as primary Insurer to over 1,500 practices in the UK and Ireland. This facility is exclusively available to O'Leary Insurances. In addition to this insurer they also deal with a wide range of other insurance companies that provide PII insurance to accountants.

"It is a mandatory requirement for all accountancy practices to carry PII," explains Brian O'Mara, Account Director with O'Leary Insurances.

"PII protects the practice by providing cover for legal defence and any subsequent awards arising out of allegations of negligence in the provision of services."

While the annual premium cost is understandably a key factor in the decision-making process, O'Mara points out that there are other factors to take into consideration.

"We have been arranging PII cover for Irish accountants since the 1980s and we score very highly with our clients for the guidance and expertise that we can provide," he says. "As insurance brokers, we work with a wide range of insurance companies that operate in this market. We are constantly working to bring new insurer capacity to the market, as that strengthens competition, not just on price, but also in relation to policy structure and service levels. That's positive for everyone."

Taking advantage of the competitive market is quite another matter, however. There have been significant changes within the PI market over the past three to four years, most notably high-profile Insurers exiting the market.

O'Mara recommends that all accountancy practices should have a 'Plan B' and take certain steps if they are to get the best outcome for their practice. "The first thing to do is to start the renewal process early," he counsels.

"The renewal process on the insurer side has slowed down a bit due to Covid and underwriters working from home, and that means starting even earlier. It can take longer for underwriters to come back with queries, which can result in delays.

"Our best advice is for accountants to commence the process at least eight weeks in advance of the renewal date. This timeframe will allow sufficient time to prepare the renewal documentation and ensure that your broker is well-positioned to complete a presentation to a broad range of insurers in the market and avoid a situation where the firm is left in a position of having to accept the quote from your existing insurer because there are no alternative options."

O'Leary Insurances has taken steps to make the process quicker and more efficient for accountants and their prospective underwriters, developing an electronically editable proposal form.

"Current practice sees many firms completing handwritten proposal forms, some of which were poorly completed or in certain cases illegible," explains O'Mara.

"If you put yourself in the shoes of the underwriter within an Insurer, who is likely to have a volume of proposals to review each day, they are going to prioritise the proposals that are well-presented over those that are time-consuming.

"Our electronically editable proposal form solution helps ensure our proposals are prioritised by underwriters."

O'Mara also advises practices not to limit themselves to the questions asked in the form when providing information.

"Forms tend to be fairly limited and are designed to capture underwriting information for firms across the entirety of the profession," he notes.

"No two accountancy firms are the same and the proposal forms do not allow additional space for the Principal/Partner completing the document to demonstrate positive features of the firm that may attract the interest of prospective Insurers."

The advice from O'Leary Insurances is for each firm to consider a cover letter to get those important messages across and to approach the renewal process in the same way they would a tender for accountancy services to a new client, i.e., put your very best foot forward!

Another key consideration is to undertake some quality assurance in relation to your choice of broker.

"PII is a specialist insurance. Take your broker to task and ask them about their overall expertise in this area," advises O'Mara.

"It is crucial that they fully understand your business, as they are the ones presenting it to Insurers. If the broker engaged does not carry the necessary skills and expertise, then you're probably not going to get the best outcome and value—or worse, you may not get the correct cover."

How to deal with claims

The often-contentious issue of how a firm with past claims can present this information to potential insurers also arises. According to O'Mara, the starting point is for firms to request a claims report from their broker.

This is a formal document from any past insurer, going back five to 10 years, which will show any potential future insurers their claims history. This information is a starting point for a broker, as they look to understand your claims record.

"The insurers we are engaging with will not be paying out on those past claims, but they will want to understand the circumstances in which they arose," says O'Mara.

"They will also want to know if there is potential for further claims not contained in the report—skeletons in the closet, if you like."

Firms should use the claims report to build a case with Insurers. "Firms with a claims history should be able to convey what learnings they have drawn from those events and show how they have improved them as a business," O'Mara advises.

"You should carefully consider if any of these learnings could result in further claims arising, and if so, have you reviewed all the relevant files? Why are you a better risk now than before those claims?

"Crucially, what actions have you taken to ensure such issues don't arise again? What review processes have you put in place? How has oversight been improved?

"Do you have training in place to reduce the risk of errors? Have you increased staffing resources in place to deal with increased work pressures?"

Adequate staffing levels and firms operating outside of their core expertise are a key underwriting factors for insurers. Increased pressure can often lead to human error, which in turn leads to claims.

"For example, in times of economic prosperity we experienced many claims arising from firms who were working flat out to contend with the increased volume of work and in certain cases chasing additional opportunities that were beyond their capabilities," says O'Mara.

"Indeed, we saw some practices deciding to exit particular areas of work completely as a result of their experiences at that time. The work simply wasn't worth the risk to them, either financially or reputationally."

Regardless of their claims history, O'Mara advises all firms to invest time and effort in presenting the best possible case to insurers.

"What any potential insurer cares about is the now and the future and what improvements the firm has implemented in its business to mitigate against similar risks arising in the future," he says.

Shifting ideologies signal trouble ahead

The increasing polarisation of American politics and recent Supreme Court decisions suggest the onset of a new age of conservatism, and Europeans should be worried as the centre fast erodes. **Judy Dempsey** explains why

First came the US Supreme Court decision to overturn *Roe v Wade*, the ruling that declared abortion a constitutional right in 1973.

Then came its decision to limit the authority of the Environmental Protection Agency to set standards on climate-changing greenhouse gas emissions for existing power plants—it is up to Congress to set the norms, the Supreme Court concluded.

Both of these decisions—evidence of the increasing polarisation of American politics—will feed into the agendas of politicians standing in the mid-term elections in November.

Pro-life supporters will be encouraged by the statements of Supreme Court judges who mentioned banning contraception. Climate change opponents will push the 'denial button', despite the evidence to the contrary.

And the polarisation of American politics is only set to deepen as the centre fast erodes.

President Joe Biden, saddled with rising inflation, the war in Ukraine, and working out how best to deal with Russia and China, does not have the executive powers to overturn these Supreme Court rulings.

So, what does this all mean for Europe, America's main ally? Europeans seem perplexed and inured to what is happening in the United States, a country that played such a pivotal role in getting Europe back on its feet after the Second World War ended in 1945.

Washington actively supported the creation of today's European Union and, for over seven decades, the US has provided a security umbrella to Europe.

The era of shared values and commitment to democracy and security is waning, however. The trends emerging in the United State—polarisation, isolationism, and an increasingly dysfunctional political system—should worry Europeans.

