

# TALC AUDIT Sub-Committee Meeting Minutes

**Tuesday 24<sup>th</sup> September 2019 – 10.00am**  
**Revenue Commissioners, Planning Division, Bishop's Square, Dublin 2.**

## Attendees:

### Practitioners:

Julie Burke (Chair)	Irish Tax Institute
Liam Grimes	Irish Tax Institute
Mary Healy	Irish Tax Institute
Ruth Higgins	Law Society
Gerry Higgins	CCAB-I
Jim Kelly	Irish Tax Institute
Aidan Lucey	Irish Tax Institute
Kimberley Rowan	CCAB-I

### Revenue:

Brian Boyle	Revenue
Padraigh Donnelly	Revenue
Stephen Flynn	Revenue
Kathleen Redmond	Revenue
Miriam Scahill (Secretary)	Revenue

### Apologies:

Tom Martyn	Law Society
Sandra Brennan	Irish Tax Institute
Fay Kearney	Revenue
Bernadette Davis	Revenue
Paul Dillon	CCAB-I

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### Item 1 – Review of Minutes of Meeting held 11th June 2019

The minutes of the meeting held on 11th June 2019 were accepted by the group with one edit suggested. On page 4 the following line was amended to read: *The ITI recognises that the audit process does not lend itself to being constrained by defined timelines.*

The chair welcomed the return of Kimberley Rowan to the committee.

### Item 2 – Matters Arising from previous meeting of 11th June 2019

Action Point	Responsible	Status as of 24th September 2019
Revenue to talk to the relevant internal networks about the issues raised in the ITI document to achieve improvements in case working.	Revenue	Ongoing discussions with Divisions are taking place during Autumn 2019
Revenue to circulate the CT Non-filer letter that issued in July 2019	Revenue	Complete
ITI to share correspondence regarding audit scheduling that may indicate an inconsistent approach.	ITI	ITI to follow-up with members to identify communications that issue regarding e-audit

#### ITI 2019 Submission on Audit procedures and process.

Revenue updated the meeting that a series of presentations to the operational divisions has commenced in September 2019. One of the objectives of the presentations is to raise awareness among audit teams of the issues that have been identified in the ITI submission paper on Audit procedures and processes.

The outputs from this exercise will be measured through the Quality Assurance programme by monitoring the chronology of communications. A response to the increased awareness of audit teams to maintain momentum in their audits can be expected to be observed from Q3 2019 onwards. An update to be provided to the group in Q1 2020.

#### e-Audit

The group discussed the final action item from the last meeting regarding the downloading of books and records at the preliminary meeting and the making of a prompted disclosure. The ITI will revert to the group in due course on this matter. Revenue confirmed that in line with section 1.9.1 of the Code of Practice, the preliminary meeting and the downloading of records does not affect the taxpayer's entitlement to make a prompted qualifying disclosure.

Revenue stated that it is a critical aspect of the communication process that a taxpayer knows up to which point a prompted disclosure can be made and when the timeframe has passed.

It was also noted by the group that clarity on information required at the outset on an e-audit intervention can contribute more effective engagement early in the process.

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### Item 3 – Work Plan 2019

#### PMOD

Revenue have operated a service for compliance approach to employers since the introduction of PMOD in 2019 and there has been positive engagement with employers in that time.

Revenue clarified that while the approach taken in PMOD related interventions to date has very much been service focussed, assisting employers to meet their compliance obligations and dealing with areas of uncertainty, Revenue will impose penalties for consistent failure to properly implement the legislation correctly.

Revenue are currently considering approaches to ensure consistent mitigation of fixed penalties and will provide an update to the committee at the next meeting.

CCAB-I gave examples of a number of queries that are arising in relation to PMOD and directors. The development of specific Revenue guidance on PMOD and directors was requested. Revenue indicated that a recent Operational Instruction issued earlier in 2019 and will circulate this to the group. If further guidance is required by the practitioners, Revenue will provide this.

A recent review by Revenue of the implementation of PMOD indicates that the system is performing well. Issues in relation to 3<sup>rd</sup> party software have been identified and managed throughout the initial phases of the roll-out. Over 250 million payslips have been handled by the system and less than 2% of that data has presented any issue.

The practitioners raised the point that their members are increasingly being asked about the date on which the Annual Statement will be available in January 2020. Revenue responded that significant investment in software that facilitates the timely issue of all Annual Statements has been made.

Revenue indicated that it would arrange for a briefing to practitioners from the operational PMOD team at the group's next meeting.

Practitioners will canvass members and practitioners for relevant questions in advance of that briefing. CCAB-I will submit examples of the queries raised by their members.

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### **Code of Practice for Revenue Audit and other Compliance Interventions**

The updated version of the Code of Practice is planned to be finalised for print in the coming weeks.

### **National/Regional Projects**

- **Medical Locums Project**

Revenue updated the committee that 267 Audits and 278 Aspect Queries are opened to date under this project.

- **FIAD**

96.6% of the cases opened under this project are now closed which represents 80.4% of the value of declared liabilities.

- **Short term accommodation**

Revenue are preparing to implement a compliance project in relation to short term letting of accommodation.

- **Shadow Economy**

Revenue updated the group that following the re-alignment of the organisation in 2018/19, the Joint Investigation Units (JIUs) have been centralised in the Business Division.

### **FATCA Project**

Revenue will provide an update at the next meeting on the FATCA/CRS project.

### **“Legacy” casework**

Revenue indicated that since re-alignment, there has been increased emphasis on closing older interventions cases and progress in this area is being monitored closely throughout the year.

### **REAP**

A national REAP run was completed and made available to caseworkers in July 2019, reflecting data on Revenue systems up to 21 June 2019. Discussions are taking place within Revenue to plan for future REAP runs, taking into account the realigned operational Divisions. Future REAP runs will reflect the results of this review.

The inclusion of iXBRL data in REAP was questioned by CCAB-I, Revenue responded that all such data is included in the system.

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Action Points from this meeting	Responsible	Deadline
Further feedback on the ITI 2019 submissions.	Revenue	Q1 2020
ITI to share correspondence that may indicate an inconsistent approach.	ITI	Prior to next meeting
Revenue to raise awareness among e-audit teams of the importance of communication to the taxpayer in relation to the specific date that that taxpayer's ability to make a prompted disclosure ends.	Revenue	Ongoing
Revenue to update on the penalties that apply for breaches of PAYE/PRSI and USC taxes.	Revenue	Next meeting
Revenue to circulate the recent O.I. regarding PMOD and Directors and will provided further guidance on the matter if necessary.	Revenue	Immediately
Revenue to provide an update on FATCA/CRS project.	Revenue	Next meeting
Revenue PMOD team to present an update to the group at the November meeting.	Revenue	Next meeting
Practitioners to canvass members and practitioners in relation to specific questions for the PMOD briefing in November.	ITI	Prior to next meeting
Suggestions on inclusions of items for the 2020 Work Plan in advance of the November meeting.	All	Prior to next meeting

The next meeting of the TALC Audit Sub-Committee is scheduled to take place on **Tuesday 26th November 2019 at 10.00am.**

Submitted for approval by Secretary –  
Approved by –