



ENFORCEMENT

# ANNUAL REPORT

July 2022-December 2023



Údarás um Fhorfheidhmiú Corparáideach  
Corporate Enforcement Authority



Minister of State for Trade Promotion, Digital and Company Regulation, Dara Calleary, TD and CEO, Ian Drennan, at the CEA Inaugural Conference 2023.

Minister of State for Trade Promotion, Digital and Company Regulation, Robert Troy, TD, Minister for Enterprise, Trade and Employment, Leo Varadkar, TD, Minister for Justice, Helen McEntee, TD and CEO, Ian Drennan, at the launch of the CEA in 2022.

Minister for Enterprise, Trade and Employment, Simon Coveney, TD and CEO, Ian Drennan, at the CEA's office in 2023.

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## Chief Executive's review



**Ian Drennan**  
Chief Executive Officer

*'We have spent the first 18 months of the organisation's existence implementing a strategy that comprises three core pillars.'*

On the date of its establishment in July 2022, in a welcome note on the new organisation's website, I observed that:

*'The establishment of the CEA marks the next stage in the evolution of company law enforcement in this jurisdiction.'*

*Compliance with, and the enforcement of, company law has developed beyond recognition since the late 1990s, when the view was expressed in the McDowell Report that "Those who are tempted to make serious breaches of company law have little reason to fear detection or prosecution. As far as enforcement is concerned, the sound of the enforcer's footsteps on the beat is simply never heard."*

*Directors of insolvent companies are now routinely restricted and disqualified as a consequence of their behaviour, civil enforcement measures and criminal prosecutions are a regular occurrence and the financial and reputational risks associated with being the subject of enforcement action are such that compliance with legal obligations is high on all responsible Boards' agendas.'*

As a new organisation, from day one we set ourselves the clear vision of becoming:

*'An enforcement agency, trusted by the public and highly regarded by our stakeholders and counterparts, whose work contributes to public protection and to Ireland being regarded as a safe and well-regulated economy in which to invest and create employment.'*

In pursuit of that vision, we have spent the first 18 months of the organisation's existence implementing a strategy that comprises three core pillars, namely

- embedding governance structures, building operational capability, and establishing presence,
- effective advocacy and influencing, and
- operating effective systems of proportionate, robust, and dissuasive enforcement.

Our annual report, of which this is the first, is our primary accountability tool. As such, this report provides our stakeholders with a significant level of detail regarding the work that we have done over the first 18 months in discharging the mandate conferred upon us by the Oireachtas, implementing our strategy, and pursuing our vision for the organisation.

## Capability enhancement

During our first 18 months the advantages of being a standalone agency, and in particular the flexibility that status brings, began to crystallise. We secured our own recruitment licence, thereby allowing us to run our own recruitment campaigns, with those competitions being tailored to our needs as a specialist agency.

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In addition to a significant level of recruitment from the open market, the terms of our Memorandum of Understanding with An Garda Síochána are such that we have a meaningful input into the selection of gardaí seconded to the organisation – who, on secondment, also become CEA officers.’

In addition to a significant level of recruitment from the open market, the terms of our Memorandum of Understanding with An Garda Síochána are such that we have a meaningful input into the selection of gardaí seconded to the organisation – who, on secondment, also become CEA officers. That results in a more tailored fit in terms of experience and skills, which is in the interests of the individuals concerned, the CEA, and An Garda Síochána.

The work of the CEA as a specialist enforcement agency is complex and technical and, reflective of that fact, we devote substantial resources to staff development, in the form of education and training.

The experience gained by CEA officers has significant value in terms of their professional development and future career prospects. This, we hope, will increasingly make the CEA an employer of choice for skilled and experienced staff. That said, our turnover levels are low, thereby indicating that our staff consider the CEA to be a challenging and rewarding environment within which to work.

## Impact

While certain of the work that we do is high profile in nature, our impact on the public is much broader. As the case studies in this report demonstrate, our work, much of which happens behind the scenes, benefits all who have a stake in the effective operation of company law.

We seek to empower our stakeholders both through the provision of accurate, impartial, and accessible information and guidance regarding obligations and rights, and through our outreach activities. Examples of the former included Information Notes that we have issued over the period, which dealt with topics including the risks associated with accepting company directorships in certain circumstances.

Through our graduated and proportionate approach towards indications of less serious non-compliance, we quietly go about ensuring that duties are respected and that rights are vindicated without having to resort to our statutory powers. Examples in that regard include:

- Case Study 2, where our intervention ensured that the company’s members’ rights to attend an AGM were vindicated and that the company’s filing obligations were respected,
- Case Study 4, where our intervention resulted in the rectification of non-compliance with the provisions governing directors’ loans, thereby protecting the interests of the company, its creditors, and its members, and
- Case Study 7, where our intervention ensured compliance with the terms of a SCARP rescue plan.

Reflecting our graduated approach, the next step up is the use of statutory powers to bring about compliance with the law. Examples in that regard include:

- Case Study 8, where in response to a complaint received, we pursued a course of action that involved the issuing of statutory demands and which ultimately led to the complainant's rights being vindicated, and
- Case Study 9, where through the initiation of High Court proceedings, we ensured that a liquidator complied with statutory filing obligations to us.

At the upper end of the spectrum as regards seriousness lies criminal enforcement. In that context, during the period we obtained and executed over 100 court orders for the purposes of compelling the production of documents, executed 5 search warrants, took over 200 witness statements, and made 12 arrests.

In addition to our well-publicised litigation with the former CEO of the Football Association of Ireland (Case Study 13), we engaged in other civil litigation associated with criminal investigations such as that set out in Case Study 14, where we secured court orders restraining bank accounts containing several hundred thousand Euro in order that those funds could not be dissipated during the course of our investigation.

Arising from our investigations, two individuals were convicted of criminal offences on indictment, including former Console Director and Secretary, Ms. Patricia Kelly. In addition, during the period under review the DPP sought the review, by the Court of Appeal, of the sentence that had been imposed on Mr. Pearse O'Connor by the trial court.

'While certain of the work that we do is high profile in nature, our impact on the public is much broader. As the case studies in this report demonstrate, our work, much of which happens behind the scenes, benefits all who have a stake in the effective operation of company law.'

Reflecting the sometimes protracted nature of the investigative and prosecutorial processes, our investigative activity over the period under review and previously has resulted in the early months of 2024 seeing the following outcomes:

- the charging of Dr. Andrew Jordan and Mr. Christopher Goodey, former Chairman and Chief Executive Officer respectively of the National Association of General Practitioners (NAGP), with fraudulent trading and failing to keep adequate accounting records, and
- the sentencing of Mr. Ebenezer Oduntan to 7 years' imprisonment having been convicted of 87 counts of theft, deception, and company law offences.

In parallel to the investigative and enforcement work referenced above runs our supervision of the corporate insolvency process. That work, which derives from liquidators' statutory reporting obligations to us, and which in turn provides the basis for our undertakings regime, saw a total of 80 company directors being restricted together with a further 17 being disqualified. Restriction and disqualification are important measures, designed to protect the public from persons whose past record has shown them to be a danger to creditors and others. They also serve to improve corporate governance generally, as well as to deter similar such behaviour on the part of others in the future.

In addition to that element of our insolvency work that is based on analysis of liquidators' reports, we operate a separate stream of enforcement designed to address the irresponsible behaviour of allowing companies to be struck off the register for a failure to file the required returns with the CRO. That work resulted in a further 10 directors being disqualified, which it should be noted is an artificially low number resulting from the Covid-related pausing of the CRO's strike-off programme.

Case studies set out herein also provide an insight into:

- the type of director behaviour that will result in lengthy periods of disqualification, and
- our work in the realm of resisting applications for relief from restriction and in ensuring that, before relief is granted from disqualification, substantial assurances are provided to the High Court.

'One of our core strategic objectives for our first three years is to establish the CEA's presence as both a trusted source of impartial information and as a credible actor and source of influence on the enforcement landscape. While much work has been done on both fronts over the first 18 months, I am particularly proud of the resounding success that was our first CEA conference.'

## Presence

One of our core strategic objectives for our first three years is to establish the CEA's presence as both a trusted source of impartial information and as a credible actor and source of influence on the enforcement landscape.

While much work has been done on both fronts over the first 18 months, I am particularly proud of the resounding success that was our first CEA conference – through the efforts of my colleagues, those who gave so generously of their time to speak, and those who were kind enough to take time out of their busy schedules to attend. We were fortunate enough to attract a deeply impressive array of speakers, including both Minister Calleary and the Attorney General, Rossa Fanning, SC. As a result of the universally positive feedback, it is our intention to make the conference an annual event, with planning for the 2024 event at an advanced stage.

## Forthcoming developments

As detailed in the recently published General Scheme of the Companies (Corporate Governance, Enforcement and Regulatory Provisions) Bill 2024, Government is seeking Oireachtas approval for amendments to the Companies Act 2014. Amongst the measures being proposed are the conferral of new powers of investigation on the CEA in the area of information and evidence gathering, including new surveillance powers. The General Scheme also proposes to enhance information sharing across investigative and regulatory agencies and to streamline the court process for dealing with the availability to investigators of evidential material over which claims of legal professional privilege are being asserted. These measures will, if enacted as proposed, further enhance the CEA's capacity to investigate suspected breaches of company law. Separately, the proposals clarify that liquidators' obligations extend to defending any appeals against restriction orders imposed by the High Court as a consequence of company directors' behaviour in managing the affairs of insolvent companies. This is an important public protection measure in ensuring directors' accountability for their stewardship of companies.

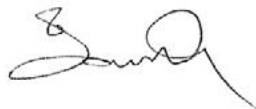
‘Particularly welcome are the proposals to create two new criminal offences relating to interaction with CEA officers.’

Particularly welcome are the proposals to create two new criminal offences relating to interaction with CEA officers. The first proposal is to make it an offence to obstruct or impede an officer of the CEA, while the second would result in anyone who threatens, intimidates, or menaces a CEA officer, or members of their families, being guilty of a criminal offence punishable by up to 10 years’ imprisonment if convicted on indictment. These proposals send out the very clear signal that obstructing or threatening a CEA officer will not be tolerated and that anyone who does so risks facing a lengthy term of imprisonment. The CEA looks forward to engaging with Minister Calleary and his officials, and with parliamentarians, as the Bill makes its way through the Oireachtas.

## Concluding remarks

As will be evident from the contents of this report, a huge amount of work has been done over the first 18 months of the CEA’s existence. That is a testament to the commitment and professionalism of my colleagues. For that, I thank them most sincerely.

I also wish to thank the various Ministers who have supported the CEA and given of their time. Thanks in that regard are due, in particular, to Minister Calleary and former Minister Troy, and to former Ministers Varadkar and Coveney. I would also like to offer my personal appreciation to recently retired Secretary General of the Department of Enterprise, Trade and Employment, Dr Orlaigh Quinn, who was a strong advocate for the CEA and who played a pivotal role in its establishment. Finally, on behalf of myself and my colleagues, I would like to acknowledge and express our gratitude for the ongoing support that we receive from our colleagues in the Department.



**Ian Drennan**

Chief Executive Officer  
& Sole Appointed Member of the Authority

# At a glance



## Building Operational Capability

- Recruitment licence secured
- 24 Civilian staff recruited
- Vehicles acquired



## Training

- Law
- Expert witness skills
- Forensic accounting
- AML
- Digital forensics

## Advocacy

**9** Information booklets

**51** Events and Exhibitions



**5** Information Notes

## Complaints/Reports

**454** Complaints Received

**51** SCARP Reports

**22** Protected Disclosures

**13** Examiners' Reports

**239** Indictable Offence Reports



## Supervision of Corporate Insolvency



In Total:

**1021** Liquidators' Reports

**80** Directors Restricted

**27** Directors Disqualified

## Investigation

**107** Court Orders

**5** Search Warrants

**213** Witness Statements

**9** Voluntary Cautioned Interviews



**4.1 million** Electronic files made available to investigators

**12** Arrests

## Prosecution

**12** Files submitted to the DPP

**1** Sentence Reviewed

Convictions Secured in respect of:

- providing false information, and
- failing to keep proper books of account



# Introduction



The enactment of the Companies (Corporate Enforcement Authority) Act 2021, which amended the Companies Act 2014, provided the statutory basis for the establishment of the CEA. On 7 July 2022, the then Minister for Enterprise, Trade and Employment, Leo Varadkar, TD, signed into law the Companies Act 2014 (Corporate Enforcement Authority) (Establishment Day) Order 2022 and, in so doing, established the CEA with effect from that date.

In accordance with the provisions of the Companies Act 2014, this Report covers the period 7 July 2022 to 31 December 2023.

## Mission

Our mission, which seeks to encapsulate our statutory remit and mandate, is:

**To promote and serve the public interest by ensuring high levels of compliance with company law through effective advocacy and proportionate, robust, and dissuasive enforcement.**

## Vision

The vision that we have set for the CEA, and which draws on the broader context within which we operate, is to be:

**An enforcement agency, trusted by the public and highly regarded by our stakeholders and counterparts, whose work contributes to public protection and to Ireland being regarded as a safe and well-regulated economy in which to invest and create employment.**

## Values

**Professionalism**

**Integrity**

**Independence**

## Our strategy

On the date of its establishment, the CEA published its Statement of Strategy for the period 2022-2025.

In discharging our statutory mandate, and in pursuit of our vision for the organisation, we have adopted a three-pronged strategy over the period 2022-2025. That strategy, which is reflective of both the start-up nature of the organisation and our dual remit to encourage compliance, and enforce non-compliance, with company law comprises the following:

### Pillar 1

Embedding governance structures, building operational capability, and establishing presence

### Pillar 2

Effective advocacy and influencing

### Pillar 3

Operating effective systems of proportionate robust, and dissuasive enforcement

## Measuring success

In our Statement of Strategy 2022-2025, we also set out some of the ways in which we would measure the effectiveness of our strategy over that period. Indicators in that regard included:

- the establishment of governance structures and the full implementation of the Code of Practice for the Governance of State Bodies,
- development of the CEA's values charter,
- the recruitment of suitably qualified and experienced staff sourced, to the maximum extent practicable, through open competition thereby providing the CEA with access to the widest possible pool of available talent,
- ongoing, targeted investment in training and development,
- development of the CEA's social media presence and following,
- the development of responses to evolving and emerging issues,
- the effective operation of the corporate insolvency supervision regime,
- effective management of investigations,
- balanced deployment of the CEA's enforcement resources, having regard to strategic objectives, and
- investing in, and leveraging, technology in investigative and enforcement activities.

In order to provide a sense of the work that the CEA does, and the impact that our activities have on individual stakeholders as well as the wider public, this report contains multiple case studies. Where necessary, for reasons of confidentiality, case studies have been anonymised. In cases where the relevant matters are in the public domain, the identities of relevant individuals and companies are provided.

## Senior management

The CEA's senior management comprises those officers at Director level. Currently, the CEA's senior management comprises:

- Director of Civil Enforcement,
- Director of Criminal Enforcement,
- Director of Digital Investigations & Analytics,
- Director of Finance & ICT,
- Director of Governance & Support Operations,
- Director of Insolvency Supervision,
- Director of Legal, and
- Director of Legal & Policy.

Under the CEO's direction and supervision, Directors' responsibilities include:

- executing strategy,
- ensuring the effective discharge of the CEA's functions,
- promoting a culture of professionalism, integrity, and independence,
- managing risk, including financial, litigation, and reputational risk,
- managing their budget allocations,
- operating financial and other controls, including controls designed to detect and prevent fraud and other irregularities and to safeguard the CEA's assets, and
- as a publicly funded agency, delivering value for money.

## Senior leadership team



### Ian Drennan

Chief Executive Officer

Ian Drennan is Chief Executive Officer and the sole appointed member of the Corporate Enforcement Authority. He has extensive experience in the areas of investigation, regulation, and civil and criminal enforcement and of leading entities having a public interest mandate, having previously held the positions of Director of Corporate Enforcement and Chief Executive Officer of the Irish Auditing & Accounting Supervisory Authority.

He is a member of the Advisory Council on Economic Crime & Corruption, the Anti-money Laundering Steering Committee, and the Company Law Review Group. He is also a member of the Medical Council, the statutory regulator of medical doctors in Ireland, where he is Chairman of the Audit Committee and a member of the Fitness to Practice Committee.

An accountant by profession, he also holds qualifications from University College Dublin, the UCD Michael Smurfit Graduate Business School and the Honorable Society of King's Inns.



### **Fallon Judge**

Director of Civil Enforcement

Fallon Judge is Director of Civil Enforcement. Previously, Fallon was a Senior Forensic Accountant with the CEA and in that role acquired extensive experience in both civil and criminal investigation. Prior to that, Fallon worked with an international accountancy firm, where she specialised in the areas of insolvency and corporate recovery. In addition to being a Fellow of the Association of Chartered Certified Accountants, Fallon is a member of the Irish Tax Institute. Fallon also holds postgraduate Diplomas in Corporate, White-Collar & Regulatory Crime (The Honorable Society of King's Inns), Forensic Accounting (Chartered Accountants Ireland) and Insolvency (Chartered Accountants Ireland) as well as a B.Sc.in Architecture (Queens University Belfast).



### **Cathy Shivnan**

Director of Insolvency Supervision

Cathy Shivnan is Director of Insolvency Supervision. Cathy qualified as a solicitor in 2011 and holds a Bachelor of Civil Law from University College Dublin. She also holds a postgraduate Diploma in Insolvency & Corporate Restructuring from the Law Society of Ireland and an Advanced Diploma in Corporate, White-Collar and Regulatory Crime (The Honorable Society of King's Inns). Prior to joining the CEA, Cathy worked with the Courts Service and in various roles in the Office of the Revenue Commissioners, including as a solicitor in the Commercial & Litigation team of the Revenue Solicitor's Division and as Head of Revenue's Dublin Insolvency Unit, where she managed all aspects of Revenue's involvement in liquidations, receiverships and examinerships.



### **Rebecca Coen**

Director of Criminal Enforcement

Rebecca Coen is Director of Criminal Enforcement. Prior to joining the Corporate Enforcement Authority she was Director of Research at the Law Reform Commission of Ireland, a statutory body whose mission is to keep the law of Ireland under independent, objective, and expert review. From 2008 to 2020 she was a senior prosecutor at the Office of the Director of Public Prosecutions. She is a barrister and holds postgraduate qualifications from University College Cork and from the UCD Michael Smurfit Graduate Business School. She is the author of a book on the powers of the Irish police force, *An Garda Síochána, (Garda Powers: Law and Practice, Clarus Press, 2014)* and co-author of a book on criminal litigation (*Criminal Litigation, 4th ed., Oxford University Press, 2016*).


**David McGill**

Director of Digital Investigations and Analytics

David McGill is Director of Digital Investigations & Analytics. He has worked in law enforcement since 2008, and most recently, as the Head of Digital Forensics with the CEA's predecessor organisation. He has considerable experience in the fields of fraud investigation, financial analysis, digital forensics, eDiscovery, OSINT, and data analytics and has achieved various certifications in these areas. David was conferred with a B.Eng. in Electronic Systems by Dublin City University before later going on to be awarded an M.Sc. in Forensic Computing and Cybercrime Investigation by University College Dublin. He has completed a B.Sc. in Police Leadership and Governance at the UCD Michael Smurfit Graduate Business School.


**David Hegarty**

Director of Legal and Policy

David Hegarty is Director of Legal & Policy. A barrister, he was formerly an Enforcement Portfolio Manager with the CEA's predecessor organisation. He qualified as a solicitor in 2002 and transferred to the Bar in 2006, practising primarily in the area of criminal defence and advocacy. He was previously Advisory Counsel in the Office of the Parliamentary Legal Adviser advising the Houses of the Oireachtas Commission and Service and Parliamentary Committees on constitutional, parliamentary and administrative law matters. He has also worked as a legal officer in the European Union Rule of Law Mission in Kosovo (EULEX) and at the Special Tribunal for Lebanon in The Hague, working in Judges' Chambers with international judges trying economic crime, corruption, abuse of public office, war crimes and conspiracy to commit terrorism cases.


**Michael Dillon**

Director of Legal

Michael Dillon is Director of Legal. He read law at UCD where he also completed a Doctorate in Criminal law. As a barrister in Ireland, Michael has practised widely in criminal law, commercial law, administrative law, judicial review, and constitutional law. He served as the sole Deputy Attorney General to the UK Overseas Territory of the Turks and Caicos Islands and as the de facto Deputy Secretary General for the Ministerial portfolio of its Lands Division for over four years. He has represented the US Government in extradition cases involving Ponzi scheme fraudsters, human trafficking and smuggling cases. More recently, Michael led a construction and litigation team in a leading Dubai law firm in its common law jurisdictions. Michael is the author of the leading criminal law textbook on the Law of Intoxication.