For one thing, the conservative swing in the US could encourage the mobilisation of populists and their leaders in Europe, who believe the European Union is becoming too liberal and too obsessed with imposing its values on citizens.

One example is the Polish government, which has made systematic moves to control the appointment of judges as well as banning abortion. A right-wing win in 2022 could embolden Warsaw to take further steps to curb women's rights or put a chokehold on judicial powers.

In Hungary, Prime Minister Viktor Orban has clamped down on the courts, the media and non-governmental organisations. Orban is hoping for the return of a Republican administration in the US in 2024, urging them to take the same steps against the media as he has.

In France, Marine Le Pen's National Rally now dominates the far right in the French National Assembly.

Then there is the state of democracy across Europe. According to the Economist Intelligence Unit, Europe (alongside North America) is host to the worst-performing democracies since 2006.

These trends are bad news for pro-democracy activists in authoritarian countries. They look to the United States and Europe as models of tolerance, integration, prosperity, and hope.

In a nutshell—though not as drastic as what is happening in the United States— the centre and culture of consensus in Europe is weakening.

Without a centre that fosters listening, tolerance, dialogue, and leadership, from top to bottom and vice versa, democratic structures will become degraded.

China and Russia could only capitalise on a decline that would weaken the influence of the West.

The question is: are European leaders heeding the warnings?

Judy Dempsey is a Non-Resident Senior Fellow at Carnegie Europe and Editor-in-Chief of Strategic Europe

Will ESG reporting become a new license to operate?

We are at the dawn of a new era in sustainability reporting and better ways of doing business for people and planet. **Derarca Dennis** and **Nicola Ruane** give their advice and insights on the road ahead for companies and accountants

There has been a significant shift from voluntary to mandatory sustainability or environmental, social and governance (ESG) reporting in recent years.

The European Commission's Action Plan for Financing Sustainable Growth directly targets 'Strengthening sustainability disclosures and accounting for rule-making,' as one of 10 key areas of focus. This has resulted in the enactment of the Corporate Sustainability Reporting Directive (CSRD).

In tandem with the trend towards mandatory ESG reporting, more and more companies are choosing to voluntarily disclose ESG information to satisfy stakeholder demands.

So, why is all of this so significant for the accounting profession? There are numerous reasons, all of them important, and outlined below:

Climate risk tops priorities

One of the key purposes of the CSRD is to curb 'greenwashing,' which is an attempt by a company or organisation to mislead the public about its level of positive ESG impact.

Mandating standardised reporting provides for increased comparability in the public domain. This means that organisations can be held accountable by their stakeholders.

Assessing the impact of climate change and broader ESG impacts on a company's bottom line has become the remit of the International Financial Reporting Standards (IFRS) Foundation under its recently launched International Sustainability Standards Board (ISSB).

With the oversight of the IFRS Foundation, the relevant ESG reporting standards and frameworks are converging under the ISSB.

One specific issue the accounting profession should examine, in the first instance, is climate change and, specifically, climate-related financial risks.

This is particularly important right now because of the adoption of the Task Force on Climate-related Financial Disclosures (TCFD) across nations, with many opting to make it mandatory for companies to report how their operations are being impacted by our changing climate.

The TCFD requires four key areas to be addressed in relation to climate risk: strategy; risk management; governance; and metrics/targets.

Although this is not yet mandatory in Ireland, leading organisations are starting to actively manage and report both physical and transitional risks.

With climate risks and disclosures moving swiftly up the business agenda, it is becoming a part of everyone's job in an organisation to integrate the relevant considerations into their function, be it procurement, marketing or finance.

There is a lot to think about, so where is the best place to start? When it comes to playing your part in tackling climate change, we recommend that you first ask these three questions—of yourself, your team, and the wider organisation:

1. Have we identified the climate change risks that may affect our revenue, P&L and balance sheet?
2. Do we have a strategy in place to manage and measure climate risks?
3. Do we need to report to investors or other stakeholder groups?

Climate change and financial statements

With the advent of the ISSB, we can expect the robustness of financial accounting standards developed over decades to become applicable to the measurement and disclosure of climate change risks.

One question our clients are asking is: 'Should we be disclosing the extent to which climate change affects our financial statements under IFRS?'

Although there is, as yet, no single explicit standard on climate-related matters under IFRS, climate issues may impact several areas of accounting.

The immediate impact to financial statements may not at first appear significant from a quantitative point-of-view.

However, there is growing expectation among stakeholders that entities preparing financial statements must explain how climate-related matters are considered.

This expectation is such that climate-related matters can be viewed as material from a qualitative perspective. Significant effort and judgement will be required to assess them and we recommend that you read EY Global's Applying IFRS — Accounting for Climate Change (Updated May 2022) for further guidance found at ey.com.

CSRD: what it means for your organisation

Some 49,000 companies will now be in scope for the CSRD, up from the 11,600 that had been in scope under its predecessor, the Non-Financial Reporting Directive (NFRD).

One key shift worth noting from the NFRD regime to the CSRD concerns assurance. ESG reports must be certified by an auditor or independent certified assurance provider to ensure compliance with the framework. The timelines laid down are:

- large corporates, currently subject to NFRD, to report in 2025 for 2024 data;
- large corporates, not subject to NFRD, to report in 2026 for 2025 data.

For SMEs, requirements under the CSRD will not come into effect until 2026. There is an opt-out option to 2028. This is only applicable to listed SMEs across regulated European markets, however.

The Commission will make simplified reporting standards available to small companies in due course.

SMEs and reporting requirements

While there is strong consideration that SMEs are not subjected to adverse reporting requirements, a step change is needed to ensure that this community is supported adequately through the process of reporting on sustainability impacts.

Given the critical role SMEs play in bolstering the Irish economy and in helping to reach targets laid out in the National Climate Action Plan, it is important that ESG impact is considered and embedded throughout their operations without the requirement for undue or excess reporting.

Separate standards may be developed for non-listed SMEs. This option is currently under discussion and, if introduced, would be voluntary in nature, as per the current proposal.

For all SMEs, the guidance is to start small. Select a limited number of material metrics — say, three to five — to measure and report.

Our recommendation would be to span these metrics across different pillars of focus aligned to the World Economic Forum (WEF) Framework. Example metrics under each pillar include:

- **Prosperity:** employment, economic contribution, tax paid;
- **People:** diversity and inclusion, pay equity, training provided;
- **Planet:** GHG emissions, climate risk (TCFD), water consumption; and
- **Governance:** board composition, setting purpose, anti-corruption.

This framework will in time become the leading framework globally for measuring non-financial impact.

Pressures beyond regulation

Whilst the regulatory agenda is driving the need for greater transparency and focus on an organisation's ESG impact, other drivers may emerge even sooner and from other sources. So, beyond regulation, what are the biggest drivers of ESG reporting?

