



**ombudsman**  
for children • do leanaí



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## **OMBUDSMAN FOR CHILDREN'S OFFICE**

### **FINANCIAL STATEMENTS**

for the year ended 31 December 2012

**Ombudsman for Children's Office** • Millennium House • 52-56 Great Strand Street • Dublin 1  
Tel: (01) 865 6800 • Complaint Line: 1800 20 20 40 • Email: [oco@oco.ie](mailto:oco@oco.ie) • Web: [www.oco.ie](http://www.oco.ie)

**Oifig an Ombudsman do Leanaí** • Teach na Milaoise • 52-56 Sráid na Trá Mhór • Baile Átha Cliath 1  
Guthán: (01) 865 6800 • Líne Ghearáin: 1800 20 20 40 • Ríomhphost: [oco@oco.ie](mailto:oco@oco.ie) • Gréasán: [www.oco.ie](http://www.oco.ie)

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Financial statements For the year ended 31 December 2012

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# **OMBUDSMAN FOR CHILDREN'S OFFICE**

## **General Information For the year ended 31 December 2012**

### **Ombudsman for Children**

Ms. Emily Logan

### **Head Office**

Millennium House  
52-56 Great Strand Street  
Dublin 1  
Telephone: 01-8656800, 1800 202040 Fax: 01-8747333  
Web Site: [www.oco.ie](http://www.oco.ie)  
Email: [oco@oco.ie](mailto:oco@oco.ie)

### **Bankers**

Ulster Bank  
O'Connell Street  
Dublin 1

### **Auditors**

The Comptroller and Auditor General  
Dublin Castle  
Dublin 2

### **Solicitor**

Ronan Daly Jermyn Solicitors  
12 South Mall  
Cork

### **Accountants**

Crowleys DFK  
16/17 College Green  
Dublin 2



## Comptroller and Auditor General

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

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#### Ombudsman for Children

I have audited the financial statements of the Ombudsman for Children for the year ended 31 December 2012 under the Ombudsman for Children Act 2002. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in accordance with Section 17 of the Act, and in accordance with generally accepted accounting practice in Ireland.

#### Responsibilities of the Ombudsman

The Ombudsman is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Ombudsman for Children's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Ombudsman for Children's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

#### Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Ombudsman for Children's affairs at 31 December 2012 and of its income and expenditure for 2012.

In my opinion, proper books of account have been kept by the Ombudsman for Children. The financial statements are in agreement with the books of account.

#### Matters on which I Report by Exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the Statement on Internal Financial Control does not reflect the Ombudsman for Children's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

  
Patricia Sheehan

For and on behalf of the  
Comptroller and Auditor General

17 December 2013

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Statement of Responsibilities of the Ombudsman for Children's Office


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.

In preparing these statements, the Office is required to:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Office will continue in business;
- 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.

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 late payments legislation.

  
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Ms. Emily Logan  
Ombudsman for Children

## **OMBUDSMAN FOR CHILDREN'S OFFICE**

### **Statement on Internal Financial Control**

#### **Responsibility for system of Internal Financial Control**

I acknowledge my 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.

#### **Control Environment**

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

- decisions on expenditure rest with the Ombudsman for Children, Director of Investigations and/or the Director of Corporate Services as appropriate;
- management responsibilities are clearly assigned and communicated between the Ombudsman for Children and the Director of Corporate Services;
- internal reporting relationships are clearly assigned

#### **Risk Management**

The Ombudsman for Children has established 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.

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Statement on Internal Financial Control (continued)

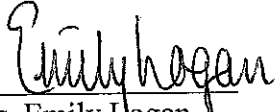
#### Control Mechanism

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

- regular review by the Ombudsman for Children, Director of Investigations and the Director of Corporate Services of financial information;
- regular management 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).

I confirm that in the year ended 31st December 2012, the Ombudsman for Children's Office conducted a review on the effectiveness of the systems of internal financial control.

  
Ms. Emily Logan  
Ombudsman for Children

Date: 5/12/13

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### 1. Basis of Preparation

The financial statements are prepared on an accruals basis under the historical cost convention, and except as indicated below, are in accordance with generally accepted accounting principles and comply with the accounting policies of the Minister for Children and Youth Affairs.

The financial statements are in a form approved by the Minister for Children and Youth Affairs with the concurrence of the Minister for Public Expenditure and Reform.

### 2. Period of Financial Statements

These financial statements cover the period 1 January 2012 to 31 December 2012.

