

## Companies Act Compliance

The Companies Act was commenced 1st June 2015 and introduced the requirement for a number of assertions to be made with regard to compliance as part of the Directors' Statement. All PLCs and companies limited by guarantee as well as private limited companies with a turnover in excess of €25m and a balance sheet of €12.5m for the year are required to fulfil this requirement for financial periods beginning on or after 1st June 2015.

The new "Compliance Statement" to be made by Directors is required to indicate that appropriate arrangements and structures have been put in place which

are designed to secure material compliance with the company's relevant obligations. The "relevant obligations" relate to Category 1 and 2 Companies Act offences, serious Market Abuse, Prospectus or Transparency Directive offences in Company Law together with all taxation law.

Companies should have arrangements and structures in place which should be underpinned by strong controls, robust systems, reporting lines and monitoring processes. The first step to implementing such structures is to conduct a high level assessment of the relevant structures in place.

### Introducing the Assessment Cube

To help you to develop an initial assessment of the status of your conformance with the requirements of the Act, we have developed a risk assessment tool called the Assessment Cube.

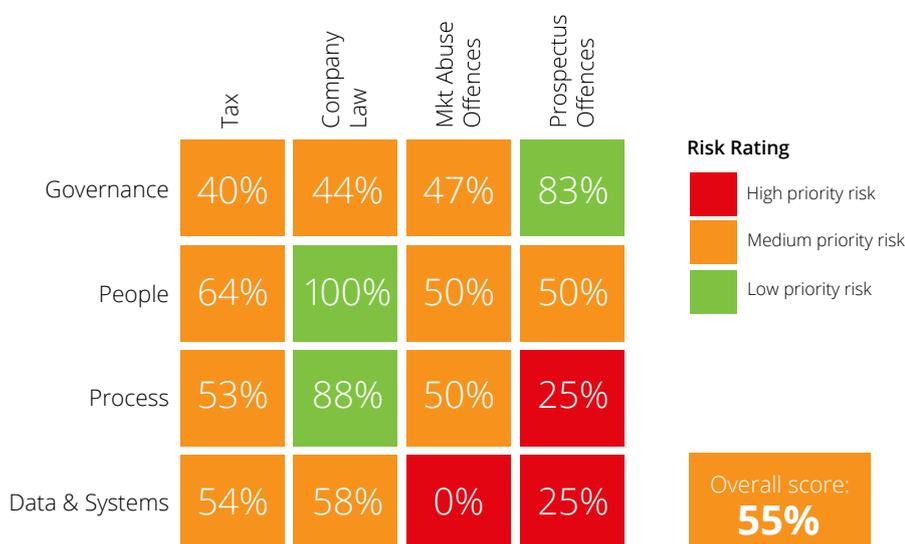
The Assessment Cube has specifically designed questions based on the company law requirements and taxation requirements. It categorises and scores responses in four interrelated components: governance, people, processes and data & systems - which together provide a view of the overarching arrangements and structures over the relevant compliance areas.

### Understanding priorities

The Assessment Cube output provides an indicative assessment of risk, using the system of red, amber and green, based on your responses to our questionnaire. This allows Directors and Senior Management to easily identify priorities for action and potential risk areas. The heat map output shown below is supported by detailed observations which will enable management to understand and address shortcomings.

### Using the Cube

Interpreting the results of the Assessment Cube will enable companies to make informed decisions to improve compliance throughout the organisation.



The four components of the integrated risk framework for internal controls over compliance as represented in the Assessment Cube are:

<b>Process</b> Effective processes in the areas of compliance, reporting, planning and monitoring allow a company to operate in a controlled, compliant manner.	<b>Governance</b> Structures in place to support the compliance with the various requirements.	<b>Data &amp; Systems</b> IT controls underpin a company's ability to comply with relevant legislation. This is critical to deliver assurance to directors over control effectiveness.	<b>People</b> Resource allocation and integration of compliance with business areas allows a company to respond effectively to increasingly complex legislation.
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## Results and Insights

The Assessment Cube facilitates the identification of areas within an organisation that potentially require enhancement in order to comply with the new Companies Act requirements. Deloitte has the expertise to interpret the results of the assessment and to provide insights and remediation plans to aid this process.

The Cube can be used as one overall assessment covering both taxation and company law legislation or can be used to focus on a specific area (e.g. company law only or taxation requirements only).

## How we can help you

Management Self-Assessment – Deloitte complete a self-assessment workshop with management. Observations and potential remediations are prepared on foot of this workshop and management receive a report based on this self-assessment. It highlights the responses which resulted in “amber” or “red” scorings and will give a visual representation of the areas for potential focus. These results are not independently reviewed or validated but provide an indication of management’s perception of

current processes in place and potential next steps to be taken.

Independent Assessment – This approach includes the independent assessment by Deloitte of responses provided by management with regard to the tool through documentation reviews and further probing. We work with management and the Directors to prepare an implementation plan to address process, governance or control gaps identified during the review. The report produced includes enhancement opportunities identified and the remediation plans as agreed with management to address shortcomings. The output as well as the progress made by management on any actions to be taken can be then considered by Directors when forming their opinion and statement with regard to the organisation’s compliance.

We understand that the new requirements are onerous and we would be happy to help you to provide the required assurance to Directors for the new statements to be made.

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