- **The supply chain:** customers and clients want to know what a company's impacts are and whether it is building this into tenders with a view to including the relevant data in its own reporting. One example here is the Scope 3 Greenhouse Gas (GHG) emissions.
- **Talent:** millennials and Generation Z candidates are more aware of ESG than previous generations and increasingly keen to work for, and buy from, companies that actively manage their climate impact.
- **The board:** more and more ESG-competent boards are challenging management to produce non-financial data.
- **Capital providers:** keen to meet green lending targets, capital providers are more likely to require suitable disclosures from their customers' borrowing funds. One reason for this is so that they can aggregate this data, where applicable, into their own ESG reporting.

Four key steps in ESG reporting

Reporting is not just a data collection exercise, and it is vital to bear this in mind. Our experience with clients has shown us that there are four key components to consider.

While we might start with the end goal in mind — the ESG report — here are the steps needed to get there:

1. Research and select an appropriate framework, ensuring that due diligence discovers all mandatory disclosures;
2. Build an ESG strategy;
3. Measure performance and collect data;
4. Publish a transparent report combining qualitative with quantitative data and communicate with stakeholders.

To comply with the CSRD, companies will need to submit data digitally through a single access point. This is to deliver on the objective of the CSRD to standardise the data, enable comparability across companies and avoid 'greenwashing.'

A true differentiator in business

ESG reporting can be viewed as a true differentiator for winning business. We expect publicly communicating ESG impact to become par for the course for businesses in the years ahead.

Another advantage is that it can support a company's brand reputation as a leader. An organisation that is seen to be at the forefront of sustainability will be regarded as one that takes responsibility for minimising its negative impact, and actively fosters positive impact.

In summary, the accountancy profession is ideally placed to contribute to building a more holistic picture of an organisation's performance and future potential.

Past performance is not a measure of future success, but, by marrying financial and non-financial performance, you will get a more accurate picture of an organisation's potential future success.

The challenge for many businesses now is the transition they will need to make from the sustainability data processes and frameworks currently in use, to the higher and more rigorous standards the accountancy profession already adheres to for the reporting of financial data.

Accountants are crucial in the development of detailed sustainability reporting and the fight against greenwashing. As accountants, you can play a vital role in future-proofing your business through ESG reporting.

Deraca Dennis is Partner, Climate Change and Sustainability Services at EY Ireland

Nicola Ruane is a senior manager in EY Ireland's Climate Change and Sustainability practice

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Chartered Accountants Support
47/49 Pearse Street, Dublin 2

Manager: Dee France

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View from the UK

Start-ups and SMEs have a unique edge when it comes to reaching customers who care about ethical business, writes **Emma Jones**

BEING A STRONG AND SUSTAINABLE BUSINESS IS GOOD FOR THE PLANET, AND GOOD FOR BUSINESS, WITH GROWING EVIDENCE SHOWING THAT MORE CONSUMERS ARE SEEKING OUT PURPOSE-LED AND SUSTAINABLE BRANDS.

Mention the word 'sustainability' to a small business and it will conjure up a couple of reactions. The word 'sustainable' has, of course, become common parlance for businesses that are watching their environmental footprint.

In its widest sense, however, building a sustainable business means building a strong business that has resilient revenue streams, a team with a shared vision and, dare I say it, scope to survive and thrive should its founder depart.

These days, as sustainability becomes increasingly important to consumers concerned about climate change, start-ups that are kind to the planet are more likely to succeed over the longer term.

In the UK, we are seeing many young people setting up ventures to right a wrong or deliver a product or service in a more sustainable way. These ethical entrepreneurs are a bright light for the future.

For established small businesses, becoming more sustainable may be a slightly more 'forced' practice whereby larger clients might be demanding change in their supply chain, for example.

As part of a pledge to cut its carbon footprint by a third by 2025, M&S last year announced plans to 'grow carbon literacy' among its buying, sourcing and operational partners, and to select 100 of these partners as Carbon Champions to help drive its net zero delivery.

Elsewhere, the environmental charity Hubbub partnered with Starbucks to launch a £1 million competition providing grants of up to £300,000 for alternatives to single-use packaging in the food and drink industry.

The UK Government has also launched an online climate hub for SMEs with a database of practical tools and resources to help them develop a climate strategy, curb emissions, and build business resilience.

At the end of the day, there is no more compelling reason for a small business to take action than in response the needs of their clients.

Being a strong and sustainable business is good for the planet, and good for business, with growing evidence showing that more consumers are seeking out purpose-led and sustainable brands.

This trend suits small businesses well because it is often easier for them to be more human in how they approach their customers and their market.

Entrepreneurial businesses can actively share the story and authenticity of why their founder started the business — Who are they? What inspired them to start their own venture? What do they care about? What do they want to achieve?

This personal approach, and the authenticity it imparts, can really help to draw in customers who want to buy into something that, not only delivers, but also has meaning.

Emma Jones is the founder of Enterprise Nation

Turning off during your time off

It's holiday season but switching off when you clock off for that well-earned summer break isn't always easy. **Liz Riley** talks to three members about what helps them switch from work-mode to holiday zen

Ronan Dunne

Strategic Advisor at Verizon
Chair of Six Nations Rugby

I don't tend to think about work when I'm not working – and I've found this easier to do over time – but I also need to be responsive.

I check-in regularly on work emails and messages to make sure no one is having their own work-life balance disrupted because they are waiting for me to respond or advise.

When I have trouble switching off from my workday, I tend to take one of two approaches:

Technology: I have found that new tools on mobile devices allow you to set them to sleep mode or switch from work to personal mode, because they help to reduce 'device distraction'. These options also let your contacts know if you have notifications switched off.

Personal: I have a few go-to distractions that help me switch off. I like to watch sports (any sport – live or on TV) and I also like playing sports, mostly golf and tennis.

I think the pandemic helped ease me into a better transition from work to home-life. It has enabled me to be more flexible about where and when I work.

I spent eight weeks during the summer of 2020 living in Dublin while working US hours. This meant I could see my parents every morning "before work."

Luckily, this summer I was able to get away and spend a lovely week in West Cork where I took part in a board meeting one afternoon from my room – a great advertisement for the importance and impact of good rural connectivity.

Roseann Heavey

Partner at Noone Casey

YOU CAN'T BE EVERYWHERE AT ONCE AND THERE ARE ONLY SO MANY HOURS IN A WEEK. IF YOU CAN PRIORITISE, MANAGE TIME WELL AND STICK TO YOUR GOALS, THE BALANCE WILL COME OVER TIME.

