

Office of the Ombudsman for Children

**Financial Statements for the period ended
31st December 2004**

Office of the Ombudsman for Children

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Office of the Ombudsman for Children

GENERAL INFORMATION

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Dublin 2

Head Office as of 13th June 2005 Millennium House
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Dublin 1

Telephone Number: 01 865 6800
1890 654 654

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Auditors: Comptroller & Auditor General
Dublin Castle
Dublin 2

Ombudsman for Children

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements on pages 8 to 14 under Section 17 of the Ombudsman for Children Act, 2002.

Respective Responsibilities of the Ombudsman for Children and the Comptroller and Auditor General

The Ombudsman for Children is responsible under Section 17 of the Ombudsman for Children Act, 2002 for the preparation of the financial statements. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me and to report on them.

I review whether the statement on the system of internal financial control on pages 6 and 7 reflects the Ombudsman's compliance with applicable guidance on corporate governance and report any material instance where the Ombudsman does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements.

Basis of Audit Opinion

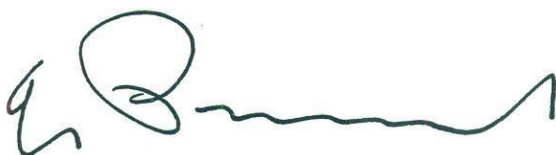
In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with auditing standards issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Ombudsman for Children, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, proper books of account and records have been kept by the Ombudsman for Children, and the financial statements, which are in agreement with them, give a true and fair view of the state of affairs of the Ombudsman for Children at 31 December 2004 and of her income and expenditure for the year then ended.



John Purcell

Comptroller and Auditor General

5 December 2006

Statement of Responsibility of the Office of the Ombudsman for Children

The Ombudsman for Children is required by Section 17 (1)(2) of the Ombudsman for children Act 2002 to prepare financial statements for each financial year of all proper and usual accounts of moneys received or expended by her in the performance of her functions under the Ombudsman for children Act 2002.

The office of the Ombudsman for Children was established on April 25th 2004. In this, its first year of development, from April 25th 2004 to December 31st 2004 the Department of Health and Children provided an agency payment service.

We sought to enhance the office financial knowledge by supporting the office manager in training on procurement and tendering procedures.

In preparing these statements, the office is required to:

- select appropriate accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements for the office of the Ombudsman for Children;
- disclose and explain if there are any material departures from applicable accounting standards.

The Ombudsman for Children is responsible for ensuring that proper accounting records are kept by the office of the Ombudsman for Children with records that disclose with reasonable accuracy at all times its financial position and to ensure that the financial statements comply with the Ombudsman for Children Act 2002 and with the accounting standards approved by the Minister (section 17).

The Ombudsman for Children is also responsible for safeguarding the offices assets and to take appropriate steps for the prevention and detection of fraud and other irregularities, and also for ensuring compliance with the Prompt Payments of Accounts Act, 1997.

Ms. Emily Logan
Ombudsman for Children

Ms. Siobhain Phelan
Office Manager

Ombudsman's statement on Internal Financial Controls

Responsibility for system of Internal Financial Control

On behalf of the office of the Ombudsman for Children, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material error or other irregularities are either prevented or would be detected on a timely basis.

The Ombudsman for Children and the office manager hold responsibility for the office's system of internal financial control. Two staff were seconded from the Department of Health from July 2004 and a further two in November 2004. This essentially meant that the office is new and developing with only a small staff. Therefore the function was retained for this accounting period by the Ombudsman for Children and the office manager.

Control Environment

The following steps have been taken to ensure an appropriate control environment:

- decisions on expenditure rest with the Ombudsman and the office manager;
- management responsibilities are clearly assigned and communicated between the Ombudsman and the office manager;
- internal reporting relationships are clearly assigned;
- the Department of Health and Children provided an agency payment service for the Ombudsman for children's office during the accounting period.

Risk Assessment

The Ombudsman intends to establish processes to identify and evaluate financial risks by:

- identifying the nature and extent of financial risks facing the office;
- assessing the potential of identified risks occurring;
- evaluating and assessing the internal capacity of the office to manage and mitigate the risks that do occur.

Control Mechanism

The system of internal financial control is based on internal management of information, administrative procedures and a system of delegation and accountability. In particular

- regular review by the Ombudsman and office manager of financial information provided by the Department of Health & Children;
- regular team meetings.

Mechanisms have been established for ensuring the adequacy of the security of the Office's information (internally within the office of the Ombudsman for Children) and communication technology systems (in collaboration with the IT section of the Department of Health and Children).

The provision of financial services to the office will continue to be under review in 2005 - 2006. Included in this process will be the introduction of procedures to formally identify business risks to the office and an evaluation of their financial implications.