**Mary Daly**

Director of Finance and ICT

Mary Daly is Director of Finance & ICT. Mary joined the CEA's predecessor organisation as a Forensic Accountant, having previously practised in a private capacity. Over the course of her career, Mary has held a variety of senior financial roles within publicly listed multinational organisations, both in Ireland and the UK. Her responsibilities extended to statutory, management & regulatory reporting, financial systems implementation and enhancement and the development and management of a number of global internal control projects. A Fellow of the Association of Chartered Certified Accountants, Mary holds postgraduate Diplomas in Forensic Accounting (Chartered Accountants Ireland) and Regulatory, Corporate & White Collar Crime (The Honorable Society of King's Inns).


**Sharon Sterritt**

Director of Governance and Support Operations

Sharon Sterritt is Director of Governance & Support Operations. Sharon has previously held positions as Enforcement Portfolio Manager with the CEA's predecessor organisation and with an international accountancy firm, where she specialised in the area of forensic accounting and investigations. During her time in practice, she was seconded to the role of Global Service Line Manager of Forensic & Investigation Services. In addition to being a Fellow of Chartered Accountants Ireland, Sharon holds postgraduate Diplomas in Forensic Accounting (Chartered Accountants Ireland), Risk Management, Internal Audit & Compliance (Chartered Accountants Ireland) and Regulatory, Corporate & White Collar Crime (The Honorable Society of King's Inns).


**Sinéad O'Brien**

Director of Governance and Support Operations (Acting)

Sinéad O'Brien has acted as Director of Governance & Support Operations for part of the period under review. She is seconded to the CEA from the Houses of the Oireachtas where she most recently held the role as the Oireachtas' Corporate Legal Adviser. Sinéad has a broad range of experience from her time working in various roles in the Houses of the Oireachtas and in the public sector. Sinéad qualified as a solicitor in 2006 and holds a Bachelor of Civil Law (European Legal Studies) from University College Dublin. She trained as a solicitor with a corporate law firm that was associated with an international accountancy firm, and later worked in a top tier commercial solicitors' firm where she specialised in commercial litigation and employment law.



# Pillar 1

**Embedding governance  
structures, building  
operational capability,  
and establishing presence**

# Strategic objectives

Reflecting the start-up nature of the organisation, this pillar of our strategy comprises:

1. Embedding governance structures and organisational values,
2. Building operational capability, and
3. Establishing presence.

## 1. Embedding governance structures and organisational values

### Statutory accountability

In accordance with the Companies Act 2014, the Chief Executive Officer shall:

- whenever required, give evidence to the Committee of Public Accounts of Dáil Éireann in relation to the regularity and propriety of the transactions recorded in any book or record of account subject to audit by the Comptroller & Auditor General (C&AG),
- at the request of a Committee of either House of the Oireachtas, or a Joint Committee, attend before that Committee and give account for the general administration of the CEA,
- keep, in such form as approved by the Minister with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, all proper and usual accounts of all money received and expended by the CEA, and
- prepare statutory financial statements for the CEA for audit by the C&AG.

The CEA's statutory financial statements, together with the C&AG's audit opinion thereon, are set out in the Financial Statements and Governance Reporting section of this report.

### Code of Practice for the Governance of State Bodies (the Code)

As a State agency, the CEA is subject to the provisions of the Code. The Code requires that the CEA:

- implement certain governance structures and measures (for example, in the areas of internal control, risk management, and internal audit), and
- make certain disclosures in its annual reports. Those disclosures required under the Code are set out in the Financial Statements and Governance Reporting section of this report.

The design and implementation of the necessary structures, measures, and processes to ensure the CEA's compliance with the Code was a significant undertaking over the period under review.

### Audit & Risk Committee (ARC)

Under the Code, the CEA is required to establish an Audit and Risk Committee. The primary function of the ARC is to provide independent assurance to the Chief Executive Officer on matters coming within the ARC's terms of reference, which include internal control, risk management, and financial reporting. In addition, the internal audit function reports to the ARC.

Pursuant to the foregoing requirements, the CEA has established an ARC, which comprises four members, three of whom are independent of the organisation. The ARC's membership is:

- Dónall Curtin (Chair),
- Daneve Harris,
- Paul Kerrigan, and
- Sharon Sterritt, Director of Governance & Support Operations, CEA.

### Internal audit function

As required by the Code, the CEA has put in place an internal audit function, which is provided by an independent professional services firm.

### Governance disclosures

The full suite of governance disclosures required by the Code, together with details of the underlying structures, measures, and processes, are set out in the Financial Statements and Governance Reporting section of this report.

### Accountability to the Minister and to his Department

On an annual basis, the CEA and the Department of Enterprise, Trade, and Employment enter into an Oversight, Performance Delivery, and Service Level Agreement (OPDA). The OPDA sets out the level of performance expected by the Department of the CEA, and the supports to be provided by the Department. In addition, and as required, the CEA discharges accountability obligations to the Minister and his Department through, for example, the regular provision of financial and other information.

### Organisational values

Before adopting an express set of values that would encapsulate the CEA's aspirations in that regard, an extensive consultation process took place with staff. The three values that emerged from that process as best reflecting and guiding the behaviours and qualities that staff collectively aspire to in the discharge of their functions and responsibilities were:

- Professionalism,
- Integrity, and
- Independence.

In seeking to embed these values within the organisation:

- the senior leadership team is expected to personify these values and lead by example in that regard, and
- all staff are expected to reflect these values in their interactions with both their colleagues and with our stakeholders.



## 2. Building operational capability

### Recruitment licence

As a specialist law enforcement agency, the capacity to recruit staff possessing the required qualifications, experience, and skills is essential to the effective operation of the organisation. In that context, a significant development during the period under review was the securing by the CEA of a recruitment licence from the Commission for Public Service Appointments (CPSA). The role of the CPSA is to ensure that those entities licensed by it to recruit into the public service do so in accordance with the highest standards of conduct.

### Recruitment activity – civilian staff

Recruitment activity was for the purpose of filling newly approved positions (e.g., in the areas of governance and finance, as well as legal professionals) and for the purpose of filling vacant positions.

The CEA ran recruitment campaigns for the following senior/specialist positions under its recruitment licence:

- Director of Civil Enforcement,
- Director of Criminal Enforcement,
- Senior Criminal Enforcement Manager,
- Legal Advisers,
- Finance Manager, and
- Senior Communications Manager.

In addition to running recruitment campaigns under licence, the CEA also, where appropriate to its needs, drew from panels established by the Public Appointments Service.

### Recruitment activity – members of An Garda Síochána

Pursuant to the provision for same in the Companies Act 2014, the CEA's approved staff complement includes a cohort of seconded members of An Garda Síochána (AGS)<sup>1</sup>. Under the Memorandum of Understanding in place with AGS, secondees are selected through a competitive interview process, with representatives of both the CEA and AGS sitting on interview boards. Recruitment was conducted for the purposes of both filling newly approved positions and vacancies arising (e.g., as a consequence of promotion).

### CEA officers

All civilian and seconded AGS staff members are officers of the CEA. In addition to being CEA officers, seconded members of AGS retain all of the powers vested in them as sworn Gardaí and remain under the general control and direction of the Garda Commissioner.

### Staff complement

The CEA's staff complement, at both the date of establishment (i.e., 7 July 2022) and 31 December 2023, is set out in the table below.

**TABLE 1**  
CEA Staff Complement

|                | As at<br>7 July 2022 | As at 31<br>December 2023 |
|----------------|----------------------|---------------------------|
| Civilian Staff | 36                   | 55                        |
| AGS Secondees  | 10                   | 15                        |
| Total          | 46                   | 70                        |

1. Sixteen in total, i.e., 1 Detective Inspector, 3 Detective Sergeants, and 12 Detective Gardaí.

## Training and development

A culture of continuous learning and development is essential to the effective operation of the organisation and, during the period under review, the CEA invested substantial resources in its staff. Training and development takes the form of both internally delivered and externally provided material.

Over the period, the CEA provided training and development to its staff in the following areas:

- law
- expert witness skills
- forensic accounting
- anti-money laundering
- digital forensics
- specialist software training
- protected disclosures
- management
- human resources
- customer service
- procurement
- freedom of information
- data protection
- fire safety
- presentation skills

## Vehicles

In the furtherance of operational autonomy, the CEA acquired three official vehicles during the period. These vehicles, which are complemented by vehicles provided by AGS, are used principally for the purpose of furthering investigations. In keeping with Government climate policy, two of the three vehicles acquired are electric vehicles (EVs).

## Co-operation

The CEA seeks to enhance its operational capability through co-operation with its fellow regulatory, enforcement, and prosecutorial agencies, including An Garda Síochána, the Revenue Commissioners, the Competition and Consumer Protection Commission, the Office of the Director of Public Prosecutions, the Central Bank of Ireland, the Irish Auditing & Accounting Supervisory Authority, and the Charities Regulator. Such co-operation occurs both in fora such as the Advisory Council and Forum of Senior Regulators (referenced later herein) and through its bilateral engagement with relevant agencies. Co-operation in that regard includes:

- the provision of otherwise confidential information of relevance to each other's remit, through statutory gateways,
- the sharing of information and experiences relevant to the conduct of investigations, and
- shared training and development initiatives.

Similarly, the CEA engages with professional bodies, and representative bodies such as the International Association of Insolvency Regulators.

CEA officers delivered lectures and presentations to, amongst others:

- students on the postgraduate Certificate in Fraud and eCrime Investigations, accredited by University College Dublin (UCD),
- the annual conference of the International Association of Insolvency Regulators (IAIR),
- the National Criminal Investigations Forum, and
- the divisional conference of the Revenue Commissioners' Medium Enterprises Division.

# 12,653

NEW USERS OF OUR  
WEBSITE IN 2023

# GROWING

OUR AUDIENCE ON  
SOCIAL MEDIA PLATFORMS

# 22

ADVERTISEMENTS  
TO BUILD AWARENESS

# 70

MEDIA QUERIES

## 3. Establishing presence

### Corporate identity

On the date of establishment, the CEA launched its corporate identity and associated branding. That branding carries through to the CEA's website, social media, and promotional materials.

### Website

The CEA launched its website ([cea.gov.ie](https://cea.gov.ie)), which contains a wealth of information about the organisation, as well as information and guidance material for company directors and a comprehensive FAQs section to assist stakeholders in understanding their duties, obligations, and rights under company law.

### Social media

The CEA operates social media accounts on the LinkedIn and X platforms. Followers on these platforms obtain regular updates and new items about the CEA and its advocacy and enforcement activities. The CEA also operates a YouTube channel to share video content with its stakeholders. It is envisaged that videos uploaded will reach a wider audience and will prove to be a valuable resource to engage and educate stakeholders on areas of company law.

### Promotion

One means by which the CEA's promotes its services to the public is through advertising in media that will likely reach its target audiences, such as company directors. Over the period under review, 22 advertisements were placed.

### Media engagement

Since establishment, the CEA's media team developed, and continued to foster, effective working relationships with the media. During the period under review, 70 media queries were dealt with.

Over the period, and with a view to establishing the CEA's presence in the minds of its key stakeholder groups, CEA representatives engaged in a range of media interactions, including:

- an [interview](#) by the Chief Executive Officer with the Irish Times,
- an [article](#) by the Chief Executive Officer in the CPA Ireland members' magazine,
- an [interview](#) with the Director of Legal on the 'Law on Trial' podcast.

# Pillar 2

## Effective advocacy and influencing



# Strategic objectives

Reflecting both our statutory mandate to promote compliance with company law and our broader role in advising policymakers on matters relevant to our remit, this pillar of our strategy comprises:

1. Empowering stakeholders,
2. Responding to evolving issues, and
3. Influencing, advising, and engaging in thought leadership.

## 1. Empowering stakeholders

In our assessment, the most effective means by which to empower our stakeholders is through the provision of accurate, impartial, and accessible information. Stakeholders in this context including company directors and secretaries, company members and shareholders, creditors, and the wider public.

### Information and guidance material

The CEA's website contains a suite of Information Books that provide our stakeholders with a summary of the roles, responsibilities, duties, and rights of:

- companies,
- company directors,
- company secretaries,
- company members and shareholders,
- auditors, and
- liquidators, receivers, and examiners.

Company law can be both technical and complex and, in that context, these documents seek to provide stakeholders with information in an accessible and impartial manner.

In addition, and to supplement our Information Books, the CEA's website includes a comprehensive FAQs section that provides additional information on a wide range of company law-related topics.



### Outreach activities

With a view to disseminating our message of the benefits of company law and the importance of complying with same in return for the benefits and privileges conferred, the CEA supplements its information and guidance materials with an outreach programme. That programme includes targeting key audiences by:

- attending events that, for example, company directors are likely to be in attendance, and
- delivering talks and presentations to target groups.

Given that many will go on to be company directors or to be advisors to company directors, we also target students of relevant disciplines, e.g., business and law. This aspect of our work serves a dual purpose, in that it also contributes to the CEA's strategic objective of establishing its presence.

Officers from the CEA participated in a total of 44 events, with each one being tailored to the audience composition. We also participated in 7 exhibitions including the National Construction Summit, the All-Ireland Business Summit, the Food, Retail & Hospitality Expo, and the Building Better Business Expo.

### Newsletter

During 2023, the CEA issued its first newsletter to mark its first full year in existence. The aim of the newsletter, which will issue quarterly to subscribers, is to provide recipients with information and news about the CEA and its activities.

**FIGURE 1**  
Events



## 2. Responding to evolving issues

Issues can arise that would benefit from the provision of information and guidance through a variety of ways. For example, new legislation can merit the provision of guidance to interested parties, as can emerging issues as to the operation of legislation and relevant actors' behaviour. Typically, the CEA will provide such information and guidance in the form of an Information Note.

During the period under review, the CEA issued a total of 5 Information Notes, with each Information Note being made available on the CEA's website. Detailed below are the Information Notes that issued, together with the subject matter of same.

### Information Note 2022/1

Section 385 of the Companies Act 2014 and the appointment of auditors by the Corporate Enforcement Authority

EU sanctions against Russia prohibit the provision of various professional services to Russian-owned companies. This Information Note focussed on relevant aspects of the CEA's power to appoint an auditor where one had not been appointed at an AGM.

### Information Note 2022/2

Right of access to the Register of Members and companies' obligations under section 216 of the Companies Act 2014

This Information Note was a response to an increase in complaints from members of the public who reported being refused access to companies' Registers of Members on data protection grounds.

### Information Note 2023/1

European Union (Preventive Restructuring) Regulations 2022: Early Warning Tools & Restructuring Frameworks

The Preventive Restructuring Directive (PRD), was transposed into Irish law by the European Union (Preventive Restructuring) Regulations 2022 (the Regulations) with effect from 27 July 2022. The Information Note, which was preceded by a consultation exercise, was published to assist directors in identifying potential insolvency situations. It also sets out the options available to companies when they find themselves in financial ill health. The Information Note also outlines some key indicators of financial difficulties and information regarding rescue mechanisms.

### Information Note 2023/2

Requirement for company directors to provide PPS numbers when filing certain documents

Section 888A of the Companies Act 2014, which came into effect on 11 June 2023, requires directors of Irish-incorporated companies to include either their Personal Public Service (PPS) number or Verified Identity number (VIN) when filing certain forms with the CRO. The Information Note provided directors with relevant information in that regard.

### Information Note 2023/3

Guidance regarding accepting company directorships in certain circumstances

While there is nothing unlawful about becoming a director of a company about which one knows little or nothing, such action is unwise in that it exposes the individuals concerned to significant risk. The Information Note provides information and guidance as to the advisedness of engaging in such activity.

### 3. Influencing, advising, and engaging in thought leadership

As a specialist agency, the CEA is well placed to advise and exert influence in fora relevant to its statutory remit.

#### Company Law Review Group (CLRG)

The Chief Executive Officer is a member of the CLRG, which is a statutory body established for the purpose of providing advice on company law matters to the Minister. He also Chairs the CLRG's Enforcement Committee. In addition, senior CEA officers (i.e., the Directors of Legal & Policy and Insolvency Supervision) are members of various of the CLRG's Committees. One aspect of the CLRG's work that the CEA inputted significantly to during the period was the review of the legislation governing Directors' Compliance Statements. Further information regarding the CLRG and its work can be obtained at [www.clrg.org](http://www.clrg.org).

#### Advisory Council against Economic Crime and Corruption (Council)

The Chief Executive Officer is a member of the Council and is supported in that regard by the Director of Legal & Policy, who is also a member of the Forum of Senior Regulators. The Council is the advisory body established by Government that has, inter alia, been charged with developing a national strategy for tackling economic crime and corruption for consideration by Government. Given the incidence of, and trends in, economic crime, and the financial cost of same to the public, the CEA contributed heavily to the Council's work during the period, including through the provision of relevant data, through detailing proposals and recommendations regarding the direction and pace of the Council's work, and through the drafting of material for consideration by the plenary in the context of the draft strategy document which will ultimately be furnished to Government.

#### Forum of Senior Regulators (Forum)

As above, the Director of Legal & Policy is a member of the Forum. The Forum reports to the Council and its functions include fostering and facilitating co-operation and collaboration between relevant regulatory and enforcement agencies. The Forum also facilitates discussion of issues of importance and concern amongst regulators and the sharing of experiences and insights.

#### Provision of advice, observations, and recommendations

In addition to the foregoing, during the period under review the CEA contributed to the development:

- by the Department of Enterprise, Trade and Employment of the proposed new Companies Bill, and
- the development, by the Department of Justice, of the Garda Síochána (Powers) Bill.

#### Anti-Money Laundering Steering Committee (AMLSC)

The Chief Executive Officer is a member of the AMLSC and is supported in that regard by the Director of Legal & Policy.



Left: Director of Civil Enforcement, Fallon Judge, Attorney General, Rossa Fanning, SC, and CEO, Ian Drennan, at the Inaugural Conference 2023.  
Above: Minister Dara Calleary, TD, Senior Enforcement Manager, Aoife McPartland, BL, Director of Civil Enforcement, Fallon Judge, and CEO, Ian Drennan, at the Inaugural Conference 2023.



## Inaugural conference

With the objective of promoting awareness of the CEA and the importance of company law to the broader economy, the CEA held its inaugural conference in October 2023. In so doing, the CEA's objectives also included promoting high standards of corporate governance and facilitating discussion on topical and emerging issues across insolvency, corporate transparency, creditor activism, and criminal law.

We were honoured that the conference was opened by Minister Dara Calleary, TD, with the afternoon session being Chaired by the Attorney General, Rossa Fanning SC.

The conference was attended by over 160 delegates and took place in the magnificent surroundings of the Honorable Society of King's Inns. Attendees included representatives of the CEA's key target demographics, including company directors and business leaders,

members of the legal and accountancy professions, representatives of fellow regulatory/enforcement bodies, policy makers, and key figures from the world of academia.

Speakers on the day, to whom we are deeply appreciative for their time and the effort that they put into preparing their papers and presentations, included some of the most distinguished practitioners of civil and criminal law in the State, acknowledged authorities on the subject of company law, the Head of Research & Policy from the Office of the Director of Public Prosecutions, as well one of our own Senior Enforcement Managers, who presented on her Ph.D. research in the area of director restrictions.

Based on feedback received from delegates, the conference was a resounding success and plans are well advanced for the CEA Conference 2024.

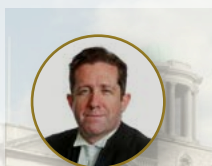
## Inaugural Conference 19 October 2023 King's Inns



**Minister  
Dara Calleary**



**Rossa Fanning, SC  
Attorney General**



**James B Dwyer, SC**



**Bernard Condon, SC**



**Claire O'Regan**



**Aoife McPartland, BL**



**Paul Egan, SC**



**Dr Irene Lynch Fannon**



**Neil Steen, SC**

# Pillar 3

Operating effective  
systems of proportionate,  
robust and dissuasive  
enforcement

## Strategic objectives

This pillar of our strategy, which covers our enforcement remit, comprises:

1. Operating an effective system of supervision of corporate insolvency,
2. Operating an effective system of proportionate, robust and dissuasive enforcement, and
3. Ensuring individual accountability.

### 1. Operating an effective system of supervision of corporate insolvency

#### Context

Unfortunately, it is a fact of life that some businesses fail. Indeed, the purpose of limited liability is, in the event of corporate failure, to protect shareholders' personal assets, thereby facilitating and encouraging entrepreneurial activity.

However, in the event that those charged with managing companies' affairs do not do so in a manner that is honest and responsible, company law provides certain mechanisms whereby such behaviour can be addressed by the State in the interests of protecting the public. That statutory framework gives rise to two principal streams of enforcement activity that are operated by the CEA.