In finance, I think it can be difficult to find a work-life balance, but I also believe that work-life balance means different things to different people.

In private practice, servicing many clients across a range of industries, all with different needs, means there will be times when even the best planned-out day takes a change of direction.

For me, I look at my work-life balance over a month or a quarter. If I can look back over this time and know that I prioritised correctly, while meeting my deadlines and goals, I feel I'm on the right track.

This can be challenging at times. You can't be everywhere at once and there are only so many hours in a week. If you can prioritise, manage time well and stick to your goals, the balance will come over time.

To help myself disconnect, I document my workday and schedule, and ensure I can cross items off my to-do list. This allows me to be in control knowing that – at a minimum – the plan for the week must be completed.

This way, once the workday is over, there is nothing more I can do until the next day. I can switch off and focus on what is important to me outside work.

The pandemic has, without a doubt, helped me to separate my work and home life. Even though I am working the same number of hours, there is more flexibility. Saving time commuting or travelling across the city and country for meetings allows me to have a more productive week and still deliver a high-quality service.

Face-to-face meetings are still important, but it is about finding the right balance for the firm and our clients.

Edel Hayes

Founder of Accelerate Accounting Solutions

For me, the most challenging aspect of work-life balance is setting and maintaining boundaries. This is a skill a lot of us have had to learn over the last few years as the lines between work and home have become blurred.

I tend to set clear boundaries with clients and team members as soon as we engage with each other. I'm upfront about the hours I work, so that my clients are clear on what days and times I will be available to take calls and respond to emails.

The challenge comes in maintaining these boundaries when they are pushed by other people. I find the key is to be unapologetic.

A LOT OF MY CLIENTS WORK IN INDUSTRIES THAT REQUIRE THEM TO WORK OUTSIDE TRADITIONAL OFFICE HOURS. THE EXPECTATION THAT SOMEONE SHOULD BE SITTING AT A DESK ALL DAY HAS LESSENED IN RECENT YEARS, HOWEVER.

A lot of my clients work in industries that require them to work outside traditional office hours. The expectation that someone should be sitting at a desk all day has lessened in recent years, however.

I don't have too much trouble switching off from work at the end of the day, but I've developed good practices to help me. My laptop stays at my office unless it's a busy time of the year. I don't take calls or check emails after 5pm. When I'm working, I'm 100 percent at work and, when I'm home, I try to be 100 percent at home.

At the beginning, the pandemic did hinder my ability to separate my work and home life. It takes a certain set of skills and habits to maintain the boundaries we need for a healthy balance.

I took three weeks off from my business this year to visit family in the US we hadn't seen since 2019. While I did bring my laptop with me, I can honestly say I didn't open it once.

This was down to a lot of planning beforehand and making sure my clients and my team were all up to speed before I left. It really did feel amazing.

All-island market ripe with potential for ambitious businesses

Tapping into the all-Ireland economy could hold the key to continued growth for businesses in a challenging market, writes **Colin Kerr**

Businesses that fail to build on the opportunities on offer in the all-island economy risk losing out on a market rich with potential, according to Feargal McCormack, Managing Director of FPM, the Newry-headquartered business advisory firm.

"The island is small, relatively speaking, but there is immense potential for expansion in a market where we have a well-educated English-speaking workforce and a highly tech-enabled business environment."

Founded in Newry in 1991, FPM today employs 120 people at its headquarters in the town, as well as Belfast, Tyrone, Antrim, and Dublin, recording annual revenues of £9.5 million (€11.2 million).

Following its recent merger with Anderson Anderson & Brown (AAB), the Scottish advisory firm, McCormack is looking forward to further all-island expansion for FPM.

"We were one of the first firms in our sector to implement an all-island focus strategically from day one," he said.

"Our business has been very resilient. The current political uncertainty poses challenges to us and the sooner it gets resolved, the better.

"All-Ireland trade has benefited from good relationships between everybody on both sides of the border. We also face global challenges, but we have faced these in the past and we have overcome them, and I am confident in the long-term."

As McCormack sees it, a long-term strategy and 'big picture' outlook is crucial to ensuring lasting success in business.

"You must look at the bigger picture. You would not recognise Northern Ireland, or the island of Ireland now, compared to 20 years ago," he said.

"Our educational infrastructure has been hugely beneficial to businesses operating on the island and it continues to help us benefit from Foreign Direct Investment as we develop technology transfers and digital transformation.

"This is a wonderful place to do business. If you are fortunate enough to have a good job on the island of Ireland, where else would you want to live?"

Establishing FPM as an all-island business has been something of a personal crusade for McCormack and one of the big drivers behind the decision to merge FPM with AAB.

"One of the biggest challenges for any business is the ability to embrace change," he said. "There are always risks attached when you expand, but, if you look at the historical context of business in Ireland, Glen Dimplex and Ryanair both started in times of recession. I am confident that this is a step in the right direction for FPM and we see this as a unique opportunity."

McCormack was drawn to AAB by the Scottish group's established global connections and experience working with high-growth SMEs and large corporations internationally.

"The synergies across our teams, service provision and sector specialisms, will provide a fantastic platform for future growth. In the evolving business of accountancy in Ireland there is going to be much more consolidation. We must increase our competencies—in a consolidated market, you need to have a breadth of services and capabilities."

"THIS IS A WONDERFUL PLACE TO DO BUSINESS. IF YOU ARE FORTUNATE ENOUGH TO HAVE A GOOD JOB ON THE ISLAND OF IRELAND, WHERE ELSE WOULD YOU WANT TO LIVE?"

Headquartered in Aberdeen, AAB Group has three offices in Scotland and two in England. The merger with FPM gives AAB an immediate reach across the island of Ireland from FPM's five existing offices in Northern Ireland and the Republic.

"AAB Group has grown rapidly in the last 12 months, following three M&A transactions and investment from August Equity in October 2021," McCormack said.

"Our complementary geographic presence will enhance the wider AAB Group as a key player in the UK and Irish accountancy and business services markets."

FPM's nine shareholder directors will remain with the business post-merger. "There are strong opportunities in the market for corporate finance, HR services and consulting in wealth management," said McCormack.

"Our focus initially will be on consolidation, but this merger does create opportunities for our combined businesses on the island.

FPM would be 'the hub' on the island of Ireland for the group, which would be looking for opportunities to potentially add niche businesses to its offering, McCormack explained.

"AAB has a strong corporate finance presence and that will complement FPM's existing capabilities," he said.

A past President of Chartered Accountants Ireland, McCormack's personal philosophy is that business is ultimately about "people and relationships."