### 3. Oireachtas Grants

Income recognised in the financial statements under Oireachtas Grants represents the amounts paid by the Department of Children and Youth Affairs in the period.

Grant Income applied for capital purposes and which result in additions to fixed assets are capitalised on the Capital Account. In accordance with the directions of the Department, superannuation deductions from staff salaries are retained by the office and treated as income.

### 4. Other Income

Income recognised in the financial statements under other income represents recoupment of costs in the period.

### 5. Tangible Fixed Assets

(a) Tangible Fixed Assets are stated at their historical cost or valuation less accumulated depreciation.

Depreciation is provided on a straight line basis at rates which are calculated to write off the assets, adjusted for estimated residual value, over their expected lives as follows:

Fixtures/ Fittings & Telephone Equipment	10%
IT and Office Equipment	20%

(b) Depreciation is matched by an equivalent amortisation of the Capital Account.



# OMBUDSMAN FOR CHILDREN'S OFFICE

## Statement of Accounting Policies (continued)

### 6. Capital Account

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

### 7. Pensions

The employees of the Office of the Ombudsman for Children are civil servants and are members of a defined benefits scheme which is unfunded and is administered by the Department of Public Expenditure and Reform.

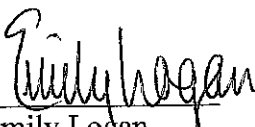
The Ombudsman for Children Act 2002 provides that the Minister for Children and Youth Affairs, with the consent of the Minister for Public Expenditure and Reform, may make and carry out a superannuation scheme in respect of the Ombudsman for Children. Accordingly, the financial statements do not recognise pension costs and liabilities in respect of the Ombudsman. Pending finalisation of the scheme by the Department of Public Expenditure and Reform, a scheme based on the civil service model is being operated on an administrative basis.

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Income and Expenditure Account For the year ended 31 December 2012

	Notes	2012 €	2011 €
<b>Income</b>			
Oireachtas Grant-In-Aid	1	2,000,000	2,005,000
Transferred from Capital Account	14	8,059	4,142
Superannuation Contributions	2	22,681	103,872
Other Income	3	69,013	54,509
Deposit Interest		-	94
<b>Total Income</b>		<u>2,099,753</u>	<u>2,167,617</u>
<b>Expenditure</b>			
Staff Costs	4	955,144	940,439
Accommodation Costs	6	338,688	347,547
Office Administration Expenses	7	270,330	262,769
Research and Policy	8	21,449	83,751
Complaints and Investigations	9	321,141	300,309
Seminars and Publications	10	207,063	167,027
		<u>2,113,815</u>	<u>2,101,842</u>
<b>(Deficit)/Surplus for the year</b>		(14,062)	65,775
Surplus at beginning of the year		118,734	52,959
<b>Surplus at the end of the year</b>		<u>104,672</u>	<u>118,734</u>

The Statement of Accounting Policies on pages 8 and 9 and notes 1-18 form part of these financial statements.

  
 Emily Logan  
 Ombudsman for Children

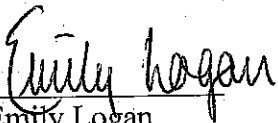
Date: 5/12/13

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Balance Sheet As at 31 December 2012

	Notes	2012 €	2011 €
<b><u>Fixed Assets</u></b>			
Tangible Assets	11	59,792	67,851
<b><u>Current assets</u></b>			
Cash on hand and at bank		115,653	164,692
Debtors and prepayments	12	<u>107,333</u>	<u>28,531</u>
Total assets		282,778	261,074
<b><u>Current liabilities</u></b>			
<b>Amounts Falling Due Within 1 Year</b>			
Creditors and Accruals	13	<u>(118,314)</u>	<u>(74,489)</u>
<b>Total Assets less Current Liabilities</b>		<u><u>164,464</u></u>	<u><u>186,585</u></u>
<b><u>Capital and Reserves</u></b>			
Non-Capital Income and Expenditure Account			
Surplus		104,672	118,734
Capital Account	14	<u>59,792</u>	<u>67,851</u>
		<u><u>164,464</u></u>	<u><u>186,585</u></u>

The Statement of Accounting Policies on page 8 and 9 and notes 1-18 form part of these financial statements.