They are:

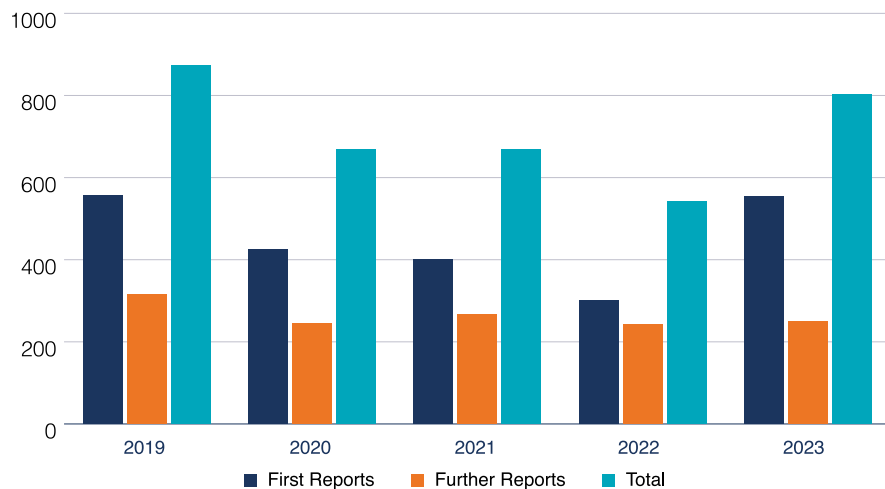
- i. supervision of the liquidation of insolvent companies and director behaviour, and
- ii. enforcement action in respect of struck off insolvent companies.

#### Supervision of the liquidation of insolvent companies and director behaviour

The liquidator of every insolvent company that is being wound up is required to report to the CEA. In so doing, liquidators are required to detail the factors that gave rise to the insolvency and to opine, in respect of each director, whether the director has acted honestly and responsibly in their stewardship of the company.

**FIGURE 2****Number of Liquidator Reports Received**

The number of liquidators' reports received during 2023, and in the preceding 4 years, is detailed in Figure 2.

**Restriction**

Based on its examination of each liquidator's report, and any other information that may be available, the CEA forms a view in respect of each director as to whether, having regard to that director's behaviour and to a well-established body of case law, that director's behaviour has been such as to warrant restriction.

**Full relief**

The CEA took the view, having reviewed the liquidator's report(s) together with any other available information, that, based on their behaviour, none of the directors should face restriction. In such circumstances, the relevant directors were, therefore, free to become directors of other companies should they so wish.

**No relief**

The CEA took the view, having reviewed the liquidator's report(s) together with any other available information, that, based on their behaviour, all of the directors should face restriction (or, depending upon their behaviour, disqualification). In such circumstances, all of the directors would be:

- offered an undertaking, or
- be the subject of a court application taken by either the liquidator or the CEA.

**Partial relief**

The CEA took the view, having reviewed the liquidator's report(s) together with any other available information, that, based on their behaviour:

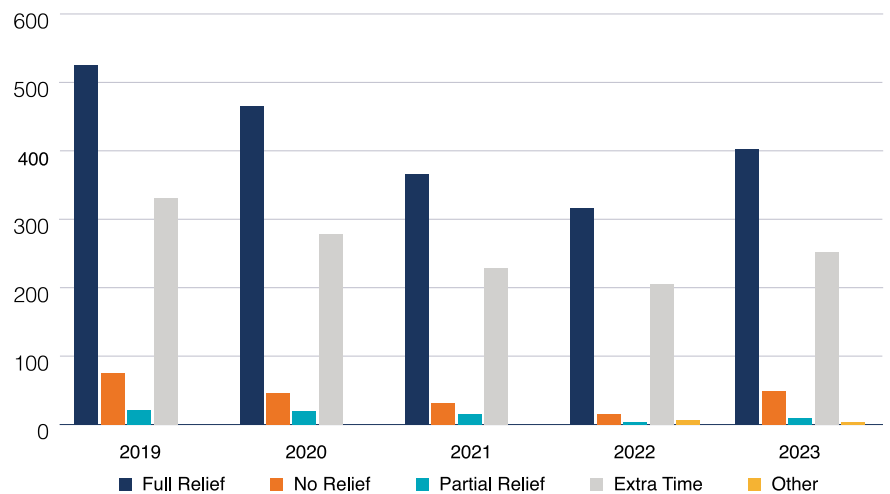
- some of the directors should not face restriction, and
- some of the directors should be:
  - offered an undertaking, or
  - be the subject of a court application taken by either the liquidator or the CEA.

**Extra time**

In response to a request, the liquidator was granted additional time within which to complete their enquiries.

**Other**

This category refers to situations where the liquidator is advised that no further reports are required, either at all, or until notified at a later date by the CEA, and the liquidator is neither granted nor refused relief. This can arise in, for example, rare cases where a company returns to solvency during the course of the winding up or where, by the time that the liquidator's final report is due, the directors have already been disqualified on foot of actions taken by the liquidator (e.g., in the context of civil fraudulent trading proceedings).

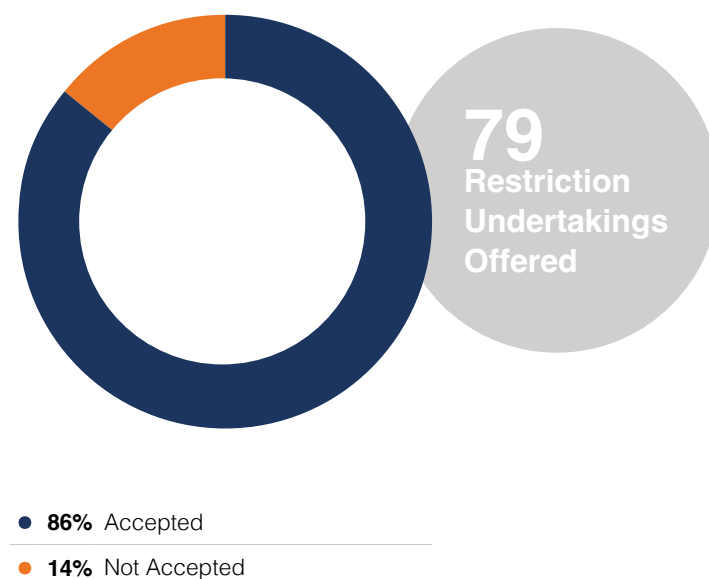
**FIGURE 3****Decisions Made in Relation to Reports**

In this report, these terms have the following meaning:

Restriction is a public protection measure. While restricted, a person can only act as a company director if any company of which s/he is a director meets certain minimum capitalisation requirements<sup>2</sup>. This is in contrast to a person who is not the subject of a restriction, who can be a director of a company having share capital of as little as €1. Restriction lasts for a period of 5 years and, while restricted, the names of persons restricted (and disqualified) may be found by searching the registers maintained by the [Registrar of Companies](#).

Where the CEA takes the view that, based on the director's behaviour, restriction is warranted, the CEA can, if it considers appropriate, offer the director concerned the opportunity to accept a restriction undertaking. If accepted, a restriction undertaking has the same effect as if the person had been restricted by the High Court.

Where a director elects not to accept an undertaking, the CEA will instruct the liquidator to initiate High Court proceedings for the purpose of seeking the director's restriction. From the director's perspective this will, of course, be a more costly process.

**FIGURE 4****Restriction Undertakings Offered**

2. Section 819(3), Companies Act 2014.

### Disqualification

Disqualification is a more serious public protection measure, in that, if disqualified, a person is prohibited from acting as a company director (and from discharging certain other roles) for the duration of the disqualification period on the basis that such persons are unfit to be concerned in the management of a company.

Where, based on a liquidator's report (and any other relevant information), the CEA forms the view that disqualification is warranted, the CEA can, if deemed appropriate, offer the director a disqualification undertaking. If accepted, a disqualification undertaking has the same effect as if the person had been disqualified by the High Court. Where the behaviour is such that, in the CEA's assessment, it warrants a disqualification of greater than 5 years, an undertaking will not be offered.

Where a director elects not to accept a disqualification undertaking:

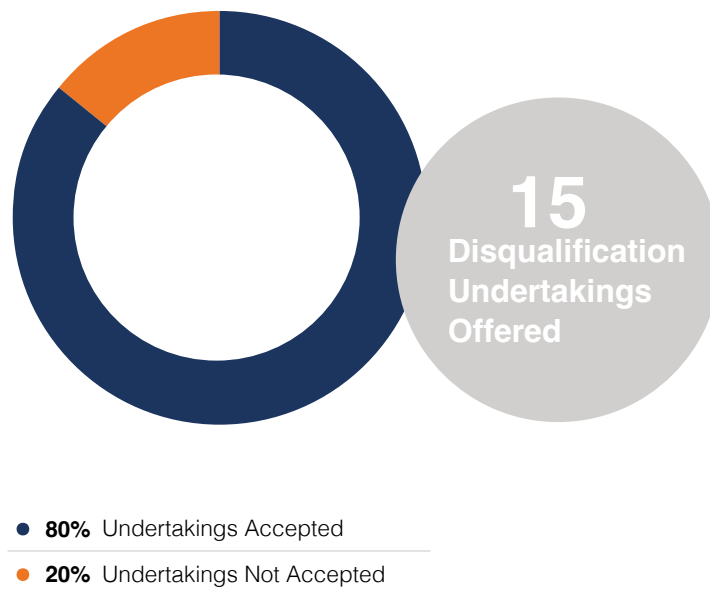
- i. the liquidator may, if s/he considers appropriate, initiate proceedings for the director's disqualification,
- ii. the CEA may initiate proceedings for the director's disqualification.

In practice, the liquidator will, in most instances, initiate the proceedings.

Again, from the director's perspective, defending a High Court action will be a more costly process than accepting a disqualification undertaking.

### FIGURE 5

#### Disqualification Undertakings Offered in Relation to Insolvent Liquidations



### Referral internally within the CEA

Where issues arise, with regard to either director or liquidator behaviour that, in the CEA's assessment, warrant further scrutiny, such matters are referred internally to either the Civil or Criminal Enforcement Directorates.

### **Enforcement in respect of struck off companies**

Where a company becomes irretrievably insolvent, the appropriate course of action to bring the company's lifecycle to a conclusion is to put the company into liquidation. This ensures that the company is wound up in an orderly manner and that the directors' conduct is subject to the process detailed above.

Where this course of action is not taken but, rather, the directors allow the company to wither on the vine, the company will, as a result of annual returns not being filed with the Registrar of Companies, eventually be struck off the register. In order that director behaviour does not escape scrutiny under those circumstances, company law provides that the directors of such companies come within scope of the CEA's enforcement remit.

Where an insolvent struck off company is selected by the CEA for enforcement action, the CEA will correspond with each director. This correspondence occasionally results in the director(s) taking the necessary steps to have the company restored to the register. If restoration does not occur, the director(s) will, in the first instance, be offered a disqualification undertaking. As with the process detailed above, if accepted, a disqualification undertaking has the same effect as if the person had been disqualified by the High Court.

Where a director of such a company elects not to accept an undertaking, the CEA will initiate disqualification proceedings against the director. As above, from the director's perspective this will be a more costly process to defend.

### **Associated enforcement – director behaviour, failure to comply with legal obligations, and breach of restriction/disqualification**

The processes detailed above can give rise to consequential enforcement actions. For example:

- where a liquidator's report suggests evidence of criminal wrongdoing on the part of directors, the matter can be referred internally within the CEA for criminal investigation,
- where a liquidator fails to comply with their reporting obligations to the CEA, the CEA can require the liquidator to report (through the use of civil enforcement powers) or initiate a prosecution against the liquidator,
- acting in breach of a restriction or disqualification is an offence. Where evidence subsequently emerges that such a breach has occurred, the matter will generally become the subject of a criminal investigation.

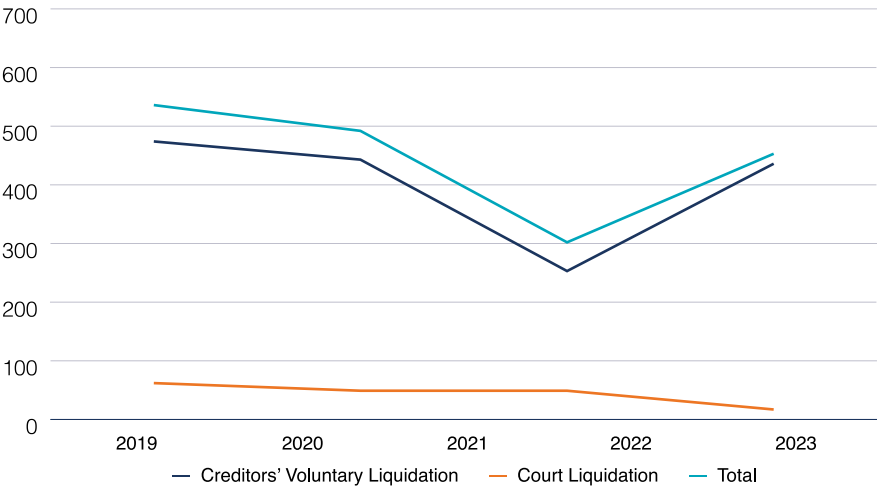
Key insolvency trends

After 2 years of artificially low activity during the Covid-19 pandemic, corporate insolvencies rose significantly in the latter half of 2022 and into 2023. By the end of November 2023, the number of companies entering insolvent liquidation had reached pre-pandemic levels. The increase/return to pre-pandemic levels of insolvencies is, based on the data available to the CEA, attributable to factors such as:

- the gradual wind-down of Government schemes and supports provided to businesses affected by the public health restrictions and other ancillary effects of Covid-19,
- the impact of increased energy prices and input cost increases, and
- rising interest rates.

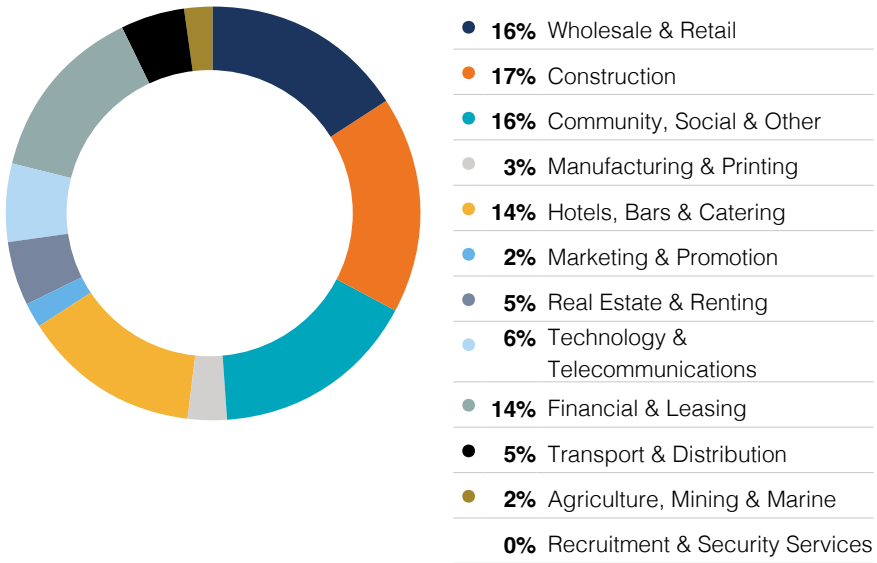
FIGURE 6  
Companies Entering Insolvent Liquidation 2019-2023

The numbers of companies entering insolvent liquidation during the period 2019-2023 is charted in Figure 6.



The breakdown of companies entering insolvent liquidation across various sectors of the economy during the period under review is detailed in Figure 7. This information derives from an analysis of NACE classifications entered in the first reports submitted by liquidators pursuant to section 682. 676 such reports were received in the period under review

FIGURE 7  
Insolvencies by Sector



### Liquidators' filing compliance programme

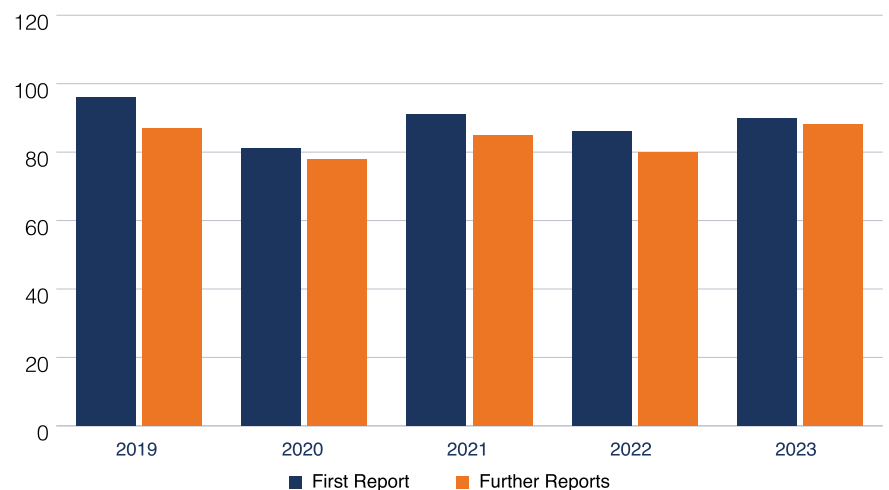
Timely reporting on the part of liquidators is essential to the effective operation of the statutory supervision regime governing the directors of insolvent companies. As such, the CEA takes a proactive, and as necessary robust, approach to delinquency in that regard.

While the level of compliance with the obligation to file section 682 reports is generally high (i.e., 90% for first reports and 88% for further reports during the period under review), compliance levels had reduced slightly in 2020 (i.e., 81% for first reports and 76% for further reports) and 2022 (87% for first reports and 83% for further reports).

Given the importance to the effectiveness of the process of timely reporting by liquidators, together with the fact that reporting deadlines are set out in law, the CEA corresponded with all liquidators during 2023 and, in so doing, reminded them of their filing obligations and of the potential consequences of non-compliance.

In respect of those liquidators that had, despite being warned of the potential consequences, failed to bring themselves into compliance, the issue was escalated and the first application to the High Court was initiated towards the end of 2023. Liquidators should be aware that persistent failure to comply may lead to criminal prosecution and/or disqualification from acting as a liquidator.

**FIGURE 8**  
Section 682 Reports Filing  
Percentage Compliance  
2019 - 2023



### Standard of liquidators' reporting

While timely reporting is important to the effectiveness of the process, so too is the standard (i.e., quality of content) of liquidators' reports. In a small number of cases, the quality of reporting was judged not of the required standard and/or insufficient information was provided for the CEA's purposes, i.e., for determining whether it is appropriate to grant relief or not. Where this occurred, the CEA engaged directly with the insolvency practitioners in question.

# Insolvency supervision:

## Liquidators' Reporting Process



## 2. Operating an effective system of proportionate, robust and dissuasive enforcement

### Sources of information

The CEA's enforcement work is primarily, although not exclusively, reactive, i.e., we react to indications of wrongdoing coming to our attention. The principal avenues through which such information comes to our attention are as follows:

- complaints from members of the public,
- protected disclosures,
- statutory reports,
- referrals from the corporate insolvency supervision process, and
- referrals from other statutory agencies.

In addition, our own analysis on occasion identifies issues meriting further examination.

### Assessment

Indications of wrongdoing received by the CEA are, with some exceptions, initially reviewed within the Civil Enforcement Directorate. Following initial assessment, a decision will be made as to the most appropriate means of dealing with a matter. That initial assessment can, for example, result in:

- the matter being closed, on the basis that it is not a company law matter or that the information provided does not indicate a breach of company law,
- a decision that the matter be further investigated i.e., in order to obtain additional information considered necessary in order to properly assess the issue(s),
- a warning issuing to the relevant company/directors,
- the matter being resolved to the CEA's satisfaction, typically on foot of evidence to that effect having been provided by the company and/or its directors,
- a statutory direction issuing to address the underlying matter, for example, a statutory direction issuing to the directors of a company to convene an Annual General Meeting of the members/shareholders of the company,
- other statutory powers being exercised, for example, the power to inspect a company's statutory registers,
- the matter being referred to a relevant third party (e.g., another State agency or relevant professional body) where the information suggests issues that come within the third party's remit, and
- referral of the matter to the Criminal Enforcement Directorate.