"In 1991, when I addressed the Chartered Accountants Ireland Student Society, the title of my paper was: I Don't Care How Much You Know, Until I Know How Much You Care.

"FPM has been, and always will be, focused on a people-centred approach and that is a core value that has not changed and will not change in the future.

"The key to any business is your team and I have always recognised that you have to build a team that facilitates the growth of talent and provides the opportunity for people to step up and develop.

"I am confident that the people I am working with can bring the business forward. I have always been motivated by the creation of excellence and that is really important."

Charting the course for career satisfaction

Over the duration of a successful career as a Chartered Accountant, Suliyat Olalekan has learned the value of hard work, commitment and, above all, kindness

From as far back as she can remember, Suliyat Olalekan wanted to become a Chartered Accountant.

"I was really good at maths from a very young age and I was always very certain that I wanted to have a career as an accountant," says Olalekan.

"I didn't want to be an academic, studying mathematics or statistics in a university. I wanted to apply my skills in the real world. Accountancy seemed to me to offer a lot of possibilities, but I can't say I had any real sense back then of what the role would actually involve day-to-day."

Born in southwestern Nigeria, Olalekan was raised in a tight-knit family in Ibadan, the capital of Oyo State. One of five siblings, she moved to Ireland as a teenager, settling in south Dublin, and went on to study Leaving Cert Accounting.

Though Olalekan had "absolute conviction" about her career aspirations, acclimatising to the Irish way of life after relocating from Ibadan as a young teen came as a culture shock.

"I found the education system in Ireland fantastic, but it was very different to the education I had experienced in Nigeria, which was highly academic," she says.

"When I started secondary school in Ireland, I was ahead of the syllabus so it was an easy transition starting out. I was able to focus instead on integrating socially and learning about the culture and way of life in this new country that was so different."

Learning to adapt at a young age has stood to Olalekan over the course of an accomplished career as a Chartered Accountant that has taken her from practice to industry, and from Dublin to London.

"It is so important to do your research in any profession. This is my go-to approach when I am considering a potential new role, or finding my feet in a new job, and it's the reason I think I've been able to adapt well to new roles and responsibilities," she says.

"I reach out to people and lean into my network, so that I can find out as much as I can about a new role on offer—and not just the role itself, but the organisation, and the wider industry. The same goes for how I approach my work day-to-day. I always try to learn from other people who are experts in their role, their field, or sector.

"If I need advice on a tax issue, for example, I will go to a tax expert—and I never jump into anything. When I start a new job, I stand back and take stock of what is happening around me; what the dynamics are; how things work. I never dive in. I take my time and I do my research. This balanced approach has worked well for me in my career."

Now Chief Accountant at SFL Corporation, an international NYSE-listed maritime company, Olalekan manages a team in London and Oslo responsible for accounting and reporting on US Generally Accepted Accounting Principles (US GAAP).

She began her career in practice, training with Deloitte in Ireland after graduating from Dublin Business School in 2007 with a first-class honours degree in accounting and finance.

"I knew I wanted to train with a 'Big Four' firm and I really enjoyed my time with Deloitte. Joining their Audit Graduate Programme was a really wonderful start to my career and they sponsored my Master of Accounting at UCD Michael Smurfit Graduate School of Business.

"From there, I went straight into the Final Admitting Examination (FAE) with Chartered Accountants Ireland in 2012 —and then I reached a point where I wasn't quite sure what I wanted to do next."

Rather than mapping out a strict career plan, Olalekan instead decided to hang back and gain more experience where she was, before deciding on her next move.

"A lot of my friends and peers around that time were moving to Australia, the Cayman Islands, Bermuda — and thinking ahead to 'what's next?' I was happy enough where I was though, so I stayed with Deloitte, moving from Audit Senior on to Assistant Manager and then Manager."

It was when Olalekan was offered a secondment with Bank of Ireland that she got her first taste of working life beyond practice. "I got this fantastic opportunity to see what it was like on the 'other side' working in capital investment, and I found I really enjoyed it," she says.

The experience prompted Olalekan to look further afield and, when she decided to relocate to London in 2014, she found herself open to a move into shipping – a sector she had no experience in at the time.

"It was my brother who told me about this job as Group Reporting Manager with SFL Corporation and, straight away, I was intrigued," she says.

"I knew nothing about the maritime sector at the time, but shipping is such a traditional and tangible industry. I thought 'that's how food gets to my table and how furniture gets to my home'.

"SFL Corporation is also listed in the US, which meant I could get experience in US GAAP. I already had experience in UK GAAP and International Financial Reporting Standards (IFRS) in Ireland. I thought US GAAP would be a challenge that would really stand to me." Olalekan was promoted to her current role as Chief Accountant with SFL Corporation in London in 2017.

"They have been very persuasive in keeping me, and I really enjoy the work I do here because it is just so interesting," she says.

"My day-to-day can go from journal approvals on really important qualitative items to filing statements to the US Securities and Exchange Commission's EDGAR [Electronic Data Gathering, Analysis, and Retrieval] system.

"I'm involved in preparing financial data for press releases, and in constantly reviewing and ensuring the accuracy of the information we make available to the public. I advise our commercial and operational teams on the accounting implications of new business contracts and potential transactions. My role is so varied and I find that incredibly rewarding professionally."

"I MAKE SURE THAT I AM SEEN AS A 'CAN-DO' PERSON; SOMEONE PEOPLE WON'T HESITATE TO APPROACH TO ASK FOR HELP. THIS HAS BEEN VERY BENEFICIAL BECAUSE PEOPLE KNOW I DON'T SHY AWAY FROM WORK AND THAT I'M NOT AFRAID OF CHALLENGES.

As her career has progressed, Olalekan has settled into an open, approachable leadership style centred on building strong relationships with the people on her team, as well as those she reports to and colleagues in the wider organisation.

"There are many ways you can approach leadership and different styles work for different people—but I have always leaned into genuine, positive relationships and that continues to work really well for me to this day.

"I make sure that I am seen as a 'can-do' person; someone people won't hesitate to approach to ask for help. This has been very beneficial because people know I don't shy away from work and that I'm not afraid of challenges.

"In any new role, you can't know everything straight away. That is what growing and learning as a professional is all about. If you are seen as a positive can-do person who can be relied on to work hard, it is more likely that you will be offered promotions because your managers will trust that, even if you are not 100 percent ready, you will rise to the occasion, learn, and do what is needed."

Approachability, and a willingness to help others and collaborate to solve problems, is equally important for managers who want to support, encourage, and get the best from the people on their team.

"Just as my managers know they can trust me, my team learns the importance of trustworthiness from me. It creates a positive chain reaction," says Olalekan.

