

Minutes
TALC Audit Sub-Committee Meeting
Tuesday 5th February 2019 – 10.00am
Revenue Commissioners, Planning Division, Bishops Square, Dublin 2.

Attendees:

Practitioners: <i>Tom Martyn</i>	<i>Law Society</i>
<i>Norah Collender</i>	<i>CCABI</i>
<i>Gerry Higgins</i>	<i>CCABI</i>
<i>Mary Healy</i>	<i>Irish Tax Institute</i>
<i>Aidan Lucey</i>	<i>Irish Tax Institute</i>
<i>Julie Burke (Chair)</i>	<i>Irish Tax Institute</i>
<i>Liam Grimes</i>	<i>Irish Tax Institute</i>

Revenue: *Brian Boyle*
Kathleen Redmond
Stephen Flynn
Padraigh Donnelly
Fay Kearney
Amy Reville (Secretary)
Pat O'Shea

Apologies: *Paul Dillon (CCABI)*

Item 1 – Debt Management Services

Revenue presented an overview of the new Debt Management Services. This new system will maximise timely taxpayer compliance, reduce debt and facilitate viable businesses that engage positively. Increased online services will include Statement of Account and Phased Payment Arrangement.

The group discussed some of the practical elements including contact details for queries and the process to upload documentation.

Item 2 – Minutes of meeting held on 27th November 2018

The minutes of the meeting of 27th November 2018 were agreed.

Matters Arising:

Actions points from that meeting were reviewed.

Employer Compliance Campaign – regrossed emoluments
Instruction per manual

Debt Management Services
This item is a separate item on the agenda for this meeting.

Medical Locum Project
This item is a separate item on the agenda for this meeting.

Item 3 – Work Plan 2019

Members discussed the draft work plan for 2019. The group agreed to remove Foreign Income and Assets Disclosure regime as a standing item from the work plan, if issues arise they can be discussed throughout the year.

The ITI suggested 'Completion of Audits' as a new item on the workplan to include discussion on issues such as timelines and improvements the audit process. Revenue suggested any discussion should be centred around the Code of Practice for Audit and other Compliance Interventions.

The ITI requested that interest is included on the workplan for discussion. The ITI expressed concern that the 8% rate is penal. Revenue advised that as interest is a statutory charge it has no scope to vary its application but would be willing to discuss if there were issues that related to the conduct of interventions.

National/Regional Projects-

Medical Locums Project

Following appraisals, circa 250 cases were escalated to an audit Intervention. To date, 150 audit letters have issued, and this will rise over the next few months. There is still time for those who have not received a Revenue audit letter to make an unprompted qualifying disclosure.

Non-filers

Revenue informed the group that the non-filer project is scheduled to run January – March 2019. It will commence with approx. 45,000 letters issuing for Income Tax non-filers at the end of this week. Following these 63,000 letters will issue to cases in Personal Division and 25,000 letters for CT non-filing will issue at the end of this month.

RCT Reminder Letters

Revenue stated they will shortly be writing to around 200 Principals regarding their making of repeated unreported payments. The letter will remind Principals of their obligation to correctly operate RCT, and will be accompanied by a summary of RCT obligations for Principals. The initial letters will be sent to Principals who have had 10 or more unreported payments in the last 12 months.

Shadow Economy

Revenue informed the group they will continue to respond to shadow economy activity wherever they encounter it and are committed to maintaining efforts to disrupt shadow economy operators and bring them into the tax net. They will continue to use all resources at their disposal, both in terms of intelligence sources and legislation to maximise their efforts to focus on non-compliance.

Divisional Projects

The ITI requested an update on any new Divisional compliance projects. There were none at this time. In response to a query on a recent newspaper report regarding the profiling of cases Revenue advised the group that understanding cases formed part of the process for assigning cases across the operational Divisions, for example Revenue will try to take a consolidated approach to group cases where possible.

PAYE Modernisation

Overall the modernised system is settling down very well with high levels of employer compliance. Revenue stated it is focussed on establishing a real-time pattern of compliance for employers. Employers with apparent anomalies or employers who appear not to have engaged are being contacted. Some of the common issues that Revenue are encountering are duplicate items, invalid items, application of emergency tax where employers hold RPNs and misplaced decimal points. Revenue are implementing strategies to raise awareness with quarterly filers.

The ITI welcomed the fact that Revenue caseworkers are intervening in these cases.

Item 3 – Changes to the Code of Practice

The group discussed the proposed changes to the Code of Practice. The CCABI agree with the time limits but expressed concern over the wording. They requested the removal of the word “interim”. They acknowledge that the COP is a living document and can be amended at a later stage. The CCABI expressed a concern that self-correction might be withdrawn retrospectively in respect of some periods. Revenue advised that any change to the self-correction period would only apply to periods after any such change. Revenue stated that self-correction and disclosures are useful and valuable and that Revenue wants to ensure the best self-correction model is in place. The ITI suggested including feedback on PMOD compliance in the workplan for 2019. Revenue agreed.

The group discussed employer compliance. Revenue confirmed that compliance interventions for prior years are being conducted as usual. The CCABI expressed concern about penalties and suggested there should be a proportionate approach to their application. Revenue confirmed that they conduct a quality assurance programme on all interventions to ensure consistency in all aspects, including the application of penalties

Item 4 – Topics Identified by Practitioners

15 % Test for Significant Consequences

The ITI queried the working of the 15% test for significant consequences in circumstances where the original return amount is nil. Revenue will consider and advise at the next meeting.

Failure to Co-operate Fully with a Revenue Compliance Intervention

The group discussed the recent update to the Tax and Duty Manual (TDM) 'Failure to co-operate fully with a Revenue Compliance Intervention'. Practitioners queried why this had not been discussed at this Group. Revenue advised that this was a tidy up and there was no policy change in the updated TDM. Practitioners expressed concerns in identifying changes in the updated TDMs due to the volume of new documents. Revenue stated that where there is an update to a manual it is their practice to issue an eBrief summarising the update and drawing attention to any significant changes

A discussion followed regarding mitigation for co-operation. The meeting noted the comments in O'Brien v O'Brien on the necessity for full cooperation to secure mitigation.

Short Term Accommodation

The ITI requested an update on this project. Revenue informed the group that they are analysing the service for compliance stage. No decisions have been taken yet with regard to a follow-up compliance project.

Action Point	Responsible	Timeframe
Interest	Revenue	When available
<i>Non- filer letter dates</i>	Revenue	When available
<i>RCT Reminder letters – Revenue to circulate a copy of the letter.</i>	Revenue	When available
<i>15% test for significant consequences</i>	Revenue	Next meeting

The next meeting of the TALC Audit Sub-Committee is scheduled to take place on **Tuesday 9th April at 10.00am.**

Submitted for approval by Secretary – 2nd April 2019

Approved by **TALC Audit Sub-Committee Members** – 9th April 2019