### Powers of investigation

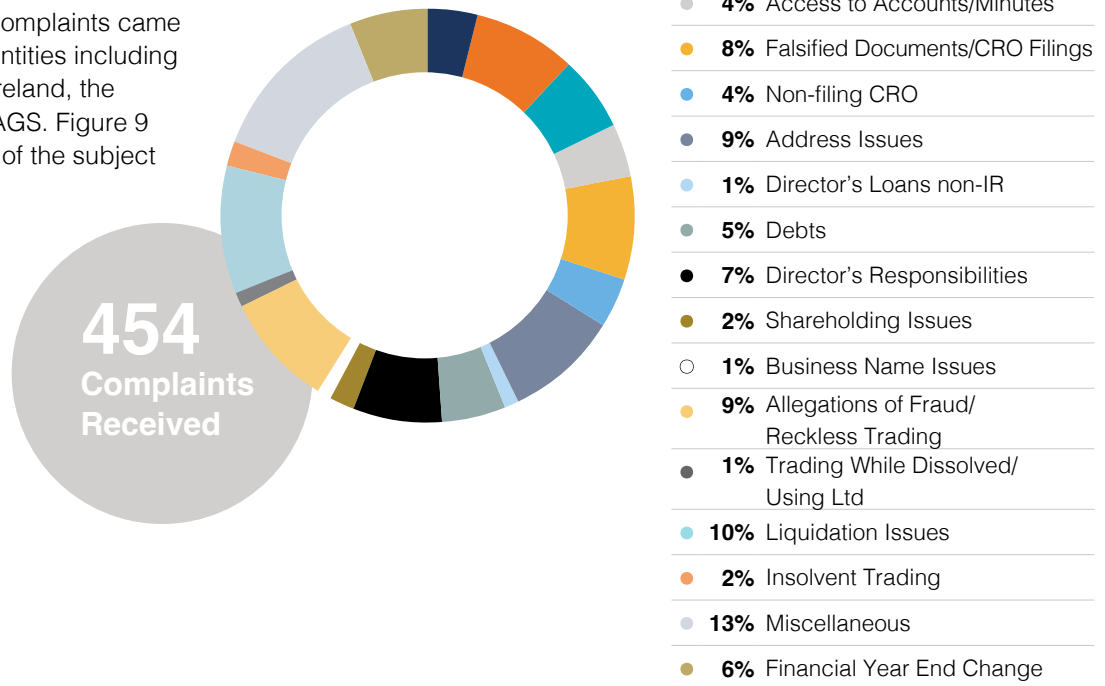
Where further investigation is required, the CEA has at its disposal an extensive suite of statutory powers. Those powers include:

- the power to require the production of documents (including electronic documents) by companies and relevant third parties,
- powers of search and seizure under the Companies Act 2014, and
- the right to request the courts to approve certain additional investigative measures, for example, court-appointed Inspectors.
- CEA officers who are also members of An Garda Síochána:
  - have the powers of arrest, and
  - can apply to the courts for search warrants and other orders under other, non-company law provisions.

## Complaints

During the period under review, a total of 398 complaints and expressions of concern were received from members of the public. A further 56 complaints came from various public entities including the Central Bank of Ireland, the CRO, Revenue and AGS. Figure 9 provides an analysis of the subject matter of complaints.

**FIGURE 9**  
Complaints Received  
2022 and 2023

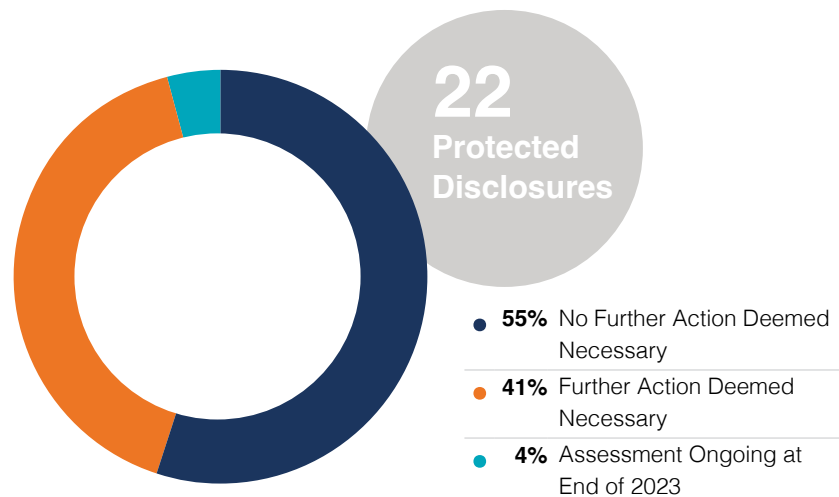


## Protected disclosures

The Chief Executive Officer is a designated person for the purpose of the receipt of protected disclosures.

With effect from 1 January 2023 the Protected Disclosures Act 2014 was amended by the Protected Disclosures (Amendment) Act 2022. As a result, the definition of "relevant wrongdoing" was extended, the definition of "relevant information" broadened, and the definition of "worker" expanded.

**FIGURE 10**  
Action on Foot of Protected Disclosure

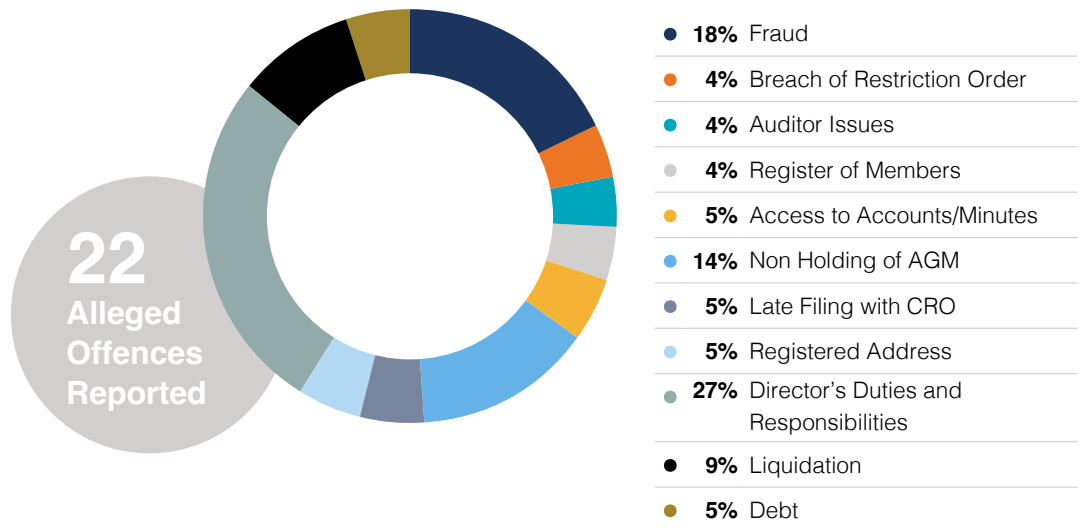


The CEA received 22 reports suggesting breaches of company law that purported to be protected disclosures. Upon receipt, each disclosure is, in the first instance, assessed to determine whether it comes within the scope of protected disclosures legislation. Where that is determined not to be the case, the matter is dealt with as a complaint.

The nature of reported wrongdoing ranged from allegations of breach of directors' duties to allegations of indictable offences.

**FIGURE 11**

### Alleged Offences Reported by way of Protected Disclosure



### Statutory reports

Company law requires in certain circumstances that auditors, and others including liquidators and certain professional bodies, make statutory reports to the CEA. In general terms, these reporting requirements are triggered where, during the course of the discharge of their functions, evidence comes to their attention leading to an opinion being formed that a serious breach of company law may have occurred.

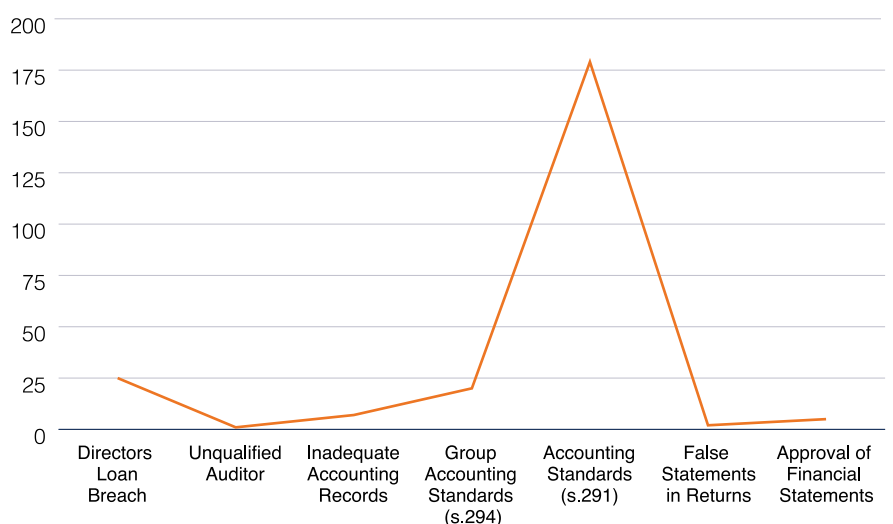
In addition, certain other actors under company law (i.e., examiners and process advisors) are required to furnish the CEA with copies of their reports for information purposes (as opposed to there being a suggestion of wrongdoing).

### Auditors' indictable offence reports

If, during the course of the statutory audit of a company, a statutory auditor forms the opinion that an indictable offence under company law may have occurred, the auditor is required to report that fact to the CEA, together with particulars of the grounds on which the opinion was formed. Auditors are not required to seek out offences but, rather, should remain alert and react to information coming into their possession.

**FIGURE 12**

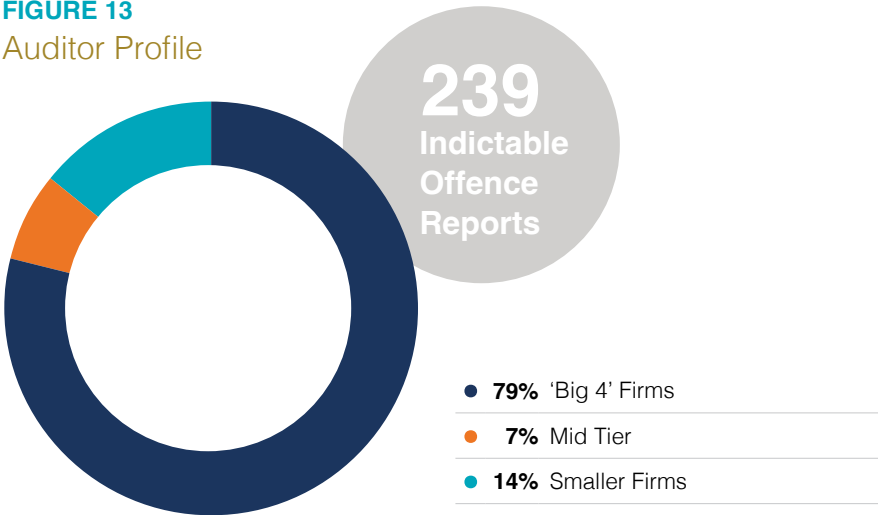
### Substance of Reports



Auditors are expected to provide sufficient information in support of their opinions to enable the CEA to properly evaluate the circumstances which gave rise to a report being submitted. Where insufficient information is provided, the CEA will seek further information from the auditor by way of a statutory demand.

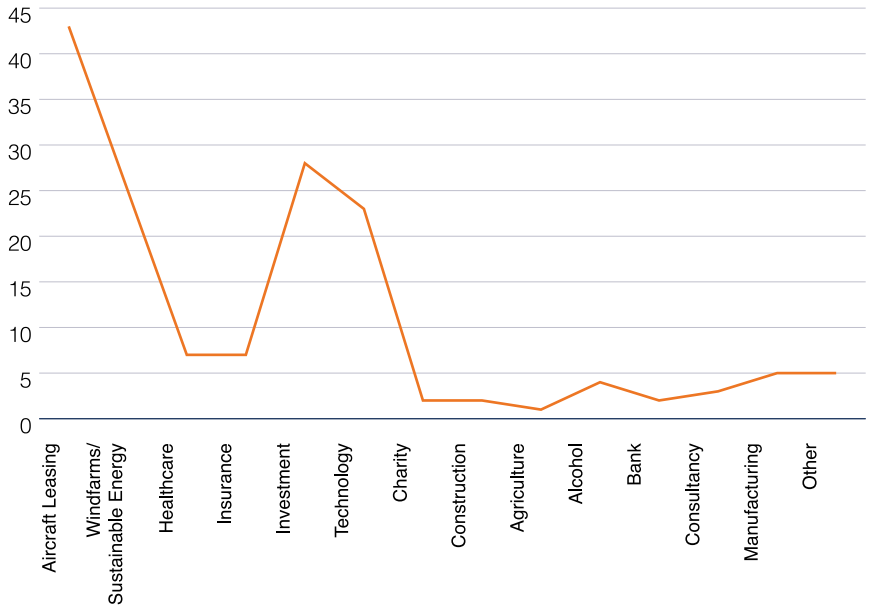
During the period under review, the CEA received 239 indictable offence reports from companies' auditors.

**FIGURE 13**  
Auditor Profile

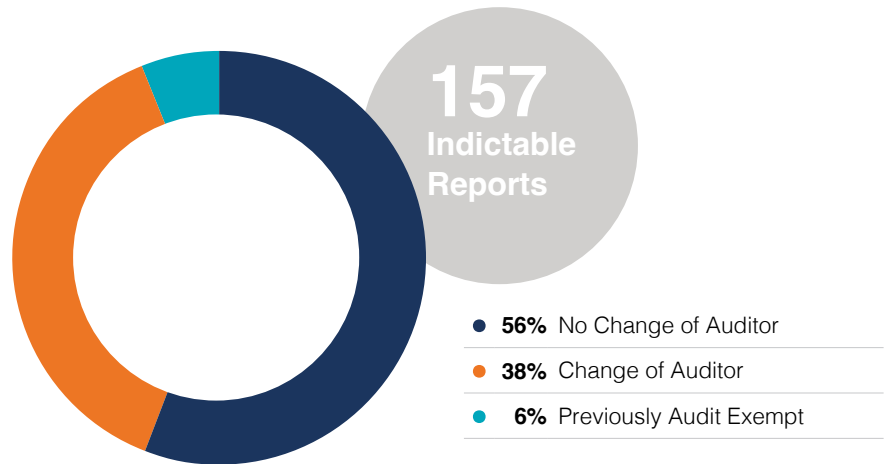


**FIGURE 14**  
Sectorial Analysis  
July 2022-December 2023

The economic sectors in respect of which auditors' indictable offence reports were received during the period under review are outlined in Figure 14.



One significant contributory factor in the context of auditor reporting is a change of auditor. Specifically, it is not unusual, where there has been a change in statutory auditor for a new auditor, having taken a different interpretation of an accounting treatment to their predecessor, to take the view that the submission of a report is necessary.

**FIGURE 15****Analysis of Indictable Reports (ex. director loans) 2023****Process advisors' reports**

Prior to the enactment of the Companies (Rescue Process for Small and Micro Companies) Act 2021, examinership was the principal rescue process open to companies, with that process allowing for a period of court protection while rescue plans are being devised. However, examinership is a formal and expensive process and, in recognition of that fact, in 2021, the Small Company Administrative Rescue Process (SCARP) was introduced. SCARP provides an alternative rescue process for Small and Micro<sup>3</sup> companies facing financial distress and is intended to be a speedier and less costly option than examinership.

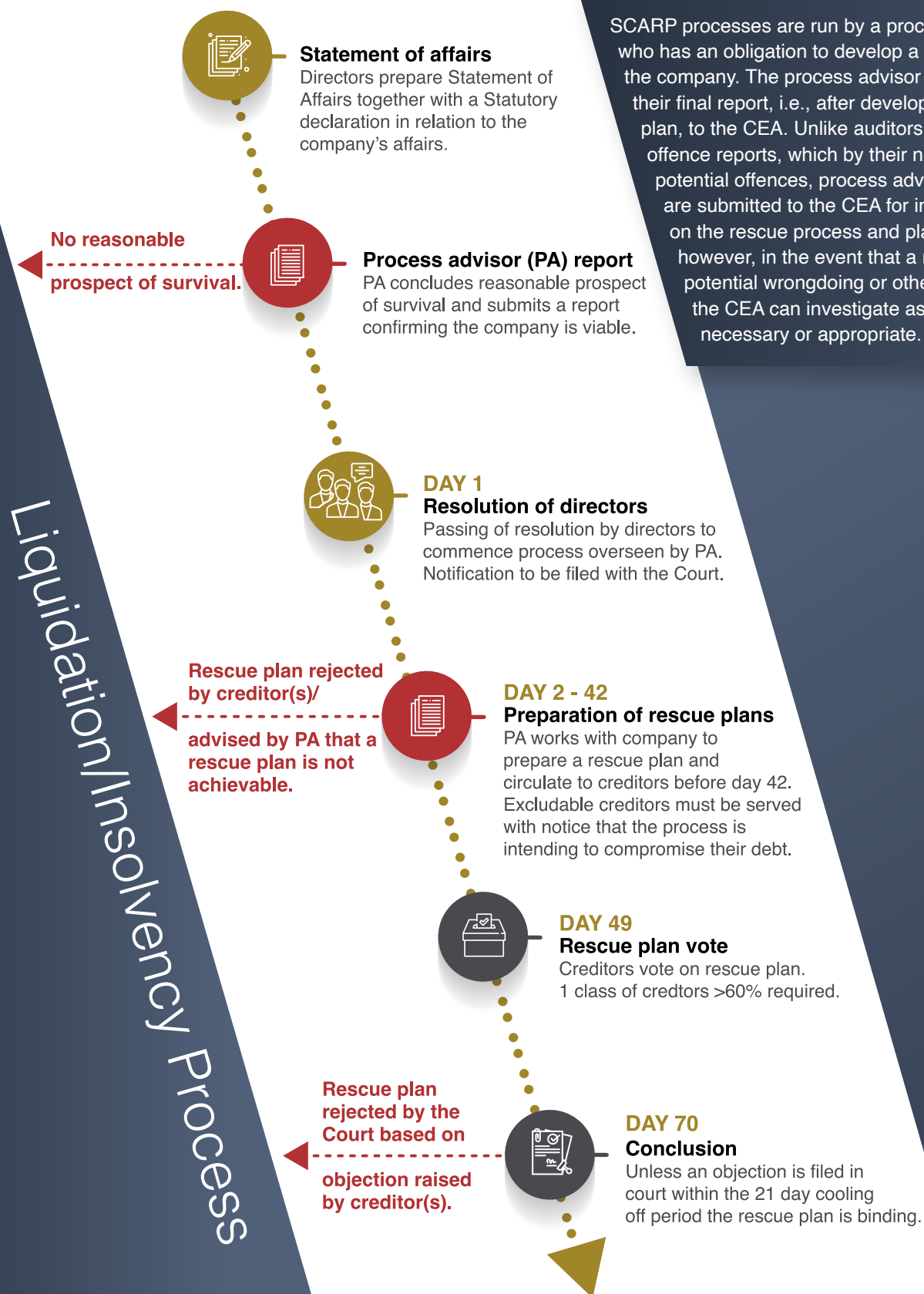
3. The SCARP scheme is open to small and micro companies that meet two of the following three criteria:

- not more than 50 employees,
- turnover not exceeding €12 million,
- Balance Sheet total not exceeding €6 million.

In addition, to qualify for SCARP the following are requirements:

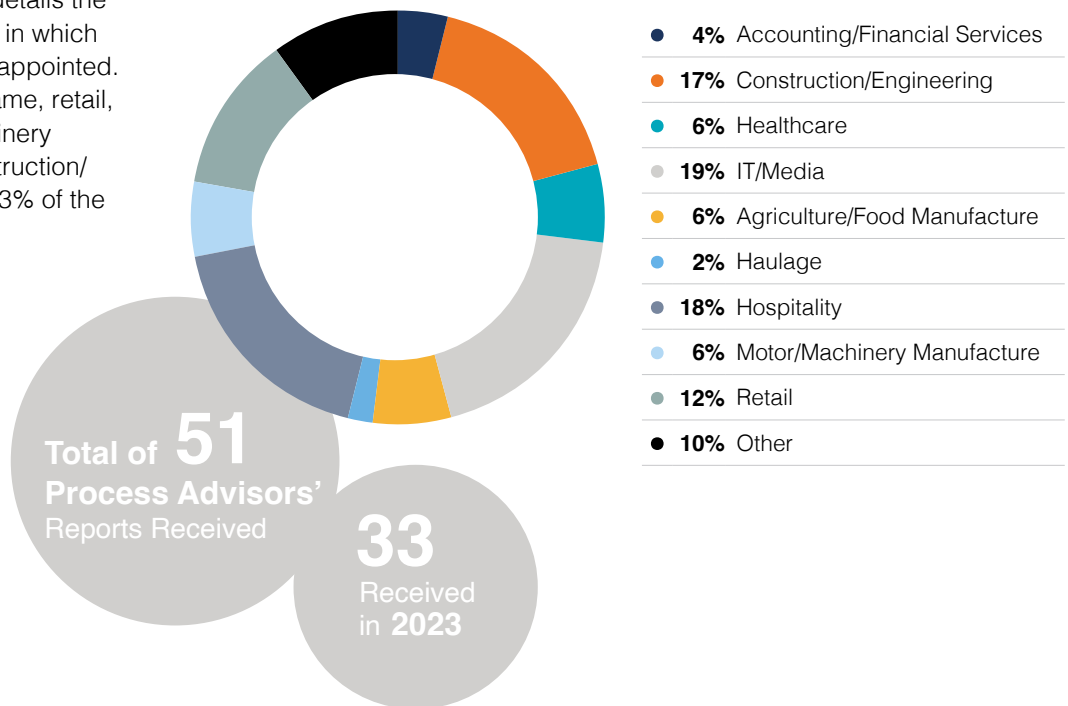
- the company is, or is likely to be, unable to pay its debts,
- the company is not in liquidation,
- the company must not have appointed an examiner or process advisor in the last five years, and
- if a receiver has been appointed to the company, the company is only eligible for SCARP if the receiver has been appointed for a period of less than three working days.