"They know they can come to me with problems and challenges, and that means they are also more likely to come to me with ideas, insights and solutions that can benefit the business. That is very rewarding for me as a manager."

A mother to two young children, Olalekan still finds time outside her work and home commitments to support her profession. A committed member of the London Society of Chartered Accountants Ireland, she was among four members recently elected to Council.

"I am honoured to have been elected and to have the opportunity to give something back to the profession that has been so good to me in my career," she says.

"We train people to be robust, to be intimate with numbers, to be able to analyse the data and make sense of the figures. You don't need to be the CFO of a FTSE 100 to be a success in this profession.

"My own ambition now is to add value to the organisation I work for, and support the people I work with. Even though I was so sure so young that I wanted to be an accountant, I couldn't have known then how fulfilling my career would turn out to be. I am exactly where I want to be."

Regulation

ADMISSIONS INTO PRACTICE

NAME	STATUS	LOCATION
David Drury	FCA	Dublin 3
M Vincent Bradley	FCA	Co Down
Maria Doonan	FCA	Co Galway
Ronan Murphy	FCA	Dublin 18
Mark Joyce	FCA	Co Mayo
James Bennett	ACA	Co Galway
Brendan O'Reilly	ACA	Dublim 3
Daryll McKenna	ACA	Co Meath
Paula Somers	ACA	Co Wexford
Paul McAreavey	ACA	Co Antrim
Philip Farrelly	FCA	Dublin 1
Michael Braniff	FCA	Belfast
Cathal Noone	ACA	Dublin 18
Rachel Laura Craig	ACA	Co Antrim
Ciaran Cunningham	FCA	Dublin 6W
James McMenamin	FCA	Dublin 1
Mairead Harbron	FCA	Dublin 14
Thomas Sheerin	FCA	Dublin 16
Marie-Louise Gallagher	FCA	Dublin 4
Sean Martin	FCA	Dublin 1
Eoin Healy	FCA	Co Dublin
Brian Frawley	FCA	Dublin 18
Deirdre Collins	FCA	Co Cork

CESSATIONS FROM PRACTICE

NAME	STATUS	LOCATION
Cliona Mullen	FCA	Dublin 2
Michael Keenan	FCA	Co Longford
Desmond Peelo	FCA	Dublin 13
Marie Porter	FCA	Co Dublin
Ciaran Goff	FCA	Co Wicklow
Bernie Flynn	FCA	Co Galway
Patrick Keegan	FCA	Dublin 6
Declan Hayes	FCA	England
Padraic Whelan	FCA	Dublin 2
Brian Daly	FCA	Dublin 1
Patrick Maguire	ACA	Dublin 4
Marie Barr	FCA	Dublin 14
Pat Candon	FCA	Dublin 14
Irene O'Keeffe	FCA	Dublin 14
Ronan McGuirk	FCA	Co Down

REGULATORY PENALTIES

In accordance with the Institute's Publication Policy (effective from 7 January 2021), regulatory penalties must be published in Accountancy Ireland and on the Register of Regulatory Findings and Orders on the Professional Standards section of the Institute's website.

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

Regulatory penalty	Reason for regulatory action
€5,000	A firm failed to maintain standards in respect of AML compliance (breach of PPR 4.7).
€3,000	A firm failed to fully adhere to undertakings given following a previous visit (repeat breaches of ARs 3.10, 3.17A and 3.19).
€2,000	A firm failed to carry out audit work with professional competence and due care (breach of AR 3.02).
£2,500	A firm failed to maintain standards in respect of AML compliance (breach of PPR 4.7).
£420	A firm recorded incorrect information on the annual return (breach of PPR 1.28).
€2,000	A firm failed to carry out audit work with professional competence and due care (breach of AR 3.02).
€1,000	A member acted as an insolvency practitioner without holding a current insolvency practising certificate (breach of PPRs 6.1 and 6.2).
€2,000	A firm failed to act with professional competence and due care as required by the Code of Ethics (breach of AR 3.02).
€1,000	A firm failed to fully comply with the restriction on accepting new audit appointments without the permission of the Quality Assurance Committee.

RESTRICTIONS ON AUDIT REGISTRATION

Restrictions on audit registration
In accordance with the Institute's Publication Policy (effective from 7 January 2021), orders for the imposition of restrictions on a firm's audit registration are to be published and will include the nature of the restriction imposed.

At a recent meeting, the Quality Assurance Committee imposed the following restrictions on audit registration:

Nature of restriction	No. of firms
Firms not permitted to carry out audit-related compliance reviews/file reviews for other firms	5
Firms not permitted to accept new audit appointments without the Committee's permission	1
Firms not permitted to carry out audit work or sign audit reports	1

