

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

### **FINANCIAL STATEMENTS**

for the year ended 31 December 2014

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Financial statements For the year ended 31 December 2014

<b>Contents</b>	<b>Page</b>
General Information	3
Certificate of the Comptroller and Auditor General	4
Statement of the Responsibilities of the Ombudsman for Children	5
Statement on Internal Financial Control	6-7
Statement of Accounting Policies	8-9
Income and Expenditure Account	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13-18

# OMBUDSMAN FOR CHILDREN'S OFFICE

## General Information For the year ended 31 December 2014

### Ombudsman for Children

Dr. Niall Muldoon (Appointed on 17<sup>th</sup> February 2015)

Ms. Emily Logan (Term ended 31<sup>st</sup> October 2014)

### 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 2014 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 2014 and of its income and expenditure for 2014.

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

30 June 2015

## 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 him/her in the performance of his/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.



Dr. Niall Muldoon  
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)

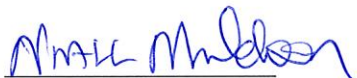
#### Control Mechanism

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 Children and Youth Affairs).

I confirm that in the year ended 31st December 2014, the Ombudsman for Children's Office conducted a review on the effectiveness of the systems of internal financial control.



Dr. Niall Muldoon  
Ombudsman for Children

Date: 25<sup>th</sup> June 2015

# 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 2014 to 31 December 2014.

### 3. Grants

Income recognised in the financial statements under 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.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. All new employees to the Office of the Ombudsman for Children, who are new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Income and Expenditure Account For the year ended 31 December 2014

	Notes	2014 €	2013 €
<b>Income</b>			
Grant	1	1,888,000	1,888,000
Transferred from Capital Account	14	1,165	12,500
Superannuation Contributions	2	22,763	23,646
Other Income	3	163,030	54,659
<b>Total Income</b>		<u>2,074,958</u>	<u>1,978,805</u>
<b>Expenditure</b>			
Staff Costs	4	919,374	954,237
Accommodation Costs	6	216,853	341,330
Office Administration Expenses	7	250,104	303,109
Research and Policy	8	10,699	42,524
Complaints and Investigations	9	400,424	315,974
Seminars and Publications	10	229,431	143,641
		<u>2,026,885</u>	<u>2,100,815</u>
<b>Surplus/(Deficit) for the year</b>		48,073	(122,010)
(Deficit)/Surplus at beginning of the year		(17,338)	104,672
<b>Surplus/(Deficit) at the end of the year</b>		<u>30,735</u>	<u>(17,338)</u>

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



Dr. Niall Muldoon  
Ombudsman for Children

Date: 25<sup>th</sup> June 2015

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Balance Sheet As at 31 December 2014

	Notes	2014 €	2013 €
<b><u>Fixed Assets</u></b>			
Tangible Assets	11	46,127	47,292
<b><u>Current assets</u></b>			
Cash on hand and at bank		88,123	105,971
Debtors and prepayments	12	<u>18,904</u>	<u>25,830</u>
Total assets		153,154	179,093
<b><u>Current liabilities</u></b>			
<b>Amounts Falling Due Within 1 Year</b>			
Creditors and Accruals	13	<u>(76,292)</u>	<u>(149,139)</u>
<b>Total Assets less Current Liabilities</b>		<u><u>76,862</u></u>	<u><u>29,954</u></u>
<b><u>Capital and Reserves</u></b>			
Non-Capital Income and Expenditure Account			
Surplus/(Deficit)		30,735	(17,338)
Capital Account	14	<u>46,127</u>	<u>47,292</u>
		<u><u>76,862</u></u>	<u><u>29,954</u></u>

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



Dr. Niall Muldoon  
Ombudsman for Children

Date: 25<sup>th</sup> June 2015

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Cash Flow Statement For the year ended 31 December 2014

	Note	2014 €	2013 €
<b>Reconciliation of surplus/(deficit) to net cash (outflow)/inflow from operating activities</b>			
Surplus/(Deficit) for the year		48,073	(122,010)
Depreciation charge		19,509	19,946
Amortisation of Capital Grant		(19,509)	(19,946)
Decrease in Debtors		6,926	81,503
(Decrease)/Increase in Creditors		(72,847)	30,825
<b>Net Cash (Outflow) from Operating Activities</b>		<b>(17,848)</b>	<b>(9,682)</b>

### Cash Flow Statement

Net Cash (Outflow) from Operating Activities		(17,848)	(9,682)
<b>Return on Investments and Servicing of Finance</b>			
Interest Received		-	-
<b>Capital Expenditure</b>			
Payments to acquire Fixed Assets	11	(18,344)	(7,446)
<b>Financing</b>			
State Grant applied to Fixed Assets		18,344	7,446
<b>(Decrease) in Cash in the year</b>		<b>(17,848)</b>	<b>(9,682)</b>

### **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		105,971	115,653
Net funds at the end of the year		88,123	105,971
(Decrease) in Cash in the year		(17,848)	(9,682)

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



Dr. Niall Muldoon  
Ombudsman for Children

Date: 25<sup>th</sup> June 2015

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Notes to the financial statements For the year ended 31 December 2014

### 1. Grant

	2014	2013
	€	€
Grant towards Administration – Department of Children and Youth Affairs - Vote 40; Subhead C.8.	<u>1,888,000</u>	<u>1,888,000</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. The €22,763 brought to account in 2014 is in respect of deductions made in the accounting year. The €23,646 brought to account in 2013 is in respect of deductions made in 2013.