# Summary of the SCARP Process



SCARP processes are run by a process advisor, who has an obligation to develop a rescue plan for the company. The process advisor must submit their final report, i.e., after developing a rescue plan, to the CEA. Unlike auditors' indictable offence reports, which by their nature identify potential offences, process advisors' reports are submitted to the CEA for information, i.e., on the rescue process and plan. Clearly, however, in the event that a report indicates potential wrongdoing or other issues, the CEA can investigate as considered necessary or appropriate.

During the period under review, a total of 51 process advisors' reports were received, including 33 received in 2023. Each report is examined by the CEA. Figure 16 details the sectors of the economy in which process advisors were appointed. As can be seen from same, retail, hospitality, motor/machinery manufacture, and construction/engineering made up 53% of the total appointments.

**FIGURE 16****Sectoral Analysis July 2022 - December 2023****Figure 17****No Rescue Plan**

**At the end of December 2023**  
SCARP Processes resulted in the

formulation of  
**33 Rescue Plans**

while a further  
**7 Remained Ongoing**

there were **11**  
instances where  
**no rescue plan was agreed**

**FIGURE 18**  
Rescue Plan Included  
Changes to Management



- 21% Yes
- 79% No

**FIGURE 19**  
Rescue Plan Included a  
Renegotiated Lease/Contract



- 58% Yes
- 42% No

**FIGURE 20**  
Source of Funding



- 3% Utilised Existing Cashflow
- 3% Introduced Cost Saving Measures
- 33% Loan Obtained
- 43% Equity Investment
- 18% Combination of the Above



### Examiners' reports

As might be expected, since the introduction of the SCARP process, there has been a decline in the number of examinerships initiated. Examiners are required to file copies of reports they submit to court with the CEA for information and, during the period under review, the CEA received and considered a total of 13 examiners' reports.

### Referrals from the corporate insolvency supervision process

The CEA's processes for the supervision of corporate insolvency are set out earlier herein. If matters suggestive of criminal wrongdoing are identified during the course of the Insolvency Supervision Directorate carrying out its functions, those matters are referred to the Criminal Enforcement Directorate for examination.

### Referrals from other statutory agencies

In the same way as the CEA refers matters of relevance to other State agencies as appropriate, the CEA receives referrals from other State bodies, i.e., where there are indications of breaches of company law. During the period under review, 56 such referrals were received. The referring agencies included An Garda Síochána, the Central Bank, the Companies Registration Office, and the Revenue Commissioners.

### Matters investigated on foot of internal analysis

In addition to investigating allegations of wrongdoing received from members of the public, through the receipt of statutory reports, and from other regulatory bodies etc., the CEA also conducts its own analyses and thematic reviews. In that context, on 53 occasions during the period under review, the CEA identified individuals that had been restricted, disqualified, or declared bankrupt and that had failed to take the necessary steps to either remove themselves as company directors or, in the case of restriction, to put in place the necessary capital base where they wished to remain as a director.

### Enforcement

The CEA's enforcement activities can, broadly speaking, be subdivided into three categories, viz:

- i. securing compliance through administrative measures,
- ii. civil enforcement measures, and
- iii. criminal enforcement measures.





### Securing compliance through administrative measures

It would be neither proportionate nor resource-effective for the CEA to resort to its formal enforcement powers in response to its every complaint, statutory report, or other indication of potential wrongdoing coming to its attention. Rather, where, having regard to the individual facts and circumstances, it is appropriate to do so, the CEA will seek in the first instance to address matters coming to its attention in a more resource-effective and proportionate manner. The case studies that follow provide some examples in that regard. Importantly, this approach allows us to devote a significant proportion of our resources to investigating and tackling more serious indications of wrongdoing.

## CASE STUDY 1

### Use of incorrect registered office address.

A complaint was received from a member of the public stating that a company was using the complainant's residential address as the registered office address for the company without the complainant's permission.

Having obtained a contact address for the secretary of the company concerned, the CEA wrote to the company advising it of its obligations under section 50(1) of the Companies Act 2014, which provides that: *A company shall, at all times, have a registered office in the State to which all communications and notices may be addressed.*

Following this intervention, compliance was achieved with a new registered office address being filed with the Companies Registration Office.

## CASE STUDY 2

### Failure to hold an Annual General Meeting of a company.

Subject to certain exceptions, company law requires that, each year (and not more than 15 months apart), a company must hold an Annual General Meeting (AGM) of the company. The AGM is a meeting of the company's members/shareholders, at which the financial statements and audit report (where applicable) must be presented to the members/shareholders and where, as applicable, director elections take place. As such, it is important that companies' AGMs are held as required by law.

A complaint was received from a member of the public alleging that a company had failed to hold an AGM and, as a consequence, was late in filing certain documents with the Companies Registration Office.

Following the CEA's intervention, the company confirmed that an AGM would be held. However, when the notice of the meeting issued to the members of the company, the notice did not include a statement explaining members' right to appoint a proxy in their place as required under section 181(5)(d) of the Companies Act 2014.

Following further engagement, the company issued amended notices which complied with company law. As a result of the CEA's intervention, the AGM took place, thereby vindicating the company members' rights, and the relevant documents were subsequently filed with the Companies Registration Office.



## CASE STUDY 3

### Audit and group exemptions incorrectly claimed.

The CEA received an auditor's indictable offence report indicating that the company had incorrectly claimed audit exemption, as well as an exemption from preparing consolidated group financial statements for a previous financial year. The auditor's report also outlined the remedial measures that the company's directors had taken to rectify the position and the CEA verified the remedial measures taken by the company.

As the company had taken necessary steps to bring itself back into compliance, a warning letter issued to the company and its directors. In issuing a warning, the CEA made clear that a repetition would likely be dealt with differently.

## CASE STUDY 4

### Breach of director's loan provisions.

Company law provides limits on the extent to which company directors can borrow from companies of which they are directors. The purpose of these limits is to protect creditors and shareholders.

The CEA received an auditor's indictable offence report indicating that a loan made to a director of the company exceeded the statutory limits. In addition, a number of complaints were received from other parties in respect of the same issue, with the sums in question being substantial.

The auditor's report advised that the auditor had engaged with the relevant director, that there had been partial repayment of the loan, and that the director had agreed to repay the balance within a specified timeframe.

The CEA sought independent verification of rectification of the director's loan, which was received from the company's auditor. The independent verification confirmed that the outstanding balance of the director's loan has been repaid in full to the company.

On that basis, a warning letter issued to the company and its directors. In issuing a warning, the CEA made clear that a repetition would likely be dealt with differently.



## CASE STUDY 5

### **Failure to file annual returns: property management company.**

Under company law, companies are required to file annual returns with the Companies Registration Office. The purpose of an annual return is to provide certain information to the public. As such, compliance with the obligations to file annual returns is important to the public's ability to assess whether to do business with a company or not.

The CEA received a complaint that a property management company had not filed its annual return and, as such, the complainant was concerned that the company might be struck off (which could, amongst other things, impact a purchase/sale of an affected property).

Following engagement with the company and its directors, the CEA ensured that the necessary filings had been submitted to the Companies Registration Office, thereby securing compliance with the law, and addressing the complainant's concerns.

## CASE STUDY 6

### **Failure to file annual returns: charity.**

The CEA received a complaint from a member of the public advising that a registered charity had not filed its annual returns with the Companies Registration Office.

On examination, it was established that the charity's returns were, indeed, outstanding. Upon further examination, the CEA established that, in addition, the charity's website was not in compliance with the requirements of the Companies Act 2014. Specifically, under company law, a company's website is required to provide details of the legal form of the company, the company's registered number, and the registered address of the company. This information is required to be displayed in a prominent and easily accessible position on the website.

As a result of engagement with the CEA, the charity's directors brought its statutory filings up to date and made the necessary additions to its website.

## CASE STUDY 7

### **Supervision of the implementation of the terms of a SCARP rescue plan.**

The process advisor's report indicated that, as part of the rescue plan, there was to be a change in the directors of the company. Specifically, one director was to resign and be replaced by a director nominated by the new investor.

The CEA monitored the company's filings and, when no changes in directorships had been registered with the Companies Registration Office, the directors were contacted and advised that failure to implement the provisions of a rescue plan which imposes a requirement on the directors of the company is a Category 3 offence.

Following a second reminder, the necessary documentation was filed with the Companies Registration Office, i.e., evidencing that the required change in directors had occurred, thereby satisfying one of the terms of the rescue plan.

**Civil enforcement measures**

As demonstrated by the case studies above, an administrative approach can be effective in securing compliance and vindicating interested parties' rights, there are circumstances in which the CEA finds it necessary to exercise its civil powers of enforcement. Those powers typically take the form of issuing statutory directions to a company and/or its directors to take a particular action and, as required, initiating civil proceedings in the courts. The case studies below provide some examples in that regard.

**CASE STUDY 8****Failure to provide access to a company's Register of members.**

Company law provides that every company is required to maintain a register of members and that, upon payment of the relevant fee, the register of members shall be open to inspection by any person. This is an important aspect of the transparency requirements laid down by company law.

The CEA received a complaint from a member of the public to the effect that a company had failed to comply with a request by the complainant to inspect the company's register of members.

Having reviewed the correspondence that had been exchanged between the complainant and the company, the CEA:

- issued statutory demands to the company and its directors to produce minutes of certain meetings,
- issued a request that certain registers be made available, and
- advised the directors of the relevant offence provisions for failure to comply.

Following unsatisfactory engagement, CEA officers subsequently attended the company's registered office to inspect certain documents.

As a result of the CEA's intervention, the complainant's right to access the register of members was vindicated.



## CASE STUDY 9

### Supervision of liquidators' compliance with reporting obligations to the CEA.

#### First liquidator

The company in question was incorporated in 2006. In late 2015, it was wound up by Order of the High Court.

The appointed liquidator filed his first section 682 report in June 2016. Based on the content of this report, relief was not granted to the liquidator. The directors were offered the opportunity to submit to restriction undertakings but chose not to respond to that offer. Accordingly, the liquidator was advised of his legal obligation to bring restriction proceedings against the directors. However, the liquidator resigned without advising the CEA of that fact.

#### Second liquidator

A new liquidator was subsequently appointed. The new liquidator was obliged to provide the CEA with a first report within 6 months of their appointment. However, despite being issued with several reminders and formal notices to comply with this obligation, the liquidator failed to meet the statutory deadline to submit the required report.

In light of the non-compliance, the CEA applied to the High Court for an Order directing the liquidator to comply with the obligation to file the report as required. After the liquidator had been served with the proceedings, the liquidator finally engaged with the CEA and the outstanding report was filed. The matter was then struck out on consent and an Order for costs made in the CEA's favour.

Had the liquidator complied with their legal obligations to the CEA, a costs Order could have been avoided. The CEA takes a robust approach towards the recoupment of costs Orders.



### Other civil litigation arising on foot of the CEA's functions

In addition to civil litigation entered into for the purpose of enforcing non-compliance with company law, the CEA may become involved in litigation by, for example, being prescribed or nominated as a notice party. Examples in that regard include where:

- under section 747(5) of the 2014 Act, a party other than the CEA seeks the appointment of a court-appointed Inspector to a company, notice of the intention to apply must be sent to the CEA in advance, and
- under sections 822 and 847 (respectively) of the 2014 Act, a director makes an application to the High Court seeking relief from a restriction or disqualification order.

## CASE STUDY 10

### Application for the appointment of an Inspector to WFS Forestry Limited (WFS)<sup>4</sup>.

The Companies Act 2014 foresees two means by which a court-appointed Inspector can be appointed to investigate the affairs of a company. The case involving WFS was the first time since the commencement of the Companies Act 2014 that an application was heard by a court under section 747.

WFS concerned an allegation by a creditor that loans made for the development of a Christmas tree grow and supply business had not been repaid. On the basis of their stated concerns, a creditor petitioned the court for the appointment of a court-appointed Inspector to the company. The company opposed the application. The CEA and the Department of Justice respectively were notified of the making of the application and both made submissions to the Court during the hearing.

As a notice party, the CEA's primary role was, as required, to provide assistance to the court. In that context, the CEA adopted a formally neutral stance vis-à-vis the application but did offer the view that: the company appeared to be hopelessly insolvent, accordingly, liquidation might be a more appropriate remedy, an Inspector has relatively few powers available to him/her that a liquidator either doesn't have themselves or that couldn't cause to be exercised by a court, and a liquidator, if appointed, would have a reporting obligation to the CEA (as detailed elsewhere herein).

In directing the appointment of an Inspector, the court considered the relevant evidential threshold, the public interest nature of the application, and that no party had petitioned for the winding up of the company.

In a further hearing, in May 2023, the High Court revisited the issue of whether WFS should be wound up either on the court's own motion or otherwise, or whether a liquidation and the Inspectorship should run in tandem. The court directed the provision of a further interim report by the Inspector to assist in the making of this determination and, as of writing, the Inspectorship continues.

4. WFS Forestry Limited and Section 747 of the Companies Act 2014 [2022] IEHC 512 and [2023] IEHC 258.



## CASE STUDY 11

### Application for relief from disqualification:

**SB Steel Limited,  
Maurice Elliot Sherling,  
and Graham Charles  
Hudson.**

As part of their transparency obligations, company directors that have been disqualified in another jurisdiction are required to notify the Companies Registration Office of that fact (thereby notifying the public) by filing a declaration to that effect. Making such a filing with the CRO does not disqualify the director in Ireland. However, a failure to do so has the effect of deeming the director, by operation of law, to be disqualified from acting as a company director in Ireland.

Messrs. Sherling and Hudson were directors of both UK and Irish companies who had submitted to disqualification undertakings offered by the UK's Competition and Markets Authority for breaches of UK competition law. Their company failed to file the relevant declarations with the CRO and the directors were, as a consequence, ultimately deemed disqualified in Ireland. They subsequently sought relief from the High Court.

In an extensive judgment<sup>5</sup> the Court considered the relevant legislative scheme and emphasised the importance of the disqualification regime and that it should not be diluted by applications being granted readily. In its judgment, the Court also dealt extensively<sup>6</sup> with the approach taken by the CEA (as a Notice Party to the proceedings) in securing adequate assurance regarding the companies in respect of which relief was being sought – which included extensive training programmes and evidence of the appointment, and anticipated levels of engagement of, directors appointed for assurance purposes. The steps taken by the CEA in seeking assurance of future compliance with company and competition law resulted in the assurances ultimately given being characterised as 'comprehensive and impressive' by the Court.

This judgment provides an authoritative guide as to the level of assurance that would need to be brought before a court before the CEA would consider adopting a neutral position in relation to future such applications.

5. [2022] IEHC 513.

6. At paragraphs 89-95 of the judgment.



## CASE STUDY 12

### Application for relief from restriction:

#### Murraywalsh Limited, Mr. Ross Murray, and Mr. Keith Walsh.

Murraywalsh Limited traded in the hospitality sector and had two directors, Mr. Ross Murray, and Mr. Keith Walsh. The High Court appointed a liquidator to the company following the petition by a creditor.

The company appeared to have been one of a number of companies involved in the licenced trade owned or controlled by the directors and/or persons connected with them. Accounts filed for the company indicated that it was profitable.

The company transferred its trade, including all assets and liabilities, except contingent personal injury awards against the company, to a connected company. A schedule of the assets and liabilities transferred showed that the net excess of assets over liabilities was €332,000. It appeared that the lease for the premises was also transferred. In addition, the directors indicated to the liquidator that the premises was owned by 'an unconnected party' when in fact it was owned by a related party.

The Statement of Affairs presented to the High Court was neither sworn nor signed. It was also incomplete in that awards made against the company in respect of personal injury claims were not included. It appeared that the company did not defend the personal injury proceedings and was not represented at the hearings of the actions. By not defending those cases for the benefit of the company and its creditors, the directors' actions compromised the financial position of the company.

It appeared that the directors attempted to restructure the business in order to frustrate judgment in relation to the personal injury claims. By agreeing to transfer the company's assets to a connected company without payment or having any guarantee of payment, the directors preferred the interests of the associated company over the interests of the creditors of the company.

The liquidator initially sought full relief from the obligation to bring restriction proceedings against the directors but, following detailed engagement, the CEA issued a no relief decision. Both directors were offered restriction undertakings by the CEA, which they chose not to accept.

At the direction of the CEA, and on the application of the liquidator, the High Court found that, although there was no intention to act dishonestly, there has been a want of responsibility on the part of the directors. The Court therefore made an Order on 12 July 2022 restricting the directors for a period of 5 years. The Order was stayed for 6 months in order to give the directors an opportunity to appeal. No appeal of that Order was brought.

In November 2022, i.e., two months before the Order was due to take effect, the directors brought a motion, on notice to the CEA, seeking to be relieved from restriction. This application was resisted by the CEA on the basis that relief from restriction is an exceptional remedy, and that, due to the stay being placed on the Order, the directors had not yet suffered the consequences of being subject to a restriction Order.

Following extensive engagement with the CEA, and a number of appearances before the High Court, the directors withdrew their application for relief from restriction.

## Criminal enforcement measures

### Context

There are instances in which neither an administrative nor a civil enforcement approach will be a proportionate response. This is particularly the case where the indications of wrongdoing are suggestive of activity that could constitute criminal offences under company law.

Company law includes a substantial number of offence provisions, with offences being capable of being tried summarily (i.e., in the District Court), on indictment (i.e., in the Circuit Court), or in either venue (i.e., hybrid offences).

Investigations undertaken by the CEA during 2022 and 2023 spanned the full breadth of company law, including, for example, issues relating to the alleged:

- furnishing of false information to the CRO,
- impersonation of auditors by persons not so qualified/authorised,
- inadequacy of companies' books and records,
- acting as a director while an undischarged bankrupt,
- acting as a company director while restricted and in contravention of relevant capital requirements,
- acting as a company director while disqualified, and
- fraudulent trading.

The CEA's investigative activities have also identified indications of other types of potential criminality such as, for example, theft, deception and money laundering.

### Investigative Resources

As detailed earlier herein, CEA officers include both civilians and members of An Garda Síochána. Our civilian cohort of staff includes, amongst others, accounting and legal professionals and digital forensics experts. The CEA's powers of investigation, which are considerable, include:

- the power to require the production of documents (including electronic documents) by companies and relevant third parties,
- powers of search and seizure under the Companies Act 2014, and
- the right to request the courts to approve certain additional investigative measures, for example, court-appointed Inspectors.

In addition, CEA officers who are also members of An Garda Síochána:

- have powers of arrest, and
- can apply to the courts for search warrants and other orders under, non-company law, provisions.

### Investigative powers exercised during the period under review

During the period under review, the following investigative powers, and associated steps, were exercised/taken by CEA officers in the furtherance of investigations:

- 107 court orders obtained and executed (for example, orders compelling the production of documents),
- 5 warrants authorising searches obtained and executed,
- 213 witness statements taken,
- 9 voluntary cautioned interviews conducted, and
- 12 arrests made.

In addition, CEA officers seized laptops, digital storage devices, and mobile devices. Along with these devices, members of the CEA's Digital Investigations & Analytics Directorate created separate forensic images of data found at premises being searched under warrant which were also seized. In total, over 4.1 million files were made available to CEA officers for review as part of their investigations.

### Associated civil litigation

Criminal investigations can give rise to associated civil litigation, for example relating to challenges to the use of powers, legal privilege, etc. The period under review was no different in that regard.



## CASE STUDY 13

**Football Association of Ireland (FAI) / Mr. John Delaney.**

In February 2020, certain material, including hard copy documents and contents of an email folder pertaining to the FAI's former Chief Executive Officer, Mr. John Delaney, were seized under warrant. Pursuant to a requirement to do so where potentially legally privileged material is involved, an application was made to the High Court within a week of the material being seized. The purpose of that application was, as required by the Act, to ask the court to make a determination in respect of material over which a claim of legal professional privilege (LPP) was apprehended.

Following the application having been made, there followed extensive engagement with the legal representatives of both the FAI and Mr. Delaney (the FAI being the Respondent in those proceedings and Mr. Delaney being immediately joined to the proceedings as a Notice Party).

In addition to apprehended LPP, assertions of privacy were also advanced by Mr. Delaney over certain of the material seized. In June of 2020, and following extensive engagement, an examination strategy for the purposes of privacy and privilege rights was approved by the High Court. Following the approval of this strategy, an initial examination and assessment was performed on the email folder, which contained 675,240 files. After removal of duplicate and immaterial items, the remaining dataset was reduced in size to 285,028 files.

The process involved multiple court hearings to effect further reduction of the dataset and, after further direction of the Court, Mr. Delaney's solicitor attended the CEA's offices over a period of several months, the purpose of such attendance being to review the material for potentially privileged and private material in accordance with Mr. Delaney's instructions and the court's directions.

In parallel with the aforementioned review, a similar (but considerably smaller scale) review was conducted by the FAI's legal representatives and, by January 2021, the remaining material at issue had been reduced to a total of 3,818 records (1,013 relating to the FAI and 2,805 relating to Mr. Delaney). The High Court subsequently appointed two independent counsel (the Independent Reviewers) to review the remaining material and to make recommendations in that regard to the court, i.e., as to whether the material in question was the subject of a valid claim of LPP.

An unusual feature of section 795 applications, as opposed to discovery applications, is that investigators did not have access to the records in question (i.e., other than certain metadata). Based on the information that was available, together with other relevant considerations, extensive submissions were made regarding the certain of the Independent Reviewers' recommendations that certain records were the subject of valid claims of LPP. This resulted in the High Court directing Mr. Delaney to substantiate his claims of LPP by particularising, on affidavit, his assertions on a number of specific grounds.



The substantive case was heard in summer 2022 and, in a judgment dated 21 October 2022, the High Court determined that, in respect of each of the remaining 2,805 records, Mr. Delaney had failed to substantiate his assertions of privilege. The CEA was, on that basis, awarded its costs in relation to the High Court proceedings (save regarding one aspect of the case where no order had been sought).

Mr. Delaney appealed this decision to the Court of Appeal and, in a judgment dated 25 September 2023, the Court of Appeal refused the appeal, instead upholding the finding of the High Court in favour of the CEA. A costs Order made in the CEA's favour by that Court.

Mr. Delaney sought leave to appeal the decision of the Court of Appeal to the Supreme Court. However, in January 2024, the Supreme Court issued its determination declining to grant leave. The Supreme Court's decision brought to finality a process that lasted for approximately 4 years, and which ultimately found that Mr. Delaney's assertions of privilege over almost 3,000 records were unsubstantiated.

The judgments of the High Court and the Court of Appeal respectively represent important statements of principle regarding the burden on a party asserting LPP in proceedings under section 795 of the Companies Act 2014 to fully substantiate their assertions rather than offering wholly generic or incomplete information in support of their applications.

## CASE STUDY 14

**Bank accounts restrained under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010.**

CEA investigations can also give rise to the exercise, by CEA officers who are also members of An Garda Síochána, of non-Companies Act powers that are of relevance to the matters under investigation.

Arising from a CEA investigation in which the matters being investigated included suspected company law and money laundering offences, an application was made to the District Court to have bank accounts that held several hundred thousand Euro restrained so that the investigation could continue without the risk of the funds in question being dissipated.

### Prosecutions and appeals

While the CEA is empowered to initiate summary prosecutions in its own name (i.e., before the District Court), investigation files suggesting that more serious breaches of company law have occurred are submitted to the Office of the Director of Public Prosecutions for consideration as to whether charges should be directed on indictment (i.e., before the Circuit Court). During the period under review, the CEA initiated 1 summary prosecution and, reflecting their more serious nature, referred 12 investigation files to the Office of the Director of Public Prosecutions.

Albeit that it is inappropriate to do so, there can be a tendency to seek to judge organisational performance by reference to criminal convictions in any given period. In that context, it is important to note that it is a matter for the DPP, who is independent of the CEA, to determine whether, based on the available evidence, indictable prosecutions should be initiated in respect of any particular matter. Once charges have been directed, the matter moves to the courts and, thereafter, the CEA has no control over the duration of the process and, in particular, when a trial might be scheduled to commence. There can be a considerable passage between when charges are directed and ultimate outcome.

During the period under review, two individuals were convicted of criminal offences:

Mr. Robert Browne pleaded guilty to 1 count of Providing False Information contrary to section 876 of the Companies Act 2014. The offence related to the unauthorised and unlawful use of an Auditor Registration Number (ARN) in the submission of annual returns to the Companies Registration Office. In December 2022, Mr. Browne was sentenced to 2 years' imprisonment, fully suspended on condition that he pay recompense within 6 months to affected clients, a condition that was subsequently complied with. He was also disqualified from acting as a company director for a period of 5 years.

Ms. Patricia Kelly, who acted as both a Director of, and Company Secretary to, Console Suicide Bereavement Counselling Limited (Console), pleaded guilty to an offence contrary to section 202 of the Companies Act 1990, of failing to keep proper books of account. The offence spanned a period of over eight years between 6 December 2006 and 31 May 2015. In February 2024, a fine in the sum of €1,500 was imposed on Ms. Kelly and she was disqualified from acting as a company director for a period of 5 years.



## CASE STUDY 15

### Review of sentence imposed on Mr. Pearse O'Connor.

Following a CEA investigation, in 2018 the DPP directed that Mr. Pearse O'Connor be charged with 1 count of fraudulent trading and 8 counts of using a false instrument contrary to section 26 of the Criminal Justice (Theft and Fraud) Offences Act 2001. Mr. O'Connor pleaded guilty in April 2021.

In January 2022, the Circuit court imposed a sentence of 5 years, fully suspended, in respect of the fraudulent trading conviction and also in respect of 1 count of using a false instrument; 4 years' imprisonment in respect of 4 of the counts of using a false instrument, again fully suspended, with all sentences to run concurrently. The remaining counts were taken into consideration.

In circumstances where the injured party had been defrauded in the amount of approximately €370,000, in a course of action that was fully supported by the CEA, the DPP subsequently sought a review of the above sentence on grounds of undue leniency.

The Court of Appeal delivered judgment in December 2023. In the view of the Court, the starting point of five years was correct, but a part suspension which would have required the convicted person to serve a sentence of 18 months or 2 years would have been more appropriate. Giving judgment for the Court, President Birmingham said:

*"... this was very serious offending. The amount involved, €370,000, was very significant. The offending was not a once-off event, but occurred over a period of several months ... pre-planning and deliberation were features of the case..."*

*It seems to us that this was a case where the offending was of such seriousness that the custody threshold was clearly crossed and that a non-custodial disposal was simply not an option. In our view, a fully suspended sentence was not just very lenient, but actually unduly lenient."*

Nevertheless, the Court of Appeal did not overturn the fully suspended sentence. However, the defendant had been disqualified by the Circuit Court from acting as a director or secretary of a company for life.

Notwithstanding being disappointed that a custodial sentence was not imposed given the seriousness of the offending, the CEA very much welcomes the emphatic statement from the Court of Appeal that custodial sentences are warranted in premeditated cases of fraudulent trading.

### 3. Ensuring individual accountability

#### Context

Companies, whilst being legal entities in their own right, are inanimate objects. As such, under company law, it falls, for the most part, to company directors to ensure companies' compliance with company law. In addition, company directors are responsible for ensuring their own compliance with the duties and obligations conferred upon them by company law. As detailed elsewhere herein, those duties and obligations relate, amongst other things, to transparency and to member/shareholder and creditor protection.

For these reasons, and while the CEA will initiate enforcement action against companies as considered necessary or appropriate, our enforcement activity focusses primarily on individuals. This individual accountability is important in upholding the integrity of company law, in protecting the public, and in dissuading future wrongdoing.

#### Nature of enforcement action in respect of individuals

In broad terms, the nature of the CEA's enforcement action in respect of individuals under company law can be classified as that arising from:

- supervision of the corporate insolvency process and associated enforcement actions, and
- enforcement arising through other avenues.

#### Supervision of the corporate insolvency process and associated enforcement actions

##### Restrictions and disqualifications arising on foot of liquidators' reports

Under company law, where a company enters insolvent liquidation, the directors of the company are presumed not to have acted honestly and responsibly, i.e., the onus is on company directors in such circumstances to demonstrate that they have acted honestly and responsibly.

The foregoing is enforced through a statutory regime under which the liquidators of insolvent companies operate under the supervision of the CEA. Specifically, the liquidator of every insolvent company is required to investigate the circumstances leading to the insolvency and to report their conclusions in that regard to the CEA, including in respect of the directors' conduct. It then becomes a matter for the CEA to form a view as to whether, based on the available evidence and having

regard to the relevant caselaw, the directors acted honestly and responsibly.

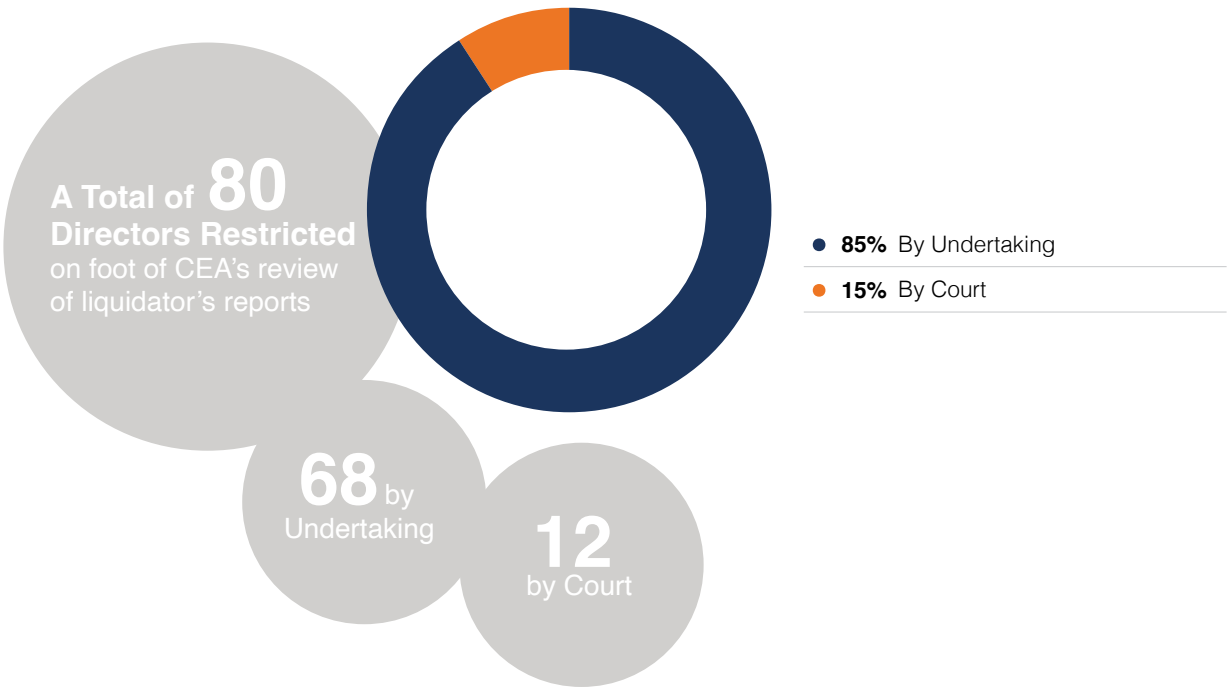
Where the CEA takes the view that the directors have a case to answer, as detailed elsewhere in this report:

- relevant directors will be offered the opportunity to submit to an undertaking, the effect of which will be to render them restricted,
- those directors that have been offered, but have elected not to accept, an undertaking will be the subject of a restriction application taken by the liquidator at the direction of the CEA,
- in more serious cases, the director may be offered the opportunity to submit to a disqualification undertaking, the effect of which will be to render them disqualified, or
- those directors that have been offered a disqualification undertaking but have elected not to accept, and those directors whose behaviour has been such as to render it inappropriate to offer them a disqualification undertaking will be the subject of disqualification application to the High Court by the CEA.

Where, through the aforementioned processes, the CEA identifies issues suggestive of criminal wrongdoing, the relevant matters will be referred internally for consideration as to whether a criminal investigation is warranted.

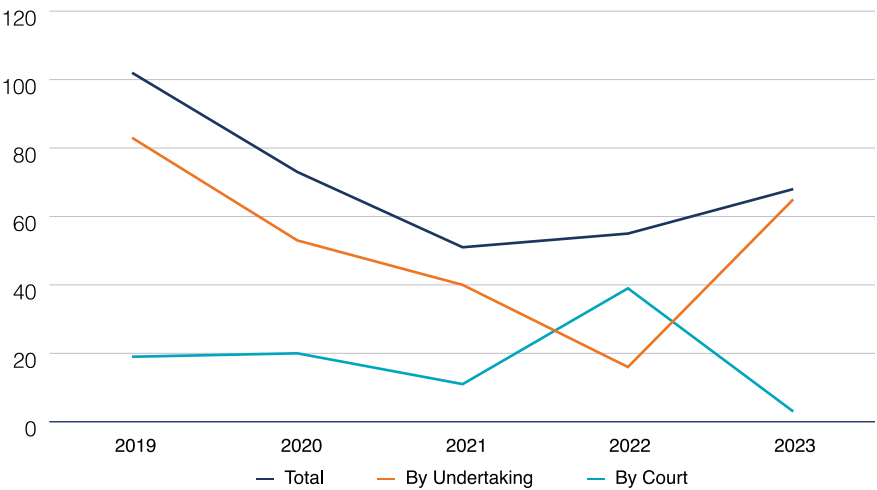
During the period under review, a total of 68 directors were restricted on foot of the CEA's review of liquidators' reports.

**FIGURE 21**  
Restriction of Directors  
July 2022 - December 2023



There has been a significant reduction in the numbers of directors of insolvent companies who have been restricted over the last five years. This is due to a number of factors including the reduction in the number of companies going into insolvent liquidation in recent years and the consequent reduction in the numbers of reports being received by the CEA. Numbers of insolvent liquidations are beginning to trend upwards once again and this will undoubtedly lead to a consequential increase in restrictions.

**FIGURE 22**  
Restriction of Directors  
2019-2023



During the period under review, a total of 17 directors were disqualified on foot of the CEA's review of liquidators' reports.

**FIGURE 23**

**Disqualification of Directors  
July 2022-December 2023**



In contrast to the number of restricted directors, the number of directors of insolvent companies who were disqualified over the last 5 years has remained broadly static. As the conduct which warrants disqualification is more egregious than that which merits restriction, the disqualification of directors of companies in insolvent liquidation is, in the context of overall levels of insolvency, relatively uncommon.



## CASE STUDY 16

### Director disqualification.

Fast Shipping Ireland Limited traded for 27 years in the freight warehousing/transporting sector. It had two directors at the time of liquidation, Mr. Simon Mulvany and Mr. Yvan Vlamincx. The company was liquidated on foot of a petition to the High Court by Mr. Vlamincx, on the grounds of the company being unable to pay its debts.

Mr. Mulvany was found to have failed to maintain proper books and records of the company and to have manipulated entries to give the appearance that the company was solvent when it was not, therefore knowingly continuing to trade while insolvent. He was also found to have altered entries on the company's bank statements to disguise fraudulent payments and receipts. Mr. Mulvany took loans from the company totalling more than €600,000 by falsifying invoices and the company's books. Mr. Vlamincx was unaware of these loans. Mr. Mulvany then sold machinery valued at €750,000, which was the property of a third party. Again, invoices and accounts entries were falsified. A further €250,000 was used by Mr. Mulvany for personal purposes.

Mr. Vlamincx had commissioned a forensic investigation into Mr. Mulvany's actions, had brought the winding up petition, and was found to not have participated in the fraudulent activities. On the basis that Mr. Vlamincx had been found to have acted honestly and responsibly, the CEA granted relief to the liquidator in respect of him.

Relief was not granted in respect of Mr. Mulvany and the liquidator took disqualification proceedings against him in the High Court. Mr. Mulvany was disqualified for 6 years.

### Disqualifications arising as a result of directors allowing insolvent companies to be struck off

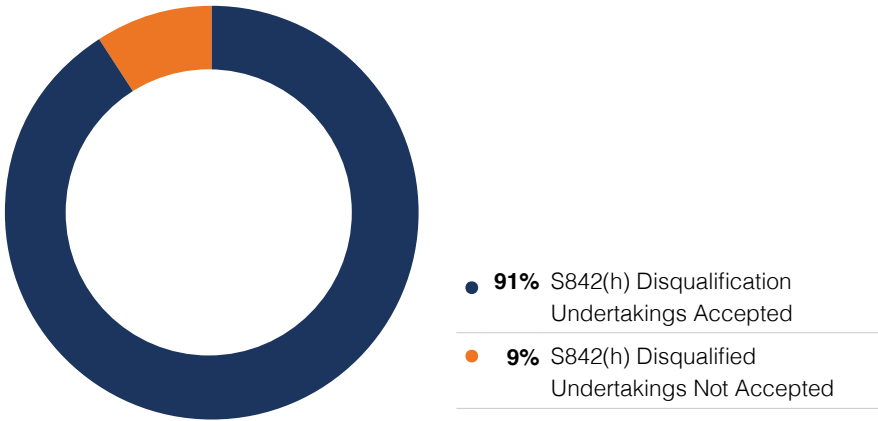
Where the directors of insolvent companies elect not to wind up the affairs of those companies in an orderly fashion but, rather, abandon those companies and allow them to wither on the vine, the CEA operates an enforcement regime under which the directors of such companies face the prospect of being disqualified – either on foot of an undertaking or, if an undertaking is offered by is not accepted, as a result of proceedings in the High Court. The process involved in the graphic below.

## Directors of involuntarily struck-off companies Enforcement process

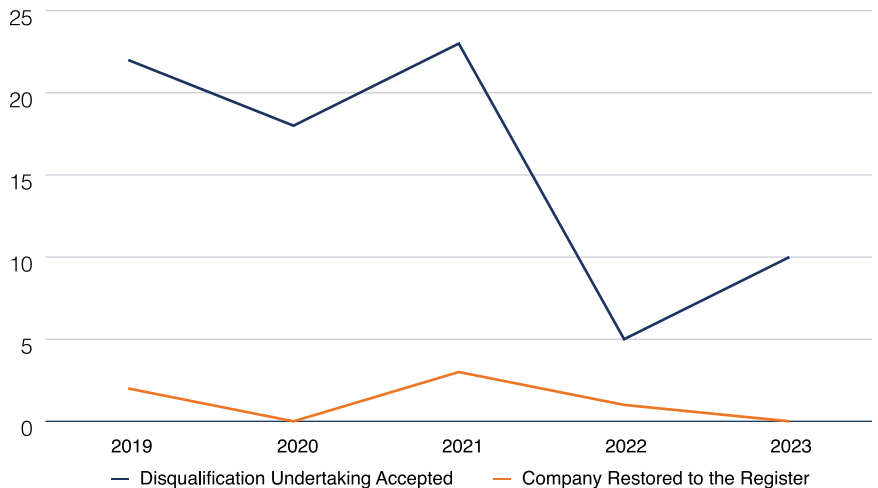


During the period under review, a total of 10 directors were disqualified on foot of disqualification undertakings offered by the CEA as a result of allowing companies to be involuntarily struck off the register.

**FIGURE 24**  
Disqualification Undertakings Offered in Relation to Companies Involuntarily Struck off the Register



**FIGURE 25**  
Companies Involuntarily Struck Off the Register: Enforcement Outcomes



Due to the pause on the CRO’s strike off programme necessitated by Covid-19, the CEA’s activity in relation to directors of dissolved insolvent companies has decreased. The recent resumption of the CRO’s strike-off programme means, however, that many companies which have failed to file their annual returns are now at risk of being struck off the register. As a result, the directors of many such companies will face scrutiny by the CEA.

Directors of struck off companies examined under this enforcement programme face two options:

- they can take steps to restore the company to the Register, or alternatively
- face disqualification for a period of up to 5 years. The disqualification can be by way of undertaking or, if the director refuses to accept an undertaking, by the High Court on foot of an application made by the CEA.



## CASE STUDY 17

### Disqualification of the Director of a company struck off the register.

Odessa Club and Restaurant Limited was incorporated in 2005 and was involuntarily struck off the register in June 2019 for failing to file annual returns. Based on the CEA's examination, it appeared that, at the date of strike off, the company had undischarged debts.

The company's sole director, Mr Donal O'Donoghue, was invited to provide evidence that, at the date of strike off, the company had no debts but failed to do so.

That being the case, the director was offered the opportunity to accept a disqualification undertaking. The director declined and, on that basis, the CEA indicated its intention to make an application for disqualification to the High Court. Shortly before proceedings issued, the director indicated that he would accept an undertaking, and did so in January 2024. As a result, Mr O'Donoghue was disqualified from acting as a company director for a period of 4 years.

As is evident from the foregoing, enforcement in respect of insolvent companies is focussed on the individual behaviour, with restriction and disqualification being measures put in place by the legislature to protect the public.