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

CHARTERED ACCOUNTANTS IRELAND

Membership updates

Admissions
Abraham, James
Agnew, Kevin
Akintunde, Oluseyi Charles
Allen, Shane
Armstrong, Aimée
Armstrong, Stefanie
Barry, Emma
Barry, Orla
Beatty, Leanne
Bennett, Lisa
Berryman, Lauren
Bhatia, Karanvir Singh
Blanchfield, Niall
Bobbett, Ollie
Booth, David
Bourke, Geoffrey
Braidner, Jessica
Breagy, Shannan
Briggs, Leo
Buckley, Philip
Burke, Conor
Burke, Patrick
Burke, Saoirse
Buttimer, Daryl
Byrne, Heather
Byrne, Marie Claire
Byrne, Orla
Cahill, Aisling
Cahill, Eoghan
Cahill, Sarah
Carey, David
Carroll, Leonard
Casey, Russell
Chawke, Steven
Cherry, Sam
Clarke, Hayley
Clarke, Jake
Cleere, Caoimhe
Clements, Daniel
Clinton, Orla
Coady, Adam
Coffey, Paul
Coleman, Claire
Colgan, Sam
Collins, Darren
Collins, Orla
Concannon, Jamie
Connolly, Amy
Connor, Lucy
Conway, Andrew
Conway, Ellen
Cooney, Brian
Cooney, Lauren
Corbett, Kalan
Cronin, Laura
Crossan, Jack
Cullen, Aiesha Sharon
Cullen, Shannon
Culleton, Leah
Curley, Eoin
Curran, Conor
Cussen, Patrick
Cyzaite, Karolina
Daly, Aoife
Daly, Mark
Darcy, Regina
Darcy, Zachary Ezekiel Lewis
Deane, Aisling
Deane, Claire
Deane, Judy
Deglis, Zydrunas Peter
Delaney, Laura
Delehanty, Paul
Denny, Elora
Desmond, Hannah
Devaney, Shauna
Dineen, Shane
Disney, Sarah
Dodd, Aoife
Doddrell, Jacob
Doheny, Niamh
Doherty, Ciaran
Doherty, Laura
Doherty, Philip
Doherty, Sean
Donoghue, Jonathan
Doolin, Stephanie
Doran, Keith
Dore, Laura
Draper, Sarah
Duff, Emma
Duff, Gavin
Duffy, Orla
Dunleavy, Robert
Dunne, Kerry
Durcan, John
Dwyer, Aisling
English, Gavin
Faherty, Ciarán
Fair, Sara
Farahani, Faezeh
Farrell, Aideen
Farren, Megan
Fenton, Cormac
Fitzgerald, James
Fitzgerald, Shane
Fitzsimons, David
Fleming, Ciaran
Flynn, Angela
Flynn, Cliodhna
Flynn, Saorla
Flynn Fallon, Daniel
Fogarty, Ciara
Foley, Craig
Foley, Patrick
Foley, Tim
Forde, Emma
Forde, Leah
Fortune, Barry
Frewen, Averil
Fullen, Anna-Rose
Gallagher, Daniel
Galligan-Maguire, Kayla
Garvey, Frederick
Garvey, Olivia
Gaule, Arron
Geraghty, Daniel
Giles, Rachel
Gilmartin, Donal
Gilsenan, Matthew
Grace, Sarah
Graham, Niamh
Grant, Mary
Gribben, Shaun
Griffin, Michelle
Grogan, Claire
Gujral, Manita
Guo, Ruqian
Hackett, Hugh
Hannon, Lyndsey
Hardiman, Ellen
Hargaden, Lauren
Harkness, Kerry
Harmon, Patrick
Harper, Rhys
Harrington, Ciaran
Harrington, Conor
Hayes, Conor
Hayes, Max
Hayes, Sean
Healy, Katrina
Healy, Killian
Heavey, Thomas
Hempenstall, Dylan
Heneghan, Laura
Hennessy, Louise
Hennessy, Shane
Henry, Robert
Hickey, Stephen
Hill, John
Hobbs, Philip
Holohan, Darragh
Holohan, Eoin
Holton, Eoin
Horan, Mairead
Horgan, Brian
Horgan, Jay
Howley, Richard
Jackson, Fiona
Jackson, Sean
Jakubowska, Roksana
Jasmine Vijayendra Kurup, Vineeth
Jefferies, Eoin
Jennings, Thomas
John, Jeffrin Jinu
Jones, Eric
Joyce, Clair
Joyce, David
Kane, Katherine
Kareem, Kibria
Kearney, Lisa
Kearney, Simon
Keegan, Laura
Keeley, Robert
Kelly, Beth Eva
Kelly, Daniel
Kelly, Jack
Kelly, Marcus
Kelly, Paul F.
Kelly, Paul M.
Kennedy, Ciara
Kennedy, David
Kennedy, Paul
Kennelly, Daithi
Kenning, Keith
Kenny, Kevin
Kenny, Lauren
Kent, Ian
Kerr, Amy
Kerrigan, Caitriona
Kettle, Andrew
Khan, Mahvish
Kiely, Laura
Kilcawley, Darren
Kirby, Aisling
Kirwan, Jason
Kirwan, Lauren
Kissane, Fionán
Klodnicka, Wiktoria
Ko, Si Yui
Kot, Katarzyna
Kumar, Anil
Lacey, Sarah
Leavy, Jill
Li, Hao
Linden, Katy
Love, Robert
Lugue IV, Alfonso
Lynch, Seán
Maguire, Stephen
Mahajan, Shruti Yogesh
Mainerich, Mira
Manning, Niall
Martin, Derek
Martin, Michelle
Mascarenhas, Mary
Mbofana, Tatenda Trinity
McCabe, Sean
McCann, Niamh
McCarthy, Adam

McCarthy, Kate
McCarthy, Matthew
McCartney, Kristian
McConkey, Sally
McCourt, Stephanie
McCoy, Margaret
McDonnell, Emmett
McEniff, Caoimhe
McEvoy, Fionn
McGauran, James
McGeary, Briain
McGettigan, Laura
McGinn, Gillian
McGirr, Jared
McGrane, Jennifer
McGrath, Shane
McGrory, Christina
McGuinness, Megan
McHugh, Liam
McHugh, Sally
McIlreavy, Kyle
McInerney, Colm
McKee, Richard
McKenna, David
McKenna, Hugh
McKenna, James
McKenna, Tom
McKeown, John
McKernan, Sean
McMahon, Eimear
McMahon, Louise Geraldine
McNamara, Paul
McQuaile, Conor
McSherry, Kate
McSweeney, Sharon
McVerry, Garvan
Meagher, Gillian
Mee, Glenn
Mernagh, Jacqui
Mills, Andrew
Mitchel, Mark
Moffit, Grainne
Mohan, Ciaran
Molony, Carl
Molony, Sheena
Monaghan, Jake
Monahan, Lisa
Morrin, Daire
Morris O'Connell, Patrick
Moylan, Geoffrey
Moynihan, Edel
Mullaney, Alannah
Mullen, Liam
Mullen, Niamh
Mullins, Finnian
Murchan, Eoin
Murphy, Caroline
Murphy, Conor
Murphy, Ian
Murphy, Jack
Murphy, Matthew
Murphy, Niall
Murphy, Rachel
Murphy, Shane
Murray, Frank Graham
Murray, Paul
Murtagh, Sarah
Newport, Leah
Ní Chonluain, Ceithleann
Nigam, Shwetang
Nikolaou, Marios
Nolan, Charlie
Nolan, Ciara
Nolan, Ciara M.
Nolan, Gary
Noonan, Emma
Norris, James
Nulty, Brendan
Ó Domhnaill, Breándan Pádraig
O'Beirn, Peadar
O'Boyle, Kevin
O'Brien, Conor
O'Brien, Julianne
O'Callaghan, Rebecca
O'Connell, James
O'Connor, Aaron
O'Connor, Daniel
O'Connor, Daniel David
O'Connor, John
O'Connor, Robert
O'Donnell, Alice
O'Donnell, Jack
O'Donovan, David
O'Driscoll, Hilary
O'Driscoll, Mark
O'Dwyer, Cian
O'Dwyer, Philip
O'Dwyer, Sean
Ogden, Aodán
O'Hara, Catriona
O'Leary, Ciara
O'Leary, Louise
O'Leary, Niamh
O'Leary, Seán
O'Mahony, Ciara
O'Neill, Aimee
O'Neill, Ciara
O'Neill, Dillon
O'Neill, Jack
O'Neill, Jonathan
O'Regan, Daniel
O'Reilly, Lauren
O'Reilly, Matthew
O'Riordan, Pierce
O'Riordan, Sarah
O'Rourke, Jane
O'Rourke, Shane
O'Shaughnessy, Mary
O'Shea, Brian Gerard
O'Shea, Lynn
O'Shea, Sonia
O'Sullivan, Aisling
O'Sullivan, Andrew
O'Sullivan, Bryan
O'Sullivan, Claire
O'Sullivan, Conor
O'Sullivan, Katie
O'Sullivan, Sarah
O'Toole, Sorcha
Parkes, Declan
Peters, Nicholas
Phair, Phillip
Phelan, Cormac
Phelan, Kate
Phelan, Roisin
Power, Conor
Power, Kyle
Power, Shiun
Qi, Yan
Quigley, Michelle
Quinlan, Fionnuala
Quinn, Kathleen Maria
Rafferty, Marian
Ravjee, Kiera
Recker, Daniela
Redmond, Anna
Regan, Michelle
Reid, Jonathan Patrick
Rigley, Vanessa
Roberts, Scott
Robinson, Catriona
Roe-O'Leary, Sophie
Rohan, Seán
Rose, Rhiannon
Rossiter, Bryan
Ryan, Alan
Ryan, Anna
Ryan, Gavin
Ryan, Sarah
Ryan-Lynch, Cianna
Ryder, Claire
Ryle, Erin
Sammon, Niamh
Samuel, Anusha Lilian
Savage, Daniel
Scanlon, Rachel
Scriven, Jessica
Shackleton, Sophie
Shanley, Neil
Shannon, Niamh
Shaughnessy, Sarah
Sheehan, Conor
Sheehan, Geoffrey
Sheil, Roisin
Sheridan, Breen
Sherry, James
Shivers, Rory
Simpson, Michael
Slowey, Jane
Sludds, Sean
Smyth, Jasmine
Smyth, Megan
Soffiati, Andrea
Solovyov, Julia
Song, Yuying
Squire, Jonathon
Stokes, Anna
Stokes, Stephen
Stylianopoulos, Ioannis
Swan, Victoria
Tabb-Forde, Chantel
Tabbitt, Stephen
Taheny, Megan
Tamil Arasan, Parvind Raj
Tevlin, Conor
Thornberry, Danielle
Thornbury, Ali
Tola, Giorgio
Torrens, Christopher
Toth, Sandor
Traynor, Karl
Treacy, Thomas
Tumelty, Kyle
Twomey, Ailse
Tynan, Lauren
Uloziene, Dovile
Utkan, Utku Can
Villaruel, Emma
Walsh, Joseph
Walsh, Síle
Walshe, Rebecca
Walton, Philip
Wang, Yuan
Weldon, Rebecca
Weldon, Roisin
West, Richard
Westmark, Anna Maria Karolina
Whelan, Déarbhla
Whelan, Patrick
Whelan, Tamara
Willis, Mark
Wilson, Heather
Witter, Niamh
Wright, Andria
Zhou, Xinjia
Zincume, Siphokazi

Bye Law 7.1.1 ICAEW
Whitefoot, Ian

Deaths
Barton, Ian
Browne, William Geoffrey
Farrell, John Paul JP
Finnegan, Gerard
Geary, Joseph Gerard
Guinan Curley, Claire
Gunne, Colm Michael
Heraghty, Martin Alphonsus
Keohane, Jeremiah Laurence
Mahon, John Lionel
McCullagh, George
Murphy, Valerie Mary
Nathan, Vivian Frederick
Neligan, Maurice Anthony
Power, Killian P
Rafferty, Martin
Ryan, Conor Declan
Walsh, Declan Richard
Walsh, Timothy Kieran

The coach's corner

Julia Rowan answers your management, leadership, and team development questions

Q I manage a team of six people and rely on two of them a lot. They are quick, thorough, and committed. It would be difficult for me if either of them left the organisation. How can I hold on to them?

A. When I read this, my mind went, not to 'how do you keep your two high performers?' but to 'what is it like for the other four?' It is so easy to rely too much on 'good' people, and unconsciously ignore others, but this can lead to a pattern of leadership neglect that disengages the team members getting less attention.

I have two strands of advice here. For your high performers, think about how you can help them to build their skills, and consult with them about the work they are doing. Include them in decision-making, give them more responsibility, and coach them.

Be proactive about rewarding them for the work they do – not just financially, but in terms of their visibility and professional development.

For the other four, practice 'conscious inclusion'. Reflect on the skills and attitudes you want these team members to develop and build a strategy around that.

Take time on Friday afternoons to plan the following week's activity and think about how you can best work with this group — individually or in pairs, for example — so that you can help them to develop their skills and commitment.

Demonstrate that you value them by spending time with them. Remember that conversation both reflects and shapes the relationships we have with people, so be very thoughtful about your conversations. It is worth exploring the concept of 'Situational Leadership' — see this issue's book recommendation.

Q I was recently promoted to manage the team I had been a part of. Two of my colleagues also applied for the role. One is supportive, but the other — whom I used to get on well with — barely acknowledges me. She does her work, but never speaks at team meetings. She is the longest serving member of the team. What can I do?

A. Learning to manage a team you used to be on is one of the hardest challenges a professional can face – especially when it is your first management role.

Becoming the boss does lead to a change in relationships. You need to move from 'friend' to 'friendly'.

It is particularly important here that you have support from other people in your organisation (your boss, HR, and other colleagues). How you manage the situation really comes down to choices, however unconscious, about behaviour.

It sounds like your non-supportive report feels upset and humiliated and she may need a little time to lick her wounds. Your behaviour choice needs to be to deal with her in a friendly, fair, and professional manner.

If, after two months, your report has not changed her behaviour, you need to talk to her – and bear in mind that you may be entering risky territory. You need to share what you are noticing and ask for what you want instead.

The danger is that, in return, you may get passive-aggressive 'politeness' and letter-of-the-law-compliance. If this does happen, you may need to link in with HR for more support.

Julia Rowan is Principal Consultant at Performance Matters, a leadership team and development consultancy. To send a question to Julia, email julia@performancematters.ie.

IF YOU READ ONE THING...

Leadership and the One Minute Manager by Ken Blanchard, Patricia Zigami and Drea Zigami, is about Situational Leadership. This is the theory that the leadership we offer depends on the situation (the employee's level of responsibility, the complexity of the task at hand, etc). Situational Leadership offers managers a framework, which allows them to be very conscious about the management style they adopt and the conversation they have (directing, coaching, or empowering, for example). The book is written in 'fable' style, making it an easy read.


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