Signed _____
Ms. Emily Logan
Ombudsman for Children

Date _____

Statement of Accounting Policies

General

These accounts have been prepared in accordance with Section 17 (1)(2) of the Ombudsman for children Act 2002 which requires the Ombudsman for Children to prepare financial statements for each financial year of all proper and usual accounts of moneys received or expended by her in the performance of her functions under the Ombudsman for children Act 2002.

Period of Financial Statements

The financial statements cover the period 25th April 2004 to 31st December 2004.

Basis of Preparation

In accordance with section 17 (1) of the Ombudsman for Children Act 2002:

' the Ombudsman for Children shall keep in such form as may be approved of by the Minister, with the consent of the Minister for Finance, all proper and usual accounts of moneys received or expended by her in the performance of her functions under this Act, including an income and expenditure account and a balance sheet, and, in particular, shall keep such accounts as the Minister may from time to time direct.'

Therefore the financial statements are prepared on an accruals basis of accounting and in accordance with generally accepted accounting principles under the historical cost convention. The financial statements are in the form approved by the Minister for Health and Children with concurrence of the Minister for Finance.

Period of Account

The Financial Statements relate to the establishment of the Office of the Ombudsman for Children on April 25th 2004 to end of year 31 December 2004.

Oireachtas Grants

Grant-in-aid from the Department of Health and Children is shown on a cash receipts basis.

Throughout the accounting period pay and expenses were directly administered by the Department of Health and Children. This expenditure is included in the income and expenditure account.

Superannuation

Ombudsman for Children – Superannuation Scheme.

The Department of Health and Children has furnished the Ombudsman for Children with a proposed scheme, approved by the Department of Finance in accordance with section 5.(1) of the Ombudsman for Children's Act, 2002 and the new model scheme for the public service. This proposal has been considered by the Ombudsman for Children and is under negotiation.

Three members of staff were seconded from the Department of Health and Children by year end of 2004. Pension contributions for staff that are seconded civil servants are refunded to the Department of Health and Children.

By direction of the Minister for Health and Children, no provision has been made in respect of accrued benefits payable under the superannuation scheme as the liability is underwritten by the Minister for Health and Children.

Tangible fixed assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Furniture and telephony equipment:	10% depreciation
Office and computer equipment:	20% depreciation

Office of the Ombudsman for Children

Income and Expenditure Account for the period from 25th April to 31st December 2004

	Notes	Period Ended 2004 €
Income		
Grant Income	1	276,252
Transferred to Capitalisation Account to fund Fixed Assets	8	(44,713)
Total Income		<u>231,539</u>
Expenditure		
Staff Costs	2	136,105
Accommodation Expenses	3	363
Office Administration Expenses	4	70,274
Seminars and Events	5	<u>35,126</u>
Gross Expenditure		241,868
Depreciation	6	7,368
Amortisation of Capital Grant	8	(7,368)
Total Expenditure for the period		<u>241,868</u>
Deficit for the period		(10,329)
Surplus / (Deficit) at beginning of the period		0
Deficit at the end of the period		<u>(10,329)</u>

All recognised gains and losses for the period ended 31st December 2004 have been included in the Income and Expenditure Account.

The Statement of Accounting Policies on Pages 8 and 9 and the notes on Pages 13 to 15 form part of these financial statements.

On behalf of the Ombudsman for Children

Ms. Emily Logan

Ombudsman for Children

Date: _____

OFFICE OF THE OMBUDSMAN FOR CHILDREN

Balance Sheet as at 31st December 2004

	Notes	2004 €
<u>Fixed Assets</u>		
Tangible Assets	6	37,345
<u>Current Assets</u>		
Debtors and prepayments		0
Cash on hand and Bank Balances		170
		<u>170</u>
<u>Current Liabilities</u>		
Amounts falling due within one year		
Creditors and Accruals	7	(10,499)
Net Current Assets / (Liabilities)		<u>(10,329)</u>
Total Assets less Current Liabilities		<u><u>27,016</u></u>
<u>Capital and Reserves</u>		
Non-Capital Income and Expenditure Account (Deficit) / Surplus		(10,329)
Capitalisation Account	8	37,345
		<u><u>27,016</u></u>

The Statement of Accounting Policies on Pages 8 and 9 and the notes on Pages 13 to 15 form part of these financial statements

On behalf of the Ombudsman for Children:

Ms. Emily Logan

Ombudsman for Children

Date: _____

OFFICE OF THE OMBUDSMAN FOR CHILDREN

Cash Flow Statement for the period ending 31st December 2004.