  
Emily Logan  
Ombudsman for Children

Date: 5<sup>th</sup> Dec. 2013

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Cash Flow Statement For the year ended 31 December 2012

	Note	2012 €	2011 €
<b>Reconciliation of surplus/(deficit) to net cash (outflow)/inflow from operating activities</b>			
(Deficit)/Surplus for the year		(14,062)	65,775
Depreciation charge		25,644	24,869
Amortisation of Capital Grant		(25,644)	(24,869)
Interest Received		-	(94)
(Increase) in Debtors		(78,802)	(11,725)
Increase/(Decrease) in Creditors		43,825	(145,970)
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>		<u>(49,039)</u>	<u>(92,014)</u>

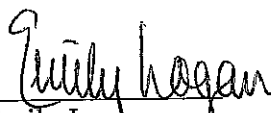
### Cash Flow Statement

Net Cash (Outflow)/Inflow from Operating Activities		(49,039)	(92,014)
<b>Return on Investments and Servicing of Finance</b>			
Interest Received		-	94
<b>Capital Expenditure</b>			
Payments to acquire Fixed Assets	11	(17,585)	(20,727)
<b>Financing</b>			
State Grant applied to Fixed Assets		17,585	20,727
<b>(Decrease) in Cash in the year</b>		<u>(49,039)</u>	<u>(91,920)</u>

### **Reconciliation of net cash flow to movement in net funds**

Changes in Net Funds resulting from cash flow			
Net funds at beginning of the year		164,692	256,612
Net funds at the end of the year		115,653	164,692
<b>(Decrease) in Cash in the year</b>		<u>(49,039)</u>	<u>(91,920)</u>

The Statement of Accounting Policies on page 8 and 9 and notes 1-18 form part of these financial statements.

  
Emily Logan  
Ombudsman for Children

Date: 5/12/13

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Notes to the financial statements For the year ended 31 December 2012

### 1. Oireachtas Grant-In-Aid

	2012	2011
	€	€
Department of Children and Youth Affairs	<u>2,000,000</u>	<u>2,005,000</u>

### 2. Superannuation Contributions

The Ombudsman had sought confirmation from the Department of Health on the appropriate treatment for superannuation contributions by staff of the Ombudsman for Children's Office. The Department of Health confirmed that superannuation contributions payable by staff should be treated as income in the accounts of the Office. Accordingly, the Office's State Grant allocation was reduced by the income derived from staff superannuation contributions.

An amount of €22,681 relates of the current accounting year. The €103,872 brought to account in 2011, comprises €83,360 in respect of accumulated deductions from previous years, together with €20,512 in respect of year of 2011.

### 3. Other Income

An amount of €54,659 was recouped in 2012 (2011: €54,509) in relation to staff seconded to The Adoption Authority of Ireland. Also, an amount of €14,354 was received for conference attendances.

### 4. Staff Costs and Employee Information

	2012	2011
	€	€
<b>Staff Payroll Costs</b>		
Staff costs	730,662	767,045
Agency Staff Costs	215,087	163,893
<b>Staff Related Expenses</b>		
Travel and Subsistence	9,395	9,501
Total Staff Costs	<u>955,144</u>	<u>940,439</u>

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2012

#### 4a. Employee Numbers

	2012	2011
The average number of employees during the year was made up as follows:		
Ombudsman for Children	1	1
Staff*	<u>12</u>	<u>12</u>
	<u>13</u>	<u>13</u>

\*Includes two agency staff.

#### 4b. Ombudsman's Remuneration

The annual basic salary of the Ombudsman for Children is €127,355 (2011: €127,355).

Pension entitlements of the Ombudsman for Children do not extend beyond the model public sector superannuation scheme.

The Ombudsman for Children did not receive any performance related payments or any other benefit in kind during the year.

#### 5. Pension Levy

Pension Levy was deducted in line with statutory requirements. €44,066 (2011 €39,504) of pension levy has been deducted in 2012 and €40,296 paid over to the Department of Children and Youth Affairs.