### 3. Other Income

	2014	2013
	€	€
Section 42 Special Inquiry Income <sup>1</sup>	80,023	-
Secondment Income	54,672	54,659
Salary Recoupment from IHREC	18,335	-
Contribution towards – OCO 10 <sup>th</sup> Anniversary <sup>2</sup>	<u>10,000</u>	<u>-</u>
	<u>163,030</u>	<u>54,659</u>

<sup>1</sup> Recoupment of costs from Department of Justice.

<sup>2</sup> Additional grant from Department of Children and Youth Affairs (Subhead C.5) in respect of newspaper supplement on children marking the 10<sup>th</sup> anniversary of the Ombudsman for Children's Office.

### 4. Staff Costs and Employee Information

	2014	2013
	€	€
<b>Staff Payroll Costs</b>		
Staff costs	722,810	743,787
Agency Staff Costs	180,049	198,713
<b>Staff Related Expenses</b>		
Travel and Subsistence	16,515	11,737
Total Staff Costs	919,374	954,237

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2014

#### 4a. Employee Numbers

	2014	2013
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 Ombudsman for Children's remuneration is €109,993 (2013: €123,483). The outgoing Ombudsman for Children's term ended on the 31<sup>st</sup> October 2014. Incoming Ombudsman for Children was appointed on 17<sup>th</sup> February 2015.

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. €45,782 (2013 :€49,406) of pension levy has been deducted in 2014 and paid over to the Department of Children and Youth Affairs.

#### 6. Accommodation Expenses

	2014	2013
	€	€
Rent	150,000	265,675
Service Charges	59,973	59,973
Premises Insurance	1,600	3,344
Maintenance and Refurbishment Expenses	<u>5,280</u>	<u>12,338</u>
	<u>216,853</u>	<u>341,330</u>



## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2014

#### 7. Office Administration Expenses

	2014	2013
	€	€
Depreciation	19,509	19,945
Legal and Compliance	50,850	84,299
Postal and Telephone Costs	25,921	29,054
IT and Website Costs	16,498	28,714
Advertising	3,980	2,070
Office Supplies and Machinery	6,823	10,933
Other Miscellaneous Expenses	1,819	1,481
Accountancy	58,345	56,455
Audit	7,700	7,700
Cleaning and Catering	19,782	19,807
Training and staff Development	7,344	9,513
Translators and Interpreter	980	2,354
Light and Heat	18,802	20,799
Membership Subscriptions	11,282	9,415
Bank Charges	469	570
	<u>250,104</u>	<u>303,109</u>

#### 8. Research and Policy

	2014	2013
	€	€
Research Costs	<u>10,699</u>	<u>42,524</u>
	<u>10,699</u>	<u>42,254</u>

Research costs for 2013 comprise of research projects and surveys initiated by the Ombudsman for Children's Office, carried out by external parties.

#### 9. Complaints and Investigations

	2014	2013
	€	€
Investigations/complaints	330,936	295,690
Section 42 Special Inquiry	<u>69,488</u>	<u>20,284</u>
	<u>400,424</u>	<u>315,974</u>

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

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Notes to the financial statements For the year ended 31 December 2014

### 10. Seminars and Publications

	2014	2013
	€	€
Promotions and Sponsors	10,024	15,854
Design and Print	88,651	56,255
OCO Projects	73,432	17,537
Publications	14,079	13,492
Photography	1,694	1,224
Conference/Seminar Expenses	7,889	3,649
Media Monitoring Expenses	10,366	12,038
School Visits	17,761	18,364
Development of Digital Media	5,535	5,228
	<u>229,431</u>	<u>143,641</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 2014	158,739	55,052	78,289	292,080
Additions for the year	1,089	1,661	15,594	18,344
Disposals at Gross Book Value	12,026	9,656	-	21,682
At 31 December 2014	<u>147,802</u>	<u>47,057</u>	<u>93,883</u>	<u>288,742</u>
<b><u>Accumulated Depreciation</u></b>				
At 1 January 2014	141,890	48,417	54,481	244,788
Depreciation charge for the year	7,683	2,710	9,116	19,509
Disposals – Acc Depreciation	12,026	9,656	-	21,682
At 31 December 2014	<u>137,547</u>	<u>41,471</u>	<u>63,597</u>	<u>242,615</u>
<b><u>Net Book Value</u></b>				
At 31 December 2014	<u>10,255</u>	<u>5,586</u>	<u>30,286</u>	<u>46,127</u>
At 31 December 2013	<u>16,849</u>	<u>6,635</u>	<u>23,808</u>	<u>47,292</u>

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Notes to the financial statements For the year ended 31 December 2014

### 12. Debtors and Prepayments

	2014	2013
	€	€
Prepayments	10,493	9,012
Accrued Income	8,411	16,818
	<u>18,904</u>	<u>25,830</u>

### 13. Creditors and Accruals

	2014	2013
	€	€
Amounts falling due within one year		
Trade Creditors	-	5,795
PAYE/PRSI	12,540	19,448
PSWT	11,923	12,251
Accrued expenses (Pay)	2,354	18,989
Accrued expenses (Non-Pay)	46,159	86,744
Other creditors	3,316	5,912
	<u>76,292</u>	<u>149,139</u>

### 14. Capital Account

	2014	2013
	€	€
As at 1st January	47,292	59,792
Allocated to purchase fixed assets	18,344	7,446
Amount amortised in line with asset depreciation	<u>(19,509)</u>	<u>(19,946)</u>
Transfer (to)/ from Income and Expenditure account	<u>(1,165)</u>	<u>(12,500)</u>
Balance at 31 December	<u>46,127</u>	<u>47,292</u>

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

### **Notes to the financial statements For the year ended 31 December 2014**

#### **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. This lease was renegotiated in 2014 with a revised rent of €150,000 per annum agreed.

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<sup>st</sup> December 2014.

#### **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 23<sup>rd</sup> March 2015.