### Enforcement arising through other avenues

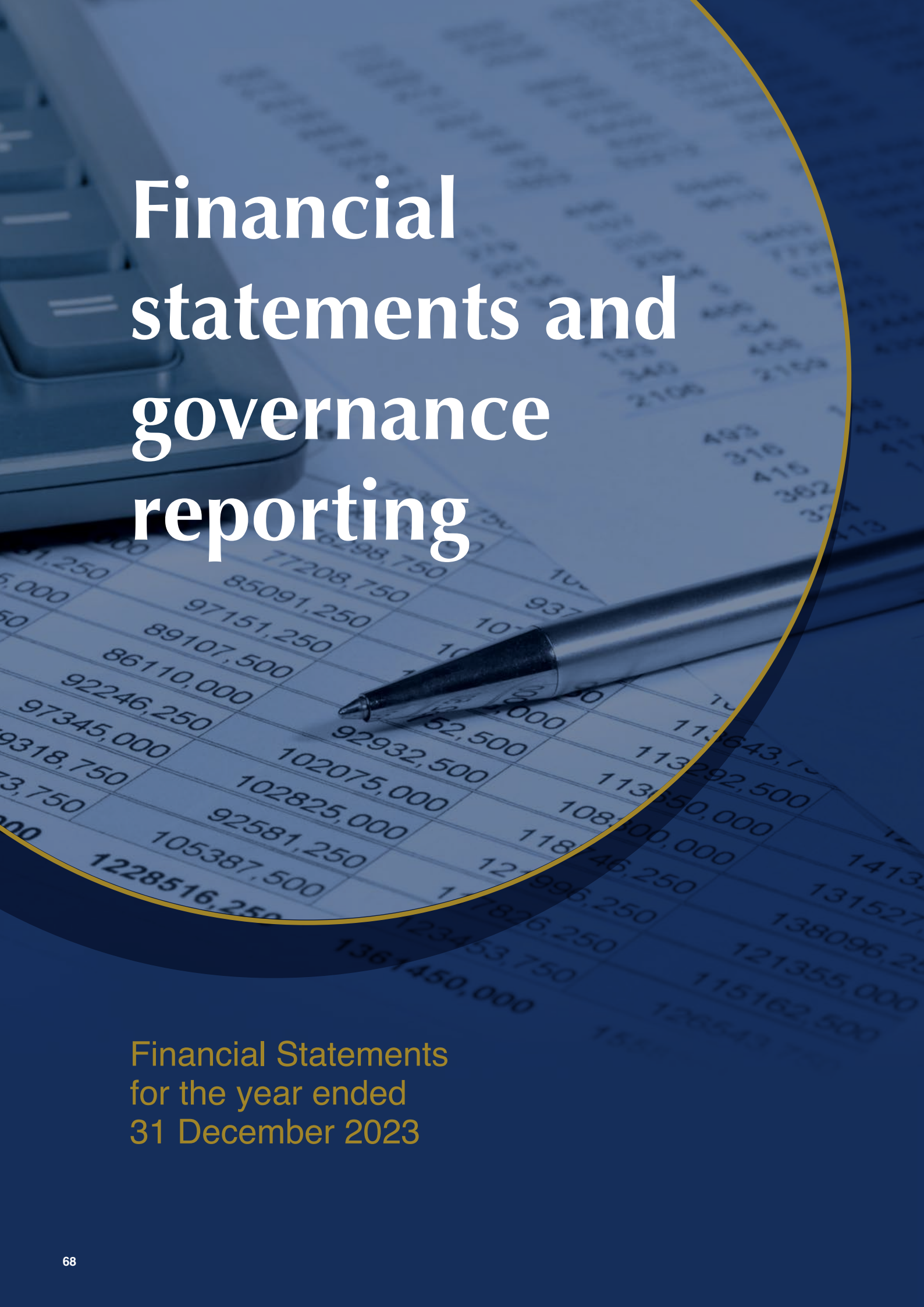
Indications of wrongdoing under company law come to the attention of the CEA through a variety of means, including through complaints received from the public, protected disclosures, statutory reports received from relevant actors, referrals from other regulatory and enforcement agencies, and through the CEA's own analyses.

In that context, the CEA's investigative and enforcement work ensures individual accountability through, for example:

- securing voluntary compliance, accompanied by appropriate evidence of rectification having been effected,
- requiring compliance, through the use of statutory powers of direction,
- requiring compliance, through seeking court Orders to that effect,
- initiating summary prosecutions before the District Court, i.e., in the case of less serious suspected wrongdoing, and
- in the case of more serious suspected wrongdoing, referring matters to the DPP for consideration as to whether charges should be directed on indictment.

Individual accountability can result in civil sanctions being imposed by the courts and in persons being convicted of criminal offences.

The case studies detailed in this report provide examples of the nature of the CEA's enforcement activities and the broad range of issues dealt with, which range from failure to comply with administrative aspects of company law through to major criminal investigations and Superior Court litigation.



# Financial statements and governance reporting

Financial Statements  
for the year ended  
31 December 2023

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## General Information

**For the period ended 31 December 2023**

### **Authority Members**

Ian Drennan

### **Address**

16 Parnell Square East  
Dublin 1  
D01 W5C2

### **Bankers**

Danske Bank  
International House  
3 Harbourmaster Place  
IFSC  
Dublin 1  
D01 K8F1

### **Auditor**

Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1  
D01 PF72

## Governance Statement and Authority Report

### Statutory basis

Provision for the establishment of the Corporate Enforcement Authority (**CEA**) was set out in the Companies (Corporate Enforcement Authority) Act 2021, which amended the Companies Act 2014 (**the 2014 Act**). The CEA was established on 7 July 2022, through the enactment of the Companies Act 2014 (Corporate Enforcement Authority) (Establishment Day) Order 2022<sup>1</sup>.

### Statutory functions

As provided for by section 944D(1) of the 2014 Act, the CEA's functions include:

- encouraging compliance with company law,
- investigating instances of suspected breaches of company law,
- taking enforcement action in response to identified breaches of company law, including through the prosecution of offences by way of summary proceedings and through the referral of matters to the Director of Public Prosecutions for consideration as to whether charges should be directed on indictment,
- exercising a supervisory role over liquidators, and
- operating a regime of restriction and disqualification undertakings in respect of directors of insolvent companies.

The CEA is also conferred with statutory functions in respect of certain investment vehicles under the Irish Collective Asset-management Vehicles Act 2015. In addition, the CEA is the competent authority for the purpose of imposing sanctions on company directors under the Companies (Statutory Audits) Act 2018 (which, similarly, amends the 2014 Act).

### Governance – structure and responsibilities

#### *The Authority*

As provided for by section 944F of the 2014 Act, the CEA is governed by an Authority (**the Authority**), which shall comprise of so many Members (not being more than three) as the Minister for Enterprise, Trade & Employment (**the Minister**) determines. The Authority currently comprises one full-time Member (**the Sole Appointed Member**), who also acts as the CEA's Chief Executive Officer (**CEO**).

Strategy is set, and budgets are approved, by the Authority. The Authority is responsible for the safeguarding of the CEA's assets and, hence, for taking reasonable steps for the prevention of fraud and other irregularities.

#### *Audit & Risk Committee (ARC)*

The establishment of a new State Agency is a substantial undertaking, requiring the commitment of significant human resources. In that context, following a request for expressions of interest published on 9 June 2023, the CEA established an ARC. The ARC met for the first time on 27 November 2023 and met again on 14 December 2023. The role of the ARC is to support the Authority in relation to its responsibilities in respect of internal control, financial reporting, governance, and risk management. In particular, the ARC provides assurance that the internal control systems, including internal audit activities, are subject to independent oversight.

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<sup>1</sup> S.I. 337 of 2022.

The ARC comprises four members, three of whom are independent of the CEA. The members of the ARC are:

- Mr. Dónall Curtin (Chairperson),
- Ms. Sharon Sterritt, Director of Governance & Support Operations (position currently being covered by Ms. Sinéad O'Brien),
- Mr. Paul Kerrigan, and
- Ms. Daneve Harris.

The ARC will report to the Authority formally in writing at least once a year. The ARC, having met for the first time on 27 November 2023, did not issue such report in the period under review.

### *Senior Management*

The CEA's senior management comprises those officers at Director level. Currently, the CEA's senior management comprises:

- Director of Civil Enforcement,
- Director of Criminal Enforcement,
- Director of Digital Investigations & Analytics,
- Director of Finance & ICT,
- Director of Governance & Support Operations,
- Director of Insolvency Supervision,
- Director of Legal, and
- Director of Legal & Policy.

Under the CEO's direction and supervision, Directors' responsibilities include:

- executing strategy,
- ensuring the effective discharge of the CEA's functions,
- promoting a culture of professionalism, integrity, and independence,
- managing risk, including financial, litigation, and reputational risk,
- managing their budget allocations,
- operating financial and other controls, including controls designed to detect and prevent fraud and other irregularities and to safeguard the CEA's assets, and
- as a publicly funded agency, delivering value for money.

**Staffing arrangements**

In accordance with the provisions of section 944K(6) of the 2014 Act, CEA officers (other than members of An Garda Síochána seconded to the CEA pursuant to section 944M of the 2014 Act), are civil servants. In addition to being CEA officers, seconded members of AGS remain under the general control and direction of the Commissioner and retain all of powers vested in them as sworn members of AGS.

**Statutory independence**

As an enforcement agency, and in accordance with the provisions of section 944D(4) of the 2014 Act, the CEA is statutorily independent in the performance of its functions.

**Confidentiality**

In accordance with the provisions of section 944P of the 2014 Act, all CEA officers are subject to a statutory duty of confidentiality.

**Accounts and related obligations**

Section 944X(2) of the 2014 Act requires that the Authority shall keep, in such form as may be approved by the Minister with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform (**D/PENDPR**), all proper and usual accounts of money received and expended by the CEA.

In preparing its financial statements, the Authority is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CEA will continue in operation, and
- state whether applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the CEA's financial position and which enable the Authority to ensure that the financial statements comply with section 944X of the Companies Act 2014.

As detailed in the financial statements, the Authority considers that the financial statements of the CEA for the year ended 31 December 2023 give a true and fair view of the financial performance of the organisation, and of its financial position as at 31 December 2023.

**Statutory and other accountability mechanisms**

In accordance with its statutory accountability obligations as provided for by the 2014 Act, the Authority is required to:

- prepare, and submit to the Minister every three years, a Statement of Strategy. The Minister is, in turn, required to lay each Statement of Strategy before the Houses of the Oireachtas,

- prepare an Annual Report in respect of each financial year and to submit same to the Minister. The Minister is, in turn, required to lay each Annual Report before the Oireachtas,
- publish each Annual Report on its website, once the Report has been laid before the Oireachtas by the Minister,
- prepare annual financial statements and submit same to the Comptroller & Auditor General (**C&AG**) for audit. The Minister is, following completion of the audit, required to lay the audited financial statements, together with the C&AG's audit opinion thereon, before the Houses of the Oireachtas,
- the Sole Appointed Member of the Authority shall, whenever required to do so by Dáil Éireann's Committee of Public Accounts, give evidence to that Committee on matters coming within the Committee's terms of reference, and
- the Sole Appointed Member of the Authority is, when requested, required to attend before other Committees of the Houses of the Oireachtas on matters relating to the general administration of the CEA.

In addition, as a public body engaging in law enforcement activities, the CEA is also accountable to the Courts.

### **Compliance with the Code of Practice for the Governance of State Bodies (the Code) – required disclosures**

As a State agency, the CEA is subject to the Code. The following disclosures are required by the Code. It should be noted that prior period comparatives relate to the period from establishment, i.e., 7 July 2022 to 31 December 2022 (6 months).

#### *Employee short-term benefits breakdown*

An analysis of total employee remuneration, based on pay points as at 31 December 2023 for those earning over €60,000 per annum, is set out in note 2 to the financial statements.

#### *Travel and subsistence expenditure*

An analysis of travel and subsistence expenditure is set out in note 3 to the financial statements.

#### *Legal costs, settlements, professional and consultancy services*

An analysis of legal costs, settlements, and professional and consultancy services is set out in note 4 to the financial statements.

#### *Hospitality expenditure*

Hospitality expenditure incurred during the period is set out in note 5 to the financial statements.

### **Other public body compliance obligations**

#### *Climate action*

In line with the Climate Action Mandate and Government policy, the Authority is committed to ensuring that carbon emissions that arise as a result of its activities are kept to a minimum and to implementing energy efficient and environmentally friendly practices. The Authority has appointed a Climate and Sustainability Champion and an Energy Performance Officer and is working towards adopting a roadmap to achieve the required targets. In furtherance of implementing sustainable practices, two out of the Authority's three owned vehicles are

electric vehicles. Some CEA staff avail of blended working arrangements thereby reducing their weekly commute and decreasing emissions.

The Authority participates in the SEAI Public Sector Energy Performance Monitoring and Reporting System to monitor and report on energy usage within its premise. The Authority is the lead tenant and shares a protected structure with other public sector bodies. Energy usage for the full building, of which the CEA occupies three out of five floors, is set out here:

| Month        | 2023<br>Electricity<br>Kwh | 2023<br>Gas Kwh | Month        | 2022<br>Electricity<br>Kwh | 2022<br>Gas Kwh |
|--------------|----------------------------|-----------------|--------------|----------------------------|-----------------|
| January      | 37,260                     | 37,487          |              |                            |                 |
| February     | 31,957                     | 31,545          |              |                            |                 |
| March        | 36,618                     | 36,884          |              |                            |                 |
| April        | 30,438                     | 15,165          |              |                            |                 |
| May          | 31,974                     | 2,599           |              |                            |                 |
| June         | 36,478                     |                 |              |                            |                 |
| July         | 36,496                     | 5               | July         | 39,349                     | 3,825           |
| August       | 36,558                     |                 | August       | 39,239                     | 1               |
| September    | 34,635                     |                 | September    | 35,679                     | 5,553           |
| October      | 34,140                     | 10,925          | October      | 33,051                     | 9,095           |
| November     | 35,015                     | 29,256          | November     | 34,894                     | 15,361          |
| December     | 33,806                     | 32,352          | December     | 35,645                     | 34,272          |
| <b>Total</b> | <b>415,375</b>             | <b>196,218</b>  | <b>Total</b> | <b>217,857</b>             | <b>68,107</b>   |

#### *Human rights and equality*

The Authority is a body established under the Companies Acts and, both in the performance of its functions and engagement with the public and its staff, the Authority is committed to having regard to the need to eliminate discrimination, promote equality of opportunity and to protecting human rights.

The Authority is an equal opportunities employer which recruits under licence from the Commission for Public Service Appointment (CPSA) and in line with the CPSA's guidance, including the principle of appointments promoting equality, diversity and inclusion. The Authority strives to meet its obligations under the Disability Act 2005 (including having an appointed Disability Liaison Officer and an Access Officer), the Employment Equality Acts, and the Equal Status Acts.

### *Freedom of Information*

The Authority received twenty three Freedom of Information (FOI) requests during the period July 2022 to December 2023. Of the twenty three requests:

- 2 requests were granted,
- 6 requests were part-granted,
- 12 requests were refused,
- 1 request was withdrawn, and
- 2 requests were withdrawn or handled outside FOI.

### *Protected disclosures*

The Authority complies with the Protected Disclosures Act 2014 both as a Prescribed Body and in relation to its workers. Details of how to make a disclosure are published on its website and internally to workers. The Authority's section 22 reports are available on its website.

### *Customer service and access*

High standards are important to the CEA in delivering service to its customers in a proper, fair, open and impartial manner. The CEA's Customer Charter 2022 – 2024 sets out its commitment in that regard and a mechanism for complaints to be made.

### *Official Languages Acts*

The Authority is committed to engaging through the Irish language with members of the public who request to do so. The Authority publishes its annual report and its audited accounts and financial statements in Irish. In line with section 10A of the Official Languages Act 2003, as amended, the Authority intends to increase its spending on advertising through the Irish language.

## **Statement of compliance with the Code**

The CEA has adopted the Code, as published by the D/PENDPR in August 2016. The CEA was in compliance with the Code, including adherence to the Public Spending Code, during the period.

### **Ian Drennan**

Chief Executive Officer  
& Sole Appointed Member of the Authority  
25 April 2024

## Statement on Internal Control

### Scope of Responsibility

I acknowledge my responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016) (**the Code**).

### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable, and not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material error or other irregularities are either prevented or would be detected on a timely basis.

### Risk and Control Environment & Framework

The CEA has established and implemented a risk management system during 2023 which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

Risk is a standing item at senior management meetings.

A risk register is in place which identifies the key risks facing the CEA and these have been identified, evaluated, and rated according to their significance. The risk register further details the controls and actions needed to mitigate risks and the responsibility for operation of controls assigned to specific staff. The risk register is regularly reviewed, updated, and presented to the senior management team.

Directors are expected to alert the Chief Executive Officer to emerging risks, control weaknesses and control failures, and to assume responsibility for risks and controls within their own areas of responsibility.

The following are among the steps that have been taken to ensure an appropriate control environment:

- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts,
- procedures are in place, which incorporate appropriate segregation of duties, regarding the authority to incur expenditure and to approve the making of payments, as well as to ensure compliance with associated legal, regulatory, and governance obligations,
- directors are expected to exercise their professional judgement in determining when matters should be escalated to the Chief Executive Officer,
- the CEA engaged a professional services firm to provide a discrete exercise to review internal controls in respect of the period ended 31 December 2023. A tender competition for the provision of internal audit services was published to Office of Government Procurement framework members on 15 September 2023, following which the CEA engaged a firm of registered auditors to provide an outsourced internal audit function.

## Ongoing Monitoring, Review, and Reporting

The system of Internal Control is based on internal management of information, administrative procedures, and a system of delegation and accountability. In particular, this involves:

- regular Senior Management Team meetings,
- regular review by the Chief Executive Officer (**CEO**) and Senior Management Team of financial, procurement, and risk information, and
- reporting to the Audit and Risk Committee (**ARC**).

Mechanisms have been established for ensuring the adequacy of the security of the CEA's information and communication technology systems (in collaboration with the IT Unit of the Department of Enterprise, Trade and Employment (**the Department**)).

## Procurement

The CEA has procedures in place to ensure compliance with current procurement rules and guidelines issued by the Office of Government Procurement (**OGP**).

The CEA complied with the guidelines, with the exception of two contracts (in excess of €25,000) totaling €134,039 as set out below.

- A contract entered into by the predecessor organisation for the provision of cleaning services expired in March 2022 and an implied contract based on the same terms continued thereafter. The CEA commenced a procurement process by way of a request for tender (RFT) for these services, which was later cancelled at the post-evaluation stage. In the period under review the value of the non-compliant procurement excluding VAT in respect of cleaning services was €44,108 (2022 €21,447). Arising out of considerations relating to the cancelled procurement, together with legal advice, a revised RFT issued, and tenders were evaluated in December 2023. The successful tenderer was notified in December 2023.
- A contract entered into by the predecessor organisation for the provision of security services expired in May 2023 and, by agreement, this contract continued thereafter on the same contractual terms. In the period under review the value of the non-compliant procurement in respect of the security services excluding VAT was €89,931. A request for tender utilising an OGP Government Framework is in preparation.

## Internal Control Issues

The system of internal control, which accords with guidance issued by the D/PENPR, has been in place within the CEA for the year ended 31 December 2023 and up to the date of approval of the financial statements, except for certain internal control issues identified during an internal audit review of controls performed in March 2023.

The issues identified - which have now largely been addressed by management following that review, and which were reflective of the CEA's relatively recent establishment, the scale of the undertaking involved in establishing a new State Agency, and transitional reliance on legacy processes and controls – included:

- the CEA has now finalised and issued its own procurement policy, has added procurement as a standing Senior Management Team meeting agenda item, and has implemented both

a formal process to monitor aggregate spending and is in the process of developing a rolling annual procurement plan,

- a comprehensive risk register is now in place and the CEA has completed a fraud assessment in respect of hybrid working,
- the CEA has completed a register of delegations and has completed and issued a financial delegation charter,
- the CEA continues to develop and approve the remainder of its own internal financial policies and procedures on an incremental basis having assumed responsibility for its own payment processes in 2024,
- the CEA has finalised internal and external Protected Disclosure policies,
- the CEA continues to progress the development of its own standalone policies and process documentation in relation to Governance, HR, ICT & Strategy, together with the performance evaluation process.

A further evaluation of the control environment was undertaken in March 2024, which indicated that *'reasonable assurance can be placed on the adequacy and operating effectiveness of internal financial controls to mitigate and/or manage risks to which the audit area may be exposed.'*

Reasonable assurance is described as *'[t]here is a good framework of control in place and the majority of controls are being consistently applied to ensure risks are effectively managed. Some control weaknesses or gaps were identified however this should not significantly impact on the achievement of objectives.'*

There were no major control weaknesses identified, with three medium risks (again reflective of the CEA's relative maturity) identified as follows:

- whilst the CEA introduced its own financial control and delegation policy and has significantly advanced the development of its procurement policy, management is engaged in finalising a complete suite of financial and procurement policies and operating procedures on foot of the very recent (1st January 2024) migration in-house of supplier payments,
- the CEA continues to develop its Human Resource function with a view to further standardising the interface as between the CEA, the Department and in turn with NSSO, and
- the CEA will continue to leverage the work completed to date on its risk register and will finalise the development of its risk policy.

### **Fraud and Irregularities**

There are no matters of fraud or irregularities to report for 2023.

### **Principal legal requirements**

The Authority has identified and taken the necessary steps to ensure it complies with its legal obligations.

## **GDPR**

The Authority has appointed a Data Protection Officer who works with the CEO and Directors to oversee the CEA's ongoing obligations under GDPR.

## **Protected disclosures**

The Authority complies with the Protected Disclosures Act 2014, and details on how to make such disclosures are available on its website.

## **Review of Effectiveness**

I confirm that the CEA has procedures in place to monitor the effectiveness of its risk management and control procedures. The CEA's monitoring and review of the effectiveness of the system of internal control is informed, *inter alia*, by the work of the internal and external auditors, the ARC which oversees their work, and the senior management within the CEA responsible for the development and operation of the internal control framework.

I confirm that the CEA conducted a review of the effectiveness of the internal controls for the period to 31st December 2023 in March 2024.

