

Minutes

TALC Audit Sub-Committee Meeting

Tuesday 12th June 2018 – 10.00am

Revenue Commissioners, Planning Division, Bishop's 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>Jim Kelly</i>	<i>Irish Tax Institute</i>
<i>Aidan Lucey</i>	<i>Irish Tax Institute</i>
<i>Julie Burke</i>	<i>Irish Tax Institute</i>

Revenue: *Declan Rigney (Chair for this meeting)*
Stephen Flynn
Padraigh Donnelly
Katie Ryan (Secretary)
Amy Reville
Denis Barry

Apologies: *Kathleen Redmond (Chair - Revenue), Paul Dillon (CCABI), Ruth Higgins (Law Society)*

Item 1 – Minutes of meeting held on 17th April 2018

The minutes of the meeting of 17th April 2018 were agreed.

Matters Arising:

Actions points from that meeting were reviewed.

Delays in Closing IVs

Revenue provided the results of a review undertaken on a sample of 43 cases that were closed in Q1 2018 but had been open for in excess of 600 days. In 13 of these cases the delay was down to the taxpayer/agent with delays in 7 cases down to Revenue. A further 13 cases involved a legal process or an appeal.

Practitioners queried if subject matter had impacted the duration of these audits. Revenue stated that there are lessons to be learned from looking at the underlying causes and reviewing the use of the Failure to Cooperate Fully with a Revenue Intervention process as provided for in the Code of Practice for Revenue Audit and other Compliance Interventions. Revenue welcomed the views of the Practitioners on the delays in closing interventions. It was agreed to keep this as a rolling item on the agenda.

Family Wages Manual

This manual was published by Revenue in May 2018. Practitioners thanked Revenue for consulting with them before publication and for incorporating proposals put forward.

Item 2 – Work Plan 2018

Foreign Income and Asset Disclosure Regime

Revenue provided an update on the disclosures received under the Regime. Over 800 of the cases have been closed, with a further 150 in the final approval stages. Many of the cases were sent out to the Regions with some of the more complex cases kept in IPD. Practitioners confirmed that they are seeing progress with the disclosures.

National/Regional Projects

Medical Locums Project

Revenue stated that it will be conducting a project to verify the income and expenses of medical locums generally, but particularly medical locum companies that are contracted by an intermediary, such as an employment agency, to provide their services to an end user. A pilot project carried out in one of the Revenue's Regions indicated that expenses were incorrectly claimed for tax purposes in a number of locum companies examined so the project is being extended nationwide. Revenue noted certain hallmarks of tax irregularity such as expense claims which are not wholly and exclusively for the purpose of the profession or are not supported by the necessary documentary evidence. Cases will be profiled and the locum project will be conducted by each Region. Investigations, audits and aspect queries will be carried out on the companies and their directors as necessary depending on the risks identified. Taxpayers are entitled to make qualifying disclosures in accordance with the guidelines as set out in the Code of Practice for Revenue Audit and other Compliance Interventions.

PAYE Modernisation

Practitioners queried as to whether there was any feedback from the interventions conducted so far in the PAYE Modernisation Compliance Programme. Revenue stated that it is early days and that these interventions are aimed at employers who, for example, are not operating on the correct P2C details.

The ITI asked Revenue to consider the severity of the PAYE Regulations' penalties especially in small employer cases.

Other Projects

Practitioners referred to media reports concerning Revenue interventions into the letting of Short Term Accommodation. Revenue confirmed that it is normal Revenue practice to profile cases for intervention based on risk and using a wide range of Revenue and other information. The intervention selected should then be appropriate to the risks identified. The notification of a Revenue Investigation precludes taxpayers from availing from the benefits of a qualifying disclosure as per the Code of Practice.

Revenue confirmed that it is also looking at compliance generally in the area of eCommerce.

eAudit

Practitioners stated that there can be a considerable amount of work involved in completing the pre-eAudit intervention templates. Revenue confirmed that in these cases, taxpayers/agents should make the Revenue caseworker aware of the difficulties encountered in advance of the proposed day of the audit.

Item 3 – Items raised by Practitioners (not on the Work Plan)

Revenue confirmed that the issue of the "letter of no audit" was still under review. If ready, it will be brought before Main TALC on 19 June 2018.

Item 4 – AOB

Revenue Structure

Revenue confirmed that plans to divide LCD into two Divisions and to form a National 2nd Tier Division are well advanced. Revenue stated that its organisational structure was continuously evolving to meet prevailing needs. Practitioners asked that they be notified as early as possible for any changes to Revenue structure.

Action Point	Responsible	Timeframe
<i>Delays in Closing IVs/ Repeat IVs</i> Practitioners and Revenue to monitor and provide updates	Revenue & Practitioners	Next meeting

The next meeting of the TALC Audit Sub-Committee is scheduled to take place on ***Tuesday 25th September at 10.00am.***

Submitted for approval by Secretary – 30th August 2018

Approved by ***TALC Audit Sub-Committee Members*** – 25th September 2018