

TALC AUDIT Sub-Committee Meeting Minutes

Tuesday 22nd September 2020 – 10.00am
Virtual Meeting through Skype for Business

Attendees:

Practitioners:	Gerry Higgins (Chair)	CCAB-I
	Norah Collender	CCAB-I
	Maud Clear	CCAB-I
	Jim Kelly	Irish Tax Institute
	Aidan Lucey	Irish Tax Institute
	Mary Healy	Irish Tax Institute
	Liam Grimes	Irish Tax Institute
	Sandra Brennan	Irish Tax Institute
	Ruth Higgins	Law Society
	Tom Martyn	Law Society
Revenue:	Brian Boyle	Revenue
	Sarah Waters	Revenue
	Padraigh Donnelly	Revenue
	Fay Kearney	Revenue
	Miriam Scahill	Revenue
	Bernadette Davis	Revenue
	Emma Murphy (Secretary)	Revenue
	Noreen Peoples	Revenue (attended for presentation only)
Daniel Sinnott	Revenue (attended for presentation only)	
Apologies:	Paul Dillon	CCAB-I
	Julie Burke	Irish Tax Institute
	Stephen Flynn	Revenue

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Item 1 – Opening Comments and Review of Minutes of Meeting held 23rd September 2020

The Chair opened the meeting by welcoming Sarah Waters (Revenue) as a new committee member. He also welcomed Noreen People and Daniel Sinnott (both Revenue) as guest presenters.

The previous minutes were agreed with no amendments.

Item 2 – Matters arising from minutes

There were no matters arising from the previous minutes

Item 3 – AEOI Presentation

Daniel Sinnott and Noreen Peoples from Revenue gave a presentation on AEOI. The presentation covered DAC1, DAC2, CRS and FATCA. It covered what each scheme is, the risks that were identified and how Revenue plans to use this data in the future.

Item 4 – Work Plan 2020

4.1 Temporary Wage Subsidy Scheme (TWSS) Compliance Checks Update

Revenue provided an update on the ongoing TWSS compliance checks. There are approximately 66,000 employers availing of the TWSS. Of these Revenue have engaged with around 22,000 so far. 11,000 have been closed with no issues and this covers 63% of employees in the scheme (larger employers were prioritised for checking) It was confirmed that the employers will receive a confirmation through MyEnquiries that the matter has been reviewed and closed by Revenue.

The practitioners looked for information regarding any trends that Revenue have identified. Overall Revenue stated that the checks are indicating that the majority of employers have been fully compliant in operating the system. A small number of cases are under further enquiry with regard to either employer eligibility, having regard to the Q2 turnover test or some instances of possible payroll manipulation to avoid the tapering rules in the TWSS.

The practitioners were advised that the letters will continue to be sent in tranches to cover all employers who availed of TWSS

4.2 TWSS Reconciliation

Revenue provided an update on TWSS reconciliation. To facilitate reconciliation employers are now required to submit data on the amounts of subsidy paid to their employees. There are three ways to provide the subsidy paid information: the CSV upload facility, through payroll or a ROS upload. Revenue will then calculate the correct subsidy payable to employers based on the scheme rules. The deadline for receipt of subsidy paid data is October 31st 2020. The practitioners expressed their concerns with the deadline date given the general pressures at this time of year. Revenue acknowledged the difficulties arising as a result of the timing but emphasised the importance of getting subsidy paid data fully on file both to facilitate end of year processing of tax liability for employees who benefitted from the scheme and to reconcile any employer liabilities as quickly as possible.

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4.3 National/Divisional Projects

Revenue gave an update on the current projects that are being undertaken by the Divisions as follows: -

Transborder Relief

This is a new project that has been started by LCD, its being managed through their National Anti-Avoidance Network (NAAN). The issue came to light as the number of employees claiming the relief has increased significantly in recent years. No figures are available at the moment.

Foreign Income and Assets Disclosures

The last update had 58 open cases; 6 cases have been closed leaving 52 open cases. Over 98% of the cases have now been closed.

Quality Assurance Programme

Revenue gave an update on its internal QA process for audit interventions, which is carried out on a quarterly basis. The most recent review of Q3 2019 again indicates a very high level of real-time recording of activity on Revenues Case Management system (RCM). This allows the QA team very good insight into delays in advancing audits. Generally audits are being advanced expeditiously but an number of instances were identified where there were delays in providing records to Revenue but also some where there was a delay in following up after the receipt of records. Revenue's internal management processes use this information to focus on speedy closure of open cases.

Item 5 – Code of Practice changes

Revenue confirmed that COVID-19 related issues have been taking priority over recent months resulting in planned changes to the Code of Practice for Revenue Audit and other Compliance Interventions ("the Code") being delayed.

An update was provided in relation to the new guidelines that Revenue is preparing in relation to carrying out compliance interventions during the COVID-19 pandemic. The main points will be to maximise the use of technology as much as possible by using Skype for Business for meetings and using MyEnquiries for correspondence. All of the new guidelines will be underpinned by the Code.

The practitioners queried the general message that is sent to notify them that there is new correspondence on MyEnquiries. They are getting a lot of these messages at the moment and there is some concern that an Audit Notification letter may be unnoticed for a few days due to the general nature of the message. Revenue undertook to check if the general wording could be changed to identify an Audit Notification letter in the email sent from MyEnquiries. Revenue will provide contact details on the Audit Notification Letter and will also ring the same day the letter is sent through MyEnquiries. The practitioners suggested that Revenue set up a call back system and it was agreed that this be looked at.

There was a general discussion on the provision of books and records and the commencement of Audit. Revenue noted that the protocols for remote conduct of interventions will not alter the general approach in the CoP i.e. that there is clarity at the opening interview about the opportunity for a prompted disclosure and that the formal examination of records will not commence until after this.

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Revenue confirmed that if the records are available electronically, they can be submitted using the Revenue File Transfer system or if hard copy then delivered to the relevant Revenue office. Revenue confirmed that the records would remain in the Revenue office and that Revenue would arrange for their return to the business/agent as required.

Item 6 – AOB

The Practitioners requested that all intervention activity is suspended for the next few months to allow for a focus on returns deadlines. Revenue advised that intervention activity is already significantly scaled back and that the primary focus currently is on completing TWSS Compliance Checks.

Revenue did not agree to suspend activity but advised that taxpayers or agents who were having difficulty in meeting deadlines in compliance interventions due to either returns pressure or remote working issues, should contact the relevant official to agree a revised deadline for producing relevant records.

The issue of share valuations for CGT was raised but Covid-19 has meant this issue could not be progressed up to now. The committee will get back to looking at these issues.

Action Points from this meeting	Responsible	Deadline
Practitioners invited to submit comments/proposals in relation to the Code of Practice.	Practitioners	Ongoing
Revenue to look at changing the generic email notification from MyEnquiries	Revenue	Next Meeting (November 24 th 2020)
Revenue to continue to develop intervention guidelines to reflect Covid 19 restrictions	Revenue	Next Meeting (November 24 th 2020)

The Chair ended the meeting by thanking everybody for attending.

The next meeting of the TALC Audit Sub-Committee is on November 24th 2020 at 10am

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee