

Move to International Standards



The year 2005 was a 'milestone' year for the accounting and auditing profession in Ireland. Substantial changes affecting all companies, were made in relation to corporate financial reporting. These are positive for businesses and investors for the following reasons:

- Global consistency of company reporting
- Improved transparency across borders
- Credible corporate information

So what are these changes?

- Firstly, as you may be aware, new regulations were introduced that obliged all EU listed companies to prepare group financial statements under **International Financial Reporting Standards (IFRS)**. To date, SME entities have been excluded from this requirement, however the Irish Government have said that SMEs may also use IFRS and the Irish Revenue have issued guidance on transitional taxation issues arising from first time adoption of IFRS. This is an important step towards a single set of global accounting standards.
- Secondly, the audits of limited companies since 31 December 2005, are now conducted in accordance with **International Standards on Auditing (ISA)**. This move reflects tightening international regulations in the wake of large corporate collapses such as Enron. More documentation is required for all aspects of the audit, in particular, documentation and assessment of internal controls. The result should be improved transparency and credible corporate information.

The move to International Standards is a big challenge facing both large and small businesses and OSK will be advising and assisting our clients during the transition.

Warm regards,

Dylan Byrne
Partner

21st Birthday Celebration

John Greely, President Of The Institute Of Chartered Accountants, congratulates OSK on their 21st Birthday at a staff celebration to mark OSK's 21 years in business.



John Greely (right), President of the Institute of Chartered Accountants congratulates Tadhg O'Sullivan.



Members of the OSK team photographed at the event.

OSK Deliver DCU Prize



OSK Sponsored the annual prize awarded on the BAAF degree course in DCU. Pictured at the presentation were (L-R) Tadhg O'Sullivan, Ger Browne, John Hynes (prize winners), Barbara Flood (Chairperson, B.A. in Accounting & Finance Programme Board), Enda Healy, Mark Connor (prize winners), Triona Small (lecturer).

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Fiona Guckian
OSK Audit
t: (01) 439 4242
e: guckianf@osk.ie

Businesses will differ on the level of management information they require to run their business. In selecting an accounting system, the essential requirement must be to determine what the businesses information needs are, the nature of the business and its financial commitments. In all cases systems should be able to produce timely, accurate financial information to enable management to run their business and to alert them to potential financial problems.

Factors to be considered when selecting a package:

Below we have listed some considerations you may need to bear in mind before making your selection:

1. Initial cost and cost of additional modules if required.
2. Can the package grow with your business?
3. Does the package meet your information requirements?
4. Note the look and feel of the software package – is the format simple and easy to use?
5. Do you need to invest in new hardware to run this package?
6. Can the package offer Multi User access if required?
7. What is the cost of adding additional users at a later stage if required?
8. Upgrade cost – what is the cost of upgrading the software? When was the last upgrade?
9. Training and Support – what type of support is provided? What is the cost of support?
10. Product History – how long has the package been in operation?
11. Reputable supplier – does the supplier offer support? How long has the supplier been in business?

During any stage of the selection of a computer package for your growing business, please contact the OSK Audit department and we will provide assistance and advise you in making the appropriate decision.



Top: Ned Gladney. Bottom L-R: Ned Gladney, Liam Kelleher, Director General, CIF, Tadhg O'Sullivan

Revenue Audits Presentation To The CIF

Ned Gladney, Director – OSK Tax recently presented on Revenue Audits to members of the CIF.

Ned reviewed the taxes encountered in typical construction projects. He made the point that while all taxes will be looked at by Revenue in the context of a Revenue Audit it is likely that the greatest concentration will be on RCT, PAYE/PRSI and VAT.

According to Ned, these are high risk areas in that even an unwitting default can result in substantial Tax, Interest and Penalties. With revenue interest running at approx. 11.75% per annum and tax geared penalties of up to 100%, a Revenue Settlement can prove quite costly. In addition, possible publication as a tax defaulter may have credibility issues for the taxpayer.

Also in any large construction, he said, project risk management is a vital ingredient. Tax must be considered to be a risk area and like any other commercial risk the proper risk management procedures should be put in place to effectively manage the risk. The key is to recognise the risk and to ensure that the appropriate internal procedures are in place to eliminate it. In the current climate it is advisable that such a review is carried out sooner rather than later.

Majella Flaherty
Devaney & Partners Solicitors
 Main Street, Malahide,
 Co. Dublin
 t: (01) 845 1212
 f: (01) 845 2880
 e: info@devaney.ie



Debt Management – Avoid Bad Exposure

Cash flow is the lifeline of most businesses and non-payment of overdue accounts can seriously damage the profitability of even the healthiest business. Efficient and cost effective recovery of overdue payments is vital in debt management in order to avoid costly and damaging bad debt exposure.

- Prior to giving an individual or business credit, request them to complete a credit application form and seek personal guarantees.
- It is imperative that the key information you have on your client is correct i.e. correct name of company or individual, address and telephone number. This is vital if you need to instruct an outside debt recovery specialist to pursue the debt.
- Always establish if you are dealing with a limited company or a sole trader/individual. If it is an individual make sure you have the name of the person responsible for paying the debt.
- It is advisable to do a credit check on them.
- Have agreed internal procedures in place for handling overdue accounts.
- When a debt is 30 days old send statement of account marked overdue.
- Follow with phone call – establish if there is any reason why account has not been paid.
- Resolve any dispute.
- If the account is still not paid at 60 days send them a warning letter informing them that the matter will be sent to your solicitor unless immediate payment is received.
- Once a debt is over 90 days outstanding we recommend that you pass the debt to an outside debt recovery specialist to pursue on your behalf – the longer a debt is outstanding the harder it can be to collect.

How Can Devaney & Partners Solicitors Help You?

- Our specialist team is fully trained in all aspects of debt recovery, together with specific client handling and telephone techniques.
- We enjoy a high success rate and our debt recovery department is also supported by the firm's litigation team and business recovery specialist who can provide the right level of support and expertise for larger claims.

OSK Client Satisfaction Survey 2006

A big thank you to all of our clients who responded to our survey both online and by post. We had an excellent response rate this year and 96% of respondents expressed satisfaction with the service we provide and we are delighted with this.

We will continue to strive to improve in the areas highlighted by you.

Congratulations to Patricia Moore, Belgrove Interiors Ltd who is the winner of the weekend for two to Paris.

We will email a full breakdown and analysis of the results to you over the coming weeks.

New Faces

Welcome to Stephen O'Connor, Alan Foley and Nicola Connolly who joined the SBS team over the past few months.



Stephen O'Connor

Alan Foley

Nicola Connolly

Five Ways To Gain Time



Dermot Rice

t: 01 835 9946

e: drice@prioritymanagement.com

The 'time-saving' technology of the last few years seems to have only added to most peoples workload. It has become the norm for many people to be completing their day's work from home in the evening or at the weekends.

Mismanaged use of e-mail, mobile phones, pagers and electronic organisers in the workplace is causing "Digital Depression" says Dermot Rice from Priority Management. This is a feeling of being powerless and unable to keep pace, leading to skyrocketing stress levels and decreasing productivity.

If this describes you, here are a few tips that might help you pick up a few extra minutes each day and get you back on the balance track.

1. Stop promising people more than you know you can accomplish. Under *promise and over deliver* is a useful mantra.
2. Have a *single daily planning system* that works for you. It might be electronic or paper but don't plan in multiple places.
3. Develop a system to help you track all your conversations and communications. *Plan all your telephone calls* before you pick up the phone. It takes just two minutes to plan a call and adopting this technique will save you hours every week!
4. If you have voice *mail*, don't promise on your recording to get back to everyone that day.
5. Plan the next day before you leave the office.

Our Priority Productivity Suite of Programs are guaranteed to save you at least ONE HOUR each day and lower your stress levels and make you more effective. Our Priority training team can help develop these essential skills for you and your team.

Priority Management is the world leader in Productivity Management. For more information on Priority Management's programmes, visit them at: www.prioritymanagement.com/ireland or call Dermot Rice on 01 8359946 or email drice@prioritymanagement.com.

Exam Success

Well done to Clíodhna Grant, Sarah Cahill and Paula Loughney who recently passed tax exams.



OSK People

Jimmy Dolan

Title
Partner
– OSK Audit

Specialist Area

Audit & Corporate Finance

Hobbies & Interests

GAA, Rugby spectator, golf and spend as much time as possible with family

Most recent book

John Connolly
– Bad Men

Person You Most Admire

Bill Clinton

OSK services

OSK Audit

OSK Tax

OSK Business Advisory Services

OSK Consulting

OSK Corporate Finance

OSK Contracting

OSK Small Business Support

OSK Company Secretarial

Disclaimer

These articles provide a general guide only and specific advice should be sought before any action is taken.

OSK is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business.

OSK,
East Point Plaza,
East Point,
Dublin 3.

t: 01 439 4200 f: 01 439 4299

e: advice@osk.ie w: www.osk.ie