	Notes	2004 €
<i>Reconciliation of deficit to net cash inflow from operating activities</i>		
Deficit for the period		(10,329)
<u>Add back</u>		
Transfer to Capitalisation Account to Fund the purchase of Fixed Assets		44,713
Depreciation Charge		7,368
Amortisation of Capital Grant		(7,368)
Increase in Creditors		10,499
Net Cash Inflow from Operating Activities		<u>44,883</u>
<u>Cash Flow Statement</u>		
Net Cash Flow from Operating Activities		44,883
<i>Return on Investments and Servicing of Finance</i>		0
Capital Expenditure	6	<u>(44,713)</u>
		170
Management of Liquid Resources		0
Financing		0
Increase in Cash		<u>170</u>
<i>Reconciliation of Net Cash Flows to Movement in Net Funds</i>		
Increase in Cash in the period		170
Cash Inflow / (Outflow) from increase / (decrease) in debt financing		<u>0</u>
Changes in Net Funds resulting from cash flow		170
Net Funds at beginning of the period		0
Net Funds at the end of the period		<u>170</u>

Office of the Ombudsman for Children

Note to Financial Statements for Period Ended 31st December 2004

1. Grant Income

2004

€

Department of Health and Children Grant-in-Aid

276,252

2. **Staff Costs and Employee Information**

2004

€

Staff Payroll Costs

Wages and Salaries

128,094

Social Insurance Costs

0

128,094

Staff Related Expenses

Travel and Subsistence

8,011

Recruitment Costs

0

0

Total Staff Costs

136,105

Employee Numbers

The average number of employees during the period was made up as follows:

Ombudsman

1

Administration Staff

4

Total

5

3. **Accommodation Expenses**

2004

€

Office Premises costs

0

Maintenance and Refurbishment Expenses

363

363

4. **Office Administration Expenses**

2004

€

Postal & Telephone Costs

4,236

Office Supplies and Machinery

2,442

Advertising

29,129

Consultancy

20,704

Other Miscellaneous Expenditure

13,763

70,274

**Office of the Ombudsman for Children
Note to Financial Statements (continued)**

5. Seminars and Publications

	2004
	€
Promotions	10,000
Design & Print	11,734
OCO Projects	<u>13,392</u>
	<u>35,126</u>

6 Tangible Fixed Assets

	Computer & ICT Equipment	Office Equipment	Furniture & Fittings	Total
	€	€	€	€
Cost				
At 25th April 2004	0	0	0	0
Additions from Capital for this period	0	0	0	0
Additions from Non-Capital for this period	22,708	19,279	2,726	44,713
Disposals at Gross Book Value				
At 31st December 2004	<u>22,708</u>	<u>19,279</u>	<u>2,726</u>	<u>44,713</u>
Accumulated Depreciation				
At 25th April 2004	0	0	0	0
Depreciation Charge for this period	4,475	2,620	273	7,368
Disposals - Accumulated Depreciation				
At 31st December 2004	<u>18,233</u>	<u>16,659</u>	<u>2,453</u>	<u>37,345</u>
Net Book Value				
At 31st December 2004	<u>18,233</u>	<u>16,659</u>	<u>2,453</u>	<u>37,345</u>
At 25th April 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

7. Creditors and Accruals

	2004
	€
Amounts falling due within one year:	
Accrued Expenses	534
Pay	<u>9,965</u>
Non-Pay	<u>10,499</u>

8. Capitalisation Account

	2004
	€
Balance at 25th April 2004	0
Additions	
Transfer to / (from) Non-Capital Income and Expenditure Account	44,713
Less -	
Disposals	0
Amount amortised in line with asset depreciation for the period	<u>(7,368)</u>
Balance at 31st December 2004	<u>37,345</u>

Office of the Ombudsman for Children

Notes to Financial Statements (continued)

9. Financial Commitments

Annual commitments in respect of operating leases on rental of Millennium House, 52-56 Great Strand Street, Dublin 1.

Commitments under Operating Leases to pay rentals for the next year were negotiated by the Office of Public Works on behalf of the Ombudsman for Children's Office.

A 20 year lease with rent commencing at €265,675 per annum was agreed. There is a 12 month rent free period from the 1st July 2005. However a rental deposit for the period 4th April 2005 to 30th June 2005 of €64,053.15 will be paid to the landlord. Other operating costs that will be incurred under the operating lease;

- Contribution to the insurance costs on the building will be €1,607.69 for 2005.
- Service charges have been estimated at €14,509.36 per quarter for 2005.
- Following the creation of the lease the VAT liability was calculated at €393,901.67, which will be paid by the Commissioners of Public Works.

10. Capital and Other Commitments

- a) There were no capital commitments at 31st December 2004

11. Related Party Transactions / Disclosure of Interests

The Office of the Ombudsman complies with the Code of Practice for the Governance of State Bodies issued by the Department of Finance in relation to the disclosure of interests by the Ombudsman and members/staff of the Office. Formal procedures exist to ensure adherence with the requirements of the Code.

12. Approval of Financial Statements

The Financial Statements were approved by the Ombudsman for Children on