



**ombudsman  
do leanaí  
for children**

**OMBUDSMAN FOR CHILDREN'S OFFICE**

**FINANCIAL STATEMENTS**

for the year ended 31 December 2017

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Financial statements

For the year ended 31 December 2017

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# OMBUDSMAN FOR CHILDREN'S OFFICE

## General Information

For the year ended 31 December 2017

### Ombudsman for Children

Dr. Niall Muldoon

### 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  
3A Mayor Street Upper  
Dublin 1  
Ireland

### Solicitors

Ronan Daly Jermyn Solicitors  
12 South Mall  
Cork

Augustus Cullen  
7 Wentworth Place  
Wicklow

St. John Solicitors  
6 Manor Park  
Manor Street  
Dublin 7

### Accountants

Crowleys DFK  
16/17 College Green  
Dublin 2

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

### **Governance Statement and Ombudsman for Children's Report**

#### **Governance**

The Ombudsman for Children's Office was established under the Ombudsman for Children Act 2002. The functions of the Ombudsman for Children are set out in section 6, 7, 8 and 9 of this Act. The Ombudsman for Children is accountable to the Minister for Children and Youth Affairs and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Ombudsman for Children's Office is the responsibility of the Ombudsman for Children and the senior management team.

#### **Ombudsman for Children Responsibilities**

Section 17 of the Ombudsman for Children Act 2002 requires the Ombudsman for Children to keep, in such form as may be approved by the Minister for Children and Youth Affairs with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by the Ombudsman for Children's Office.

In preparing these financial statements, the Ombudsman for Children 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 it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Ombudsman for Children is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the Ombudsman for Children's Office financial position and enables the Ombudsman for Children's Office to ensure that the financial statements comply with section 17 of the Ombudsman for Children Act 2002. The maintenance and integrity of the corporate and financial information on the Ombudsman for Children's Office's website is the responsibility of the Ombudsman for Children.

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

### **Governance Statement and Ombudsman for Children's Report (continued)**

The Ombudsman for Children is responsible for approving the annual plan and budget. An evaluation of the performance of the Office by reference to the annual plan and budget was carried out.

The Ombudsman for Children is also responsible for safeguarding the Ombudsman for Children's Office assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Ombudsman for Children considers that the financial statements of Ombudsman for Children's Office give a true and fair view of the financial performance and the financial position of Ombudsman for Children's Office at 31 December 2017.

### **Ombudsman for Children's Office Structure**

Dr. Niall Muldoon was appointed Ombudsman for Children on 17<sup>th</sup> February 2015 by President Michael D. Higgins following a public independent recruitment process.

The Ombudsman for Children has established an Audit and Risk Committee. The role of the Audit and Risk Committee (ARC) is to support the Ombudsman for Children in relation to his responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the Office. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Ombudsman for Children formally in writing at least once a year.

The Audit and Risk Committee comprises of three independent members. The members of the Audit and Risk Committee are: Eamonn Collins (Chairperson), Lesley Goulding and Tom Cribbin. The ARC met four times in 2017.

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Governance Statement and Ombudsman for Children's Report (continued)

#### Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Audit and Risk Committee meetings for 2017 is set out below including the fees and expenses received by each member:

Committee Member	Audit & Risk Committee	Fees 2017	Expenses 2017
	4	€	€
Eamonn Collins	3	-	-
Lesley Goulding	4	-	-
Tom Cribbin	4	-	-
		<u>-</u>	<u>-</u>

#### Key Personnel Changes

The Ombudsman for Children's Office appointed a Head of Policy during 2017.

#### Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Ombudsman for Children is responsible for ensuring that his Office has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Governance Statement and Ombudsman for Children's Report (continued)

#### Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are disclosed in Note 4 to the financial statements.

#### Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2017	2016
	€	€
Legal advice	30,168	12,642
Internal audit and risk management	10,656	9,552
Complaints and investigations process review	-	12,300
OCO Strategic plan	4,237	16,384
GDPR consultancy and preparation	45,018	-
Total consultancy costs	<u>90,079</u>	<u>50,878</u>
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	90,079	50,878
Total	<u>90,079</u>	<u>50,878</u>

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Governance Statement and Ombudsman for Children's Report (continued)

#### Legal Costs and Settlements

The Ombudsman for Children's Office did not incur expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties.

#### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
- Ombudsman for Children*	4,647	3,540
- Employees	13,391	11,876
International		
- Ombudsman for Children*	3,552	5,396
- Employees	6,614	4,003
Total	<u>28,204</u>	<u>24,815</u>

\* includes travel and subsistence of € 4,849 paid directly to the Ombudsman for Children in 2017 (2016: €4,093). The balance of €3,350 (2016: €4,843) relates to expenditure paid on behalf of the Ombudsman for Children.

#### Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2017	2016
	€	€
Staff hospitality	1,855	5,210
Client hospitality	-	-
Total	<u>1,855</u>	<u>5,210</u>



## OMBUDSMAN FOR CHILDREN'S OFFICE


### Governance Statement and Ombudsman for Children's Report (continued)

#### Statement of Compliance

Ombudsman for Children's Office has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exceptions:

- Provisions in relation to role of the Board, role of the Chairperson and role of Board members

The stewardship structure of the Ombudsman for Children's Office is atypical. There is no Board structure. The Ombudsman for Children undertake the collective role of a Board and of an accounting officer. Therefore, in addition to performing his duties as a "Board", the Ombudsman for Children also perform executive functions.



**Dr. Niall Muldoon**  
**Ombudsman for Children**

Date 19/12/2018

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

### **Statement on Internal Control**

#### **Scope of Responsibility**

I acknowledge my responsibility for ensuring that an effective system of Internal Control is maintained and operated.

#### **Purpose of the System of Internal Control**

The system of Internal 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 system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Ombudsman for Children's Office for the year ended 31 December 2017 and up to the date of approval of the financial statements.

#### **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 Head of Corporate Services as appropriate;
- management responsibilities are clearly assigned and communicated;
- internal reporting relationships are clearly assigned.

#### **Capacity to Handle Risk**

Compliance with control procedures is monitored by the internal audit function that operates in accordance with the framework for the application of best practice as set out in the Code of Practice for the Governance of State Bodies, 2016. The work of internal audit is informed by analysis of the risk to which OCO is exposed. The internal audit function has been outsourced to a private firm of accountants who conducted two internal audit assignments in 2017. The reports of the internal auditor were examined by the Audit and Risk Committee and the Ombudsman for Children; and recommendations are reviewed and implemented where appropriate.

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

### **Statement on Internal Control (continued)**

#### **Risk and Control Framework**

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.

#### **Ongoing Monitoring and Review**

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 review by the Ombudsman for Children 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).

#### **Procurement**

I confirm that Ombudsman for Children's Office has procedures in place to ensure compliance with current procurement rules and guidelines established by the Office of Government Procurement. Exceptions to full compliance are noted in the section below.

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Statement on Internal Control (continued)

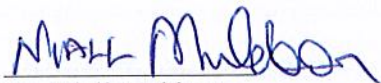
### Review of Effectiveness

I confirm that the Ombudsman for Children's Office has procedures to monitor the effectiveness of its risk management and control procedures. The Ombudsman for Children's Office's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within Ombudsman for Children's Office responsible for the development and maintenance of the internal financial control framework.

I confirm that the Ombudsman for Children's Office conducted an annual review of the effectiveness of the internal controls for 2017.

### Internal Control Issues

Details of breaches	Mitigating actions
<b>Breach of procurement guidelines</b> In 2017, OCO incurred expenditure in relation to procedures that did not fully comply with public procurement guidelines. Specifically, a small number of procurement exercises were not advertised on eTenders for the recommended minimum period of 21 days.	All procurement exercises are advertised on eTenders for the recommended minimum period of 21 days.
<b>Breach of Data Security controls</b> In 2017, OCO reported one incident of a breach of data security to the Office of the Data Protection Commissioner of Ireland.	Upon the discovery of this breach, OCO formally reported this incident to the Office of the Data Protection Commissioner of Ireland.