## **Ian Drennan**

Chief Executive Officer  
& Sole Appointed Member of the Authority  
25 April 2024



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Corporate Enforcement Authority

#### Opinion on the financial statements

I have audited the financial statements of the Corporate Enforcement Authority for the year ended 31 December 2023 as required under the provisions of section 944X of the Companies Act 2014. The financial statements were prepared by the Corporate Enforcement Authority and comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of changes in reserves and capital account
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Corporate Enforcement Authority as at 31 December 2023 and of its income and expenditure for the year ended 31 December 2023 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Corporate Enforcement Authority, and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

The Corporate Enforcement Authority has presented certain other information together with the financial statements. This comprises the governance statement, the annual report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Leonard McKeown**  
For and on behalf of the  
Comptroller and Auditor General

26 April 2024

## Appendix to the report

### Responsibilities of the Corporate Enforcement Authority

The governance statement sets out the responsibilities of the Authority for

- the preparation of the financial statements in the form prescribed under section 944X of the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 944X of the Companies Act 2014 to audit the financial statements of the Corporate Enforcement Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

## Statement of Income and Expenditure for the year ended 31 December 2023

|                                                          | Note  | 2023              | 2022               |
|----------------------------------------------------------|-------|-------------------|--------------------|
|                                                          |       |                   | (6 months)         |
|                                                          |       | €000              | €000               |
| <b>Income</b>                                            |       |                   |                    |
| Grant Income Vote 32 - Sub-head C7                       |       | 6,745             | 2,655              |
| Other Income                                             |       | 490               | 12                 |
| <b>Total income</b>                                      |       | <u>7,235</u>      | <u>2,667</u>       |
| <b>Administrative expenses</b>                           |       |                   |                    |
| Staff Costs                                              | 2     | 3,709             | 1,531              |
| Travel & Subsistence                                     | 3     | 51                | 21                 |
| Legal, Professional & Consultancy Services               | 4     | 1,214             | 732                |
| Administration Costs                                     | 5     | 1,898             | 421                |
| Auditor's Remuneration                                   | 6     | 10                | 11                 |
| Depreciation                                             | 8 & 9 | 94                | -                  |
| <b>Total administrative expenses</b>                     |       | <u>6,976</u>      | <u>2,716</u>       |
| <b>Surplus / (deficit) for the year</b>                  |       | <u><b>259</b></u> | <u><b>(49)</b></u> |
| <b>Other comprehensive income</b>                        |       | -                 | -                  |
| <b>Total recognised surplus / (deficit) for the year</b> |       | <u><b>259</b></u> | <u><b>(49)</b></u> |

Approved by:

**Ian Drennan**

Chief Executive Officer

& Sole Appointed Member of the Authority

25 April 2024

## Statement of Changes in Reserves and Capital Account for the period ended 31 December 2023

|                                                                               | Income<br>Reserve | Capital<br>Account | Net<br>Assets |
|-------------------------------------------------------------------------------|-------------------|--------------------|---------------|
|                                                                               | €000              | €000               | €000          |
| <b>Balance as at 31 December 2022</b>                                         | <b>(49)</b>       | <b>-</b>           | <b>(49)</b>   |
| Surplus for the year                                                          | 259               | -                  | 259           |
| Assets transferred from the Department of<br>Enterprise, Trade and Employment | -                 | 387                | 387           |
| Transfer from Income & Expenditure Account                                    |                   |                    |               |
| Income applied to capitalised asset acquisitions                              | (44)              | 44                 | -             |
| Amortisation applied in line with asset depreciation                          | 94                | (94)               | -             |
| <b>Balance as at December 2023</b>                                            | <b>260</b>        | <b>337</b>         | <b>597</b>    |

Approved by:

**Ian Drennan**

Chief Executive Officer

& Sole Appointed Member of the Authority

25 April 2024

## Statement of Financial Position as at 31 December 2023

|                                                     | Note | 2023<br>€000      | 2022<br>€000       |
|-----------------------------------------------------|------|-------------------|--------------------|
| <b>Non-current assets</b>                           |      |                   |                    |
| Property, plant & equipment                         | 8    | 271               | -                  |
| Software                                            | 9    | 66                | -                  |
|                                                     |      | <u>337</u>        | <u>-</u>           |
| <b>Current assets</b>                               |      |                   |                    |
| Inventory                                           |      | 8                 | 12                 |
| Prepayments                                         | 10   | 434               | 243                |
| Receivables                                         | 10   | 45                | 22                 |
|                                                     |      | <u>487</u>        | <u>277</u>         |
| <b>Creditors: Amounts falling due within 1 year</b> |      |                   |                    |
| Payables                                            | 11   | 227               | 326                |
|                                                     |      | <u>227</u>        | <u>326</u>         |
| <b>Net current assets / (liabilities)</b>           |      | <b>260</b>        | <b>(49)</b>        |
| <b>Net Assets / (Liabilities)</b>                   |      | <u><b>597</b></u> | <u><b>(49)</b></u> |
| <b>Reserves</b>                                     |      |                   |                    |
| Retained reserve                                    |      | 260               | (49)               |
| Capital account                                     |      | 337               | -                  |
| <b>Total Reserves &amp; Capital Account</b>         |      | <u><b>597</b></u> | <u><b>(49)</b></u> |

Approved by:

**Ian Drennan**  
Chief Executive Officer  
& Sole Appointed Member of the Authority  
25 April 2024

## Statement of Cashflows for the period ended 31 December 2023

|                                                                     | 2023     | 2022       |
|---------------------------------------------------------------------|----------|------------|
|                                                                     |          | (6 months) |
|                                                                     | €000     | €000       |
| Cash (outflow) / inflow from operating activities                   |          |            |
| Surplus / (Deficit) for the year                                    | 259      | (49)       |
| (Decrease) / Increase in Payables                                   | (99)     | 326        |
| (Increase) in receivable                                            | (214)    | (265)      |
| Decrease / (Increase) in inventory                                  | 4        | (12)       |
| Depreciation & Amortisation                                         | 94       | -          |
| Net Cash inflow / (outflow) from operating activities               | 44       | -          |
| Payments to acquire tangible fixed assets                           | (44)     | -          |
| <b>(Decrease) / increase in cash &amp; cash equivalents in year</b> | <b>-</b> | <b>-</b>   |
| <b>Reconciliation of net cash flow to movements in net funds</b>    |          |            |
| Net funds as at 31 December 2022                                    | -        | -          |
| <b>Cash Flow for the year</b>                                       | <b>-</b> | <b>-</b>   |
| Net funds as at 31 December 2023                                    | -        | -          |

Approved by:

**Ian Drennan**  
Chief Executive Officer  
& Sole Appointed Member of the Authority  
25 April 2024

## Notes to the Financial Statements

### For the period ended 31 December 2023

#### 1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the CEA are set out below. They have been applied consistently throughout the year ended 31 December 2023.

##### *General Information*

Provision for the establishment of the Corporate Enforcement Authority (**CEA**) was set out in the Companies (Corporate Enforcement Authority) Act 2021, which amended the Companies Act 2014 (**the 2014 Act**). The CEA was established on 7 July 2022, through the enactment of the Companies Act 2014 (Corporate Enforcement Authority) (Establishment Day) Order 2022<sup>2</sup>.

##### *Basis of Preparation*

The financial statements for the period ended 31 December 2023 have been prepared under the historic cost convention in accordance with applicable legislation and with FRS 102, *The Financial Reporting Standard applicable in the United Kingdom and Ireland* issued by the Financial Reporting Council in the UK for use in Ireland.

The financial statements are in the form approved by the Minister for Enterprise, Trade and Employment with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform under the Companies Act 2014.

In accordance with FRS 102, these Financial Statements comprise the Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves & Capital Account, Statement of Cash Flows, and Notes to the Financial Statements.

The financial statements are prepared in Euro which is the functional currency of the CEA. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the CEA's financial statements.

##### *Going Concern*

The financial position, financial performance and cash flows of the CEA, are detailed in the financial statements. The CEA has a reasonable expectation that the entity has adequate resources to continue in operational existence and to discharge its mandate for the foreseeable future. Therefore, the CEA continues to adopt the going concern basis of accounting in preparing the financial statements.

##### *Income*

The CEA is fully funded by the Exchequer through its parent Department's Vote, i.e., Vote 32 Enterprise, Trade and Employment, subhead C7. Income is recognised in line with expenditure incurred in the performance of the organisation's functions in the financial period. Amounts received in excess of that amount, if applicable, are recognised as a creditor. Income applied for capital purchases, and which results in additions to fixed assets, is capitalised in the Capital Account.

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<sup>2</sup> S.I. 337 of 2022.

*Non Current Assets – depreciation/amortisation*

The CEA has the use of certain fixed assets, the cost of which was incurred by the Department of Enterprise Trade and Employment (**DETE**). Ownership of these assets was transferred free of charge to the CEA in 2023. The Net Book Value of these assets at the date of transfer was €387,295.

Non-current assets are stated in the Statement of Financial Position at cost less accumulated depreciation. Depreciation is charged to the Statement of Income & Expenditure on a straight-line basis, with the charge being calculated over the relevant assets' expected useful lives:

|                            |               |
|----------------------------|---------------|
| Fixtures and Fittings      | 10% per annum |
| Office Equipment           | 20% per annum |
| Motor Vehicles             | 20% per annum |
| Computer and ICT Equipment | 20% per annum |
| Software                   | 20% per annum |

*Inventory*

Stocks on hand at period end represent stocks of information technology consumables and office consumables and are stated at the lower of cost and net realisable value.

*Capital Account*

The Capital Account represents the unamortised value of funding applied for the purchase of fixed assets.

*Operating Leases – Accommodation*

With effect from 1 January 2023, rents due under leases are paid to the lessor by the Office of Public Works (**OPW**) and are recouped by the OPW from the CEA on a quarterly basis by agreement. Rents are charged to the Statement of Income & Expenditure in the year to which they relate. OPW bore the said rental cost in the prior period ended 31st December 2022 pending re-allocation of related exchequer funding.

*Employee Benefits**Short-term Benefits*

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position. Seconded members of An Garda Síochána are employees of the Minister for Justice.

*Pensions*

The employees of the CEA are civil servants and are members of various defined benefit schemes which are administered by the Department of Public Expenditure, National Development Plan Delivery and Reform. Pension liabilities arising from their service with the CEA will be met in the future from funds available to that Department and are, therefore, not recognised as liabilities in the Statement of Financial Position.

Certain staff of the CEA are members of the Single Public Services Pension Scheme (**Single Scheme**), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure, National Development Plan Delivery and Reform.

*Deficit/surplus for the Year*

As detailed in the accounting policies, Exchequer funding is recognised on a cash receipts basis and represents the gross payments made by the DETE on behalf of the CEA, offset in some instances by receipts remitted to the DETE. Other income, similarly, is recognised on a cash receipts basis. Expenditure is recognised on an accruals basis in the financial statements. As a result, the surplus/deficit on the Statement of Comprehensive Income, does not represent a normal operating surplus/deficit. This is largely attributable to the variance between cash-based funding and expenditure accounted for on an accruals basis.

*Receivables*

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts, where applicable, is a specific provision and is established when there is objective evidence that the CEA will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

*Payables*

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

*Key Management*

Key management personnel (Senior Management Group) comprised the Sole Appointed Member of the Authority (CEO) and the eight Directors. Total remuneration, excluding employer's PRSI, paid to key management personnel amounted to €1,044,264 (**2022** €432,854). Please refer to Note 2 for a breakdown of the remuneration and benefits paid to all staff, including the CEO. Payment to the CEO is also set out separately in Note 7.

*Critical Accounting Judgements and Estimates*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

*Impairment of Property, Plant and Equipment*

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2. Staff Costs

Staff costs for the period, including the CEO's remuneration, were as follows:

|                                                  | 2023                    | 2022<br>(6 months)      |
|--------------------------------------------------|-------------------------|-------------------------|
| <u>CEA Staff</u>                                 | €000                    | €000                    |
| Salaries                                         | 3,087                   | 1,335                   |
| Employer's PRSI contribution                     | 284                     | 120                     |
| Holiday Accrual including Employer's PRSI        | 88                      | 76                      |
|                                                  | <u>3,459</u>            | <u>1,531</u>            |
| <br><u>Seconded Members of An Garda Síochána</u> |                         |                         |
| Overtime including Employer's PRSI               | 250                     | -                       |
|                                                  | <u>250</u>              | <u>-</u>                |
| <br><b>Total Staff Costs</b>                     | <br><b><u>3,709</u></b> | <br><b><u>1,531</u></b> |

The average number of employees, including the CEO and excluding seconded members of An Garda Síochána, during the period to 31 December 2023 was 49 (2022 40). The CEA's complement of full-time staff at 31 December 2023 was 55 (2022 39). All CEA employees, including the CEO, are paid in accordance with civil service salary scales. No overtime was paid to CEA staff in 2023 (2022: €1,411).

Seconded members of An Garda Síochána are employees of the Minister for Justice. The average number of Gardaí seconded in during the period of account was 14 (2022 11). Recharged overtime incurred by the CEA in respect of seconded members of An Garda Síochána is set out above. Other pay costs associated with seconded Gardaí are borne by the Department of Justice.

**Employee Short Term Benefits Breakdown**

An analysis of total employee remuneration, based on their pay point as at 31 December for those earning over €60,000 is set out below:

| Salary band (€) | 2023<br>Number of staff | 2022<br>Number of staff |
|-----------------|-------------------------|-------------------------|
| 60,000-69,999   | 5                       | 3                       |
| 70,000-79,999   | 7                       | 6                       |
| 80,000-89,999   | 6                       | 5                       |
| 90,000-99,999   | 4                       | 4                       |
| 100,000-109,999 | 3                       | -                       |
| 110,000-119,999 | 5                       | 4                       |
| 120,000-129,999 | -                       | -                       |
| 130,000-139,999 | -                       | -                       |
| 140,000-149,999 | -                       | -                       |
| 150,000-159,999 | -                       | -                       |
| 160,000-169,999 | -                       | 1                       |
| 170,000-179,999 | 1                       | -                       |
| Total           | 31                      | 23                      |

The short-term benefits in relation to services rendered during the reporting period include salaries as at 31 December but exclude employer's PRSI. No other benefits such as holiday pay have been included.

**3. Travel and Subsistence**

|               | 2023 | 2022<br>(6 months) |
|---------------|------|--------------------|
|               | €000 | €000               |
| National      | 36   | 14                 |
| International | 15   | 7                  |
|               | 51   | 21                 |

#### 4. Legal, Professional and Consultancy Services

|                                                      | 2023         | 2022       |
|------------------------------------------------------|--------------|------------|
|                                                      |              | (6 months) |
|                                                      | €000         | €000       |
| <b>Consultancy &amp; Professional Services Costs</b> |              |            |
| Recruitment Services                                 | 5            | 49         |
| Health & Safety                                      | 3            | 3          |
| Information Technology                               | 23           | -          |
| Public Relations/Marketing                           | -            | 10         |
| Translation                                          | 2            | 4          |
|                                                      | <b>33</b>    | <b>66</b>  |
| <b>Legal costs</b>                                   |              |            |
| INM High Court Inspection                            | 1,073        | 374        |
| Legal costs - other                                  | 108          | 292        |
|                                                      | <b>1,181</b> | <b>666</b> |
| <b>Total</b>                                         | <b>1,214</b> | <b>732</b> |

All consultancy costs are business-as-usual costs.

Legal costs arising from casework are a normal byproduct of the statutory functions of the CEA.

**5. Administration Costs**

|                                            | <b>2023</b>  | <b>2022</b>       |
|--------------------------------------------|--------------|-------------------|
|                                            |              | <i>(6 months)</i> |
|                                            | <b>€000</b>  | <b>€000</b>       |
| Printing & Stationery                      | 8            | 10                |
| Information Technology                     | 409          | 85                |
| Hospitality                                | 3            | 2                 |
| Training                                   | 99           | 57                |
| Telecommunications                         | 33           | 49                |
| Accommodation costs                        | 1,079        | 185               |
| Subscriptions                              | 12           | 2                 |
| Office Expenditure                         | 42           | 4                 |
| Professional Reference Materials           | 34           | 17                |
| Promotional Events, Advertising & Branding | 98           | -                 |
| Legal Support                              | 67           | -                 |
| Audit & Risk Committee                     | 3            | -                 |
| Internal Audit & Risk Management           | 11           | 10                |
|                                            | <b>1,898</b> | <b>421</b>        |

**6. Auditor's Remuneration**

|                               | <b>2023</b> | <b>2022</b>       |
|-------------------------------|-------------|-------------------|
|                               |             | <i>(6 months)</i> |
|                               | <b>€000</b> | <b>€000</b>       |
| Audit of Financial Statements | 10          | 11                |
|                               | <b>10</b>   | <b>11</b>         |

The Office of the Comptroller & Auditor General does not provide non-audit services to the CEA and no services other than statutory audit services were provided by the Comptroller & Auditor General during the year.

## 7. Chief Executive Officer's salary

|              | 2023 | 2022<br>(6 months) |
|--------------|------|--------------------|
|              | €000 | €000               |
| Gross Salary | 169  | 82                 |

The Chief Executive Officer is an established civil servant, and his pension entitlements do not extend beyond the terms of the public service pension scheme. The value of retirement benefits earned does not accrue to the CEA and, as such, is not reflected in these financial statements.

## 8. Non-Current Assets – Property Plant & Equipment

|                             | ICT<br>Equipment | Motor<br>Vehicles | Total |
|-----------------------------|------------------|-------------------|-------|
| <i>Rate of Depreciation</i> | 20.00%           | 20.00%            |       |
|                             | €000             | €000              | €000  |
| <b>Cost</b>                 |                  |                   |       |
| At 1 January 2023           | -                | -                 | -     |
| Additions                   | 146              | 205               | 351   |
| At 31 December 2023         | 146              | 205               | 351   |
| <b>Depreciation</b>         |                  |                   |       |
| At 1 January 2023           | -                | -                 | -     |
| Charge for year             | 39               | 41                | 80    |
| At 31 December 2023         | 39               | 41                | 80    |
| <b>NET BOOK VALUE</b>       |                  |                   |       |
| At 1 January 2023           | -                | -                 | -     |
| At 31 December 2023         | 107              | 164               | 271   |

## 9. Non-Current Assets – Software

|                             | Software | Total |
|-----------------------------|----------|-------|
| <i>Rate of Depreciation</i> | 20.00%   |       |
|                             | €000     | €000  |
| <b>Cost</b>                 |          |       |
| At 1 January 2023           | -        | -     |
| Additions                   | 80       | 80    |
| At 31 December 2023         | 80       | 80    |
| <b>Amortisation</b>         |          |       |
| At 1 January 2023           | -        | -     |
| Charge for year             | 14       | 14    |
| At 31 December 2023         | 14       | 14    |
| <b>NET BOOK VALUE</b>       |          |       |
| At 1 January 2023           | -        | -     |
| At 31 December 2023         | 66       | 66    |

## 10. Receivables

|                              | 2023 | 2022       |
|------------------------------|------|------------|
|                              | €000 | €000       |
|                              |      | (6 months) |
| Prepayments                  | 434  | 243        |
| Recharge accommodation costs | 41   | 18         |
| Other                        | 4    | 4          |
|                              | 479  | 265        |

## 11. Payables

|          | 2023 | 2022       |
|----------|------|------------|
|          | €000 | €000       |
|          |      | (6 months) |
| Accruals | 227  | 319        |
| Other    | -    | 7          |
|          | 227  | 326        |

## 12. Related Party Transactions / Disclosure of Interests

The CEA complies with the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure, National Development Plan Delivery and Reform in relation to the disclosure of interests by the Sole Appointed Member and staff of the CEA. Formal procedures exist to ensure adherence with the requirements of the Code.

## 13. Lease Commitments

The CEA does not own land and buildings. The Authority has commitments in respect of a lease on office accommodation at 16 Parnell Square, Dublin 1. This lease is held by the Office of Public Works (**OPW**) for a period of 25 years which commenced in 2002. The OPW bore the rental cost in the prior period ended 31st December 2022, with re-allocation of related exchequer funding effective from January 2023.

The CEA sets out in the table below its estimated commitments for annual payments to the OPW over the period of the lease held between the OPW and the landlord.

|                                   | <b>2023</b>  |
|-----------------------------------|--------------|
|                                   | <b>€000</b>  |
| Payable within one year           | 725          |
| Payable between two to five years | 1,631        |
|                                   | <u>2,356</u> |

Operating lease expense recognised in 2023 was €725,012 (2022: Nil).

## 14. Events after the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.



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#### Disclaimer

Whilst every effort has been made to ensure the accuracy of the information contained in this document, Corporate Enforcement Authority accepts no responsibility or liability howsoever arising from any errors, inaccuracies, or omissions occurring. The Corporate Enforcement Authority reserves the right to take action, or refrain from taking action, which may or may not be in accordance with this document.

**Corporate Enforcement Authority**

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Tá leagan Gaeilge den tuarascáil seo ar fáil

**An Irish version of this report is available**



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