



Companies Act Compliance

The Companies Act 2014 requires Directors to sign the Directors' Compliance Statement requirement. This requirement applies to PLCs, companies limited by guarantee and private limited companies with a turnover in excess of €25m and a balance sheet total of €12.5m for the year.

Directors are 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. There is also a requirement to complete a review of these structures during the financial year.

"Relevant obligations" relate to Category 1 and 2 Companies Act offences, serious Market Abuse, Prospectus or Transparency Directive offences together with all taxation law.

In order for Directors to make the required assertions, arrangements and structures should be put in place and reviewed on an annual basis. The arrangements and structures should encompass strong controls, transparent governance, clear reporting lines and robust monitoring and escalation processes.

The Assessment Cube

To support Directors and Senior Management in obtaining the required insight and assurance on the relevant arrangements and structures, we have developed the Assessment Cube.

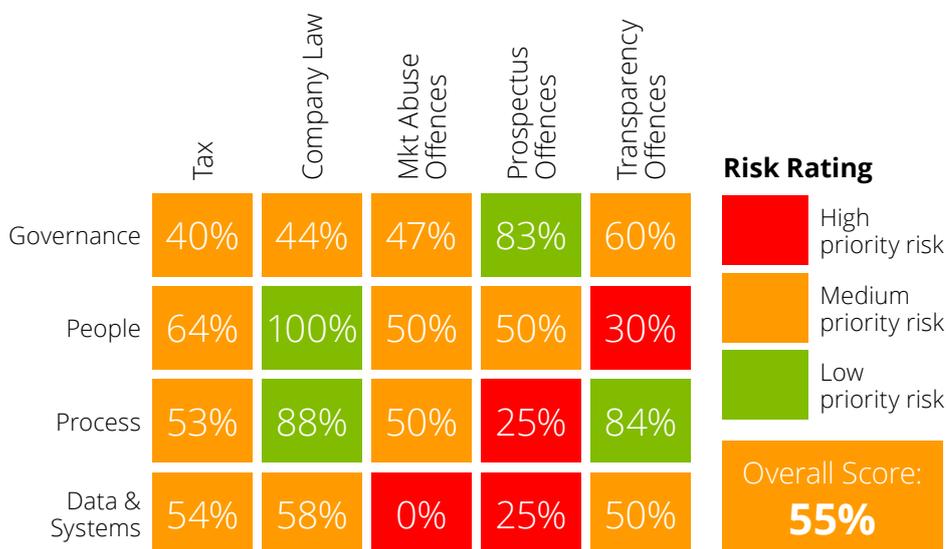
The Assessment Cube has specifically designed questions based on the company law and taxation requirements. It categorises and scores responses into four interrelated components: governance; people; processes; and data & systems - which together provide a view of the overarching arrangements and structures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

Understanding priorities

The Assessment Cube output provides an indicative evaluation of risk, using an assessment 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. It can also support Directors in completing the required review of the relevant structures. The heat map output shown 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 help companies make informed decisions to improve key processes throughout the organisation.



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

Process

Effective processes in the areas of compliance, reporting, planning and monitoring allow a company to operate in a controlled, compliant manner.

Governance

Structures in place to support the compliance with the various requirements.

Data & Systems

IT controls underpin a company's ability to comply with relevant legislation. This is critical to deliver assurance to Directors over control effectiveness.

People

Resource allocation and integration of compliance with business areas allows a company to respond effectively to increasingly complex legislation.

Results and Insights

The Assessment Cube facilitates the identification of areas within an organisation that potentially require enhancement in order to secure material compliance. 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 including being able to state that a review has been conducted during the financial year.

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