#### 6. Accommodation Expenses

	2012	2011
	€	€
Rent	265,675	265,675
Service Charges	59,973	66,084
Maintenance and Refurbishment Expenses	<u>13,040</u>	<u>15,788</u>
	<u>338,688</u>	<u>347,547</u>

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2012

#### 7. Office Administration Expenses

	2012	2011
	€	€
Depreciation	25,645	24,869
Legal and Compliance	43,653	48,659
Postal and Telephone Costs	29,339	27,088
IT and Website Costs	12,815	21,683
Advertising	9,461	5,565
Office Supplies and Machinery	15,824	8,137
Other Miscellaneous Expenses	1,832	1,695
Accountancy	52,046	52,471
Audit	8,500	7,345
Cleaning and Catering	16,829	19,253
Training and staff Development	24,284	15,630
Translators and Interpreter	1,688	2,373
Light and Heat	20,522	20,345
Membership Subscriptions	7,492	7,143
Bank Charges	400	513
	<u>270,330</u>	<u>262,769</u>

#### 8. Research and Policy

	2012	2011
	€	€
Research Costs	<u>21,449</u>	<u>83,751</u>
	<u>21,449</u>	<u>83,751</u>

Costs comprise of research projects and surveys initiated by the Ombudsman for Children's Office, carried out by external parties. Research costs also include a doctoral research undertaken by a Studentship holder.

#### 9. Complaints and Investigations

	2012	2011
	€	€
Investigations/complaints	<u>321,141</u>	<u>300,309</u>
	<u>321,141</u>	<u>300,309</u>

Costs comprise of fees paid to a panel of subject matter specialists, assembled to support the Ombudsman for Children in carrying her statutory investigatory functions.

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2012

#### 10. Seminars and Publications

	2012	2011
	€	€
Promotions and Sponsors	10,000	3,215
Design and Print	75,596	50,511
OCO Projects	52,244	65,372
Publications	13,499	25,863
Photography	2,001	2,235
Conference/Seminar Expenses	8,789	1,294
Educational Materials Development	-	544
Media Monitoring Expenses	22,254	9,292
School Visits	15,014	4,508
Development of Digital Media	7,666	4,193
	<u>207,063</u>	<u>167,027</u>

#### 11. Tangible Fixed Assets

	<b>Computer &amp; ICT Equipment</b>	<b>Office Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	€	€	€	€
<b><u>Cost</u></b>				
At 1 January 2012	163,755	48,969	73,277	286,001
Additions for the year	10,252	2,321	5,012	17,585
At 31 December 2012	<u>174,007</u>	<u>51,290</u>	<u>78,289</u>	<u>303,586</u>
<b><u>Accumulated Depreciation</u></b>				
At 1 January 2012	136,328	42,999	38,823	218,150
Depreciation charge for the year	15,235	2,580	7,829	25,644
At 31 December 2012	<u>151,563</u>	<u>45,579</u>	<u>46,652</u>	<u>243,794</u>
<b><u>Net Book Value</u></b>				
At 31 December 2012	<u>22,444</u>	<u>5,711</u>	<u>31,637</u>	<u>59,792</u>
At 31 December 2011	<u>27,427</u>	<u>5,970</u>	<u>34,454</u>	<u>67,851</u>



# OMBUDSMAN FOR CHILDREN'S OFFICE

## Notes to the financial statements For the year ended 31 December 2012

### 12. Debtors and Prepayments

	2012	2011
	€	€
Prepayments	90,515	11,759
Accrued Income	16,818	16,772
	<u>107,333</u>	<u>28,531</u>

### 13. Creditors and Accruals

	2012	2011
	€	€
Amounts falling due within one year		
Trade Creditors	31,557	438
PAYE/PRSI	19,504	16,794
PSWT	9,369	8,178
Accrued expenses (Pay)	16,455	18,906
Accrued expenses (Non-Pay)	37,016	30,087
Other creditors	4,413	86
	<u>118,314</u>	<u>74,489</u>

### 14. Capital Account

	2012	2011
	€	€
As at 1st January	67,851	71,993
Allocated to purchase fixed assets	17,585	20,727
Amount amortised in line with asset depreciation	(25,644)	(24,869)
Transfer (to)/ from Income and Expenditure account	(8,059)	(4,142)
	<u>59,792</u>	<u>67,851</u>

## **OMBUDSMAN FOR CHILDREN'S OFFICE**

### **Notes to the financial statements For the year ended 31 December 2012**

#### **15. 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 rental 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 commenced on 4 April 2005 with rent of €265,675 per annum.

The facilities of the premises occupied by the Ombudsman for Children's Office are regularly used free of charge by other state bodies for meetings/ events.

#### **16. Capital and Other Commitments**

There were no capital commitments at 31 December 2012.

#### **17. Related Party Transactions / Disclosure of Interests**

The Ombudsman for Children's Office complies with the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform 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.

#### **18. Approval of financial statements**

The financial statements were approved by the Ombudsman for Children on 28<sup>th</sup> March 2013.