

Tara Coogan  
2016 Cooperative Legislation Review  
Co-operative Legislation Unit  
Department of Enterprise, Trade and Employment  
Earlsfort Centre  
Lower Hatch Street  
DO2PWO1

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Dear Ms Coogan

Thank you for your invitation seeking comments on the operation and implementation of the Industrial and Provident Societies Acts 1893 - 2014. Given the short time scale set out in the consultation, ACCA has not been able to undertake a full consultation with members'. However, there are four matters we would like to draw attention to, one of which we understand is already in the process of being remedied.

#### **Public Auditors**

We understand that steps are already being taken to repeal the concept of public auditors and replace the term with statutory auditor; therefore harmonising the treatment with Company Law. We support this development.

#### **Harmonise with the accounting requirements for companies**

There is a danger that Industrial and Provident Societies legislation will be abused to circumvent some of the disclosure and governance requirements for commercial companies. We recommend that the accounting and disclosures in Part 6 (particularly Chapter 6) and Schedule 3 and 4 of the Companies Act 2014 be applied to Industrial and Provident Societies with the minimal amount of text changes to make the Companies Act language appropriate to an Industrial and Provident Societies. This would ensure that there were no advantages in using an Industrial and Provident Societies entities over Companies Act entities.

#### **Consolidation of legislation**

The complexity of the legislation in respect of Industrial and Provident Societies makes it difficult for directors to ensure that they are compliant. It is not just that the primary legislation dates from 1893 and there have been numerous

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amendments since; the most recent Act, The Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Act 2014, applies large section of the Companies (Amendment) Act 1990 to Industrial and Provident Societies. However, the Companies (Amendment) Act 1990 itself has been repealed, and replaced, with changes, by the Companies Act 2014. A Director would need to be very focused to track through the actual requirement in legislation in respect of some specific matter. We recommend that the legislation be consolidated and reformed and aligned with the requirements applying to a company, as far as possible. We would also recommend that the scope of the office of the Director of Corporate Enforcement be extended to cover Industrial and Provident Societies.

**Availability of information publically**

The information filed on the public register in respect of many Industrial and Provident Societies is incomplete, out of date or completely missing. We appreciate that the Registrar has recently cancelled the registration of a substantial number of Industrial and Provident Societies who have not filed annual returns and this may serve to encourage on time filing by others. However, compliance with the requirement to file annual returns appears to still be an issue. Allowing small Industrial and Provident Societies, that file on time, the option of audit exemption, would be a substantial incentive to encourage on time filing. Any reform of the law for Industrial and Provident Societies should include provision for audit exemption on the same basis as a company limited by guarantee.

If there is any issue you would like to discuss further, please feel free to contact me directly on

Kind Regards,



Aidan Clifford  
Technical Director, ACCA Ireland