Dr. Niall Muldoon  
Ombudsman for Children

Date: 19/12/2018



## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

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

#### **Ombudsman for Children**

##### **Opinion on financial statements**

I have audited the financial statements of the Ombudsman for Children for the year ending 31 December 2017 as required under the provisions of section 17 of the Ombudsman for Children Act 2002. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- 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 Ombudsman for Children at 31 December 2017 and of its income and expenditure for 2017 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 Ombudsman for Children 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 Ombudsman for Children has presented certain other information together with the financial statements. This comprises the governance statement and Ombudsman for Children's 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.

**Orla Duane**  
**For and on behalf of the**  
**Comptroller and Auditor General**

24 December 2018

## Appendix to the report

### Responsibilities of the Ombudsman

The governance statement and Ombudsman for Children's report sets out the Ombudsman's responsibilities. The Ombudsman is responsible for

- the preparation of financial statements in the form prescribed under section 17 of the Ombudsman for Children Act 2002
- 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 the Ombudsman 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 17 of the Ombudsman for Children Act 2002 to audit the financial statements of the Ombudsman for Children 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 and, based on the audit

evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ombudsman for Children's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Ombudsman for Children to cease to continue as a going concern.

- 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.

### 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 there are 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 there is 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.

I also 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.

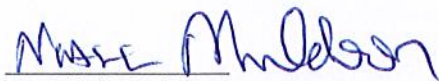
OMBUDSMAN FOR CHILDREN'S OFFICE

Statement of Income and Expenditure and Retained Revenue Reserves  
For the year ended 31 December 2017

	Notes	2017 €	2016 €
<b>Income</b>			
Oireachtas Grant	2	2,150,000	1,800,000
Transferred from/(to) Capital Account	14	8,507	(8,298)
Superannuation Contributions	3	17,335	27,311
<b>Total Income</b>		<u>2,175,842</u>	<u>1,819,013</u>
<b>Expenditure</b>			
Staff Costs	4	938,836	886,525
Accommodation Costs	6	250,730	237,490
Office Administration Expenses	7	322,212	275,102
Research and Policy	8	3,876	9,225
Complaints and Investigations	9	460,764	336,349
Seminars and Publications	10	305,185	188,131
<b>Total Expenditure</b>		<u>2,281,603</u>	<u>1,932,822</u>
<b>(Deficit) for the year</b>		(105,761)	(113,809)
Balance brought forward at 1 January		<u>2,154</u>	<u>115,963</u>
<b>Balance carried forward at 31 December</b>		<u>(103,607)</u>	<u>2,154</u>

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and notes 1-18 form part of these financial statements.



Dr. Niall Muldoon  
Ombudsman for Children

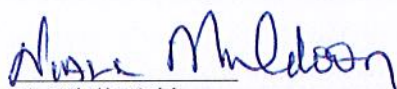
Date: 19/12/2018

# OMBUDSMAN FOR CHILDREN'S OFFICE

## Statement of Financial Position As at 31 December 2017

	Notes	2017 €	2016 €
<b><u>Fixed Assets</u></b>			
Property, plant and equipment	11	37,900	46,407
<b><u>Current assets</u></b>			
Receivables and prepayments	12	19,651	18,470
Cash and cash equivalents		<u>30,475</u>	<u>124,354</u>
		50,126	142,824
<b><u>Current liabilities</u></b> <b><u>(Amounts falling due within 1 year)</u></b>			
Payables	13	<u>(153,733)</u>	<u>(140,670)</u>
Net Current (Liabilities) / Assets		(103,607)	2,154
Total Net (Liabilities) / Assets		<u>(65,707)</u>	<u>48,561</u>
<b><u>Representing</u></b>			
Retained revenue reserve		(103,607)	2,154
Capital Account	14	<u>37,900</u>	<u>46,407</u>
		<u>(65,707)</u>	<u>48,561</u>

The Statement of Cash Flows and notes 1-18 form part of these financial statements.



Dr. Niall Muldoon  
Ombudsman for Children

Date: 19/12/2018



# OMBUDSMAN FOR CHILDREN'S OFFICE

## Statement of Cash Flows For the year ended 31 December 2017

	Note	2017 €	2016 €
<b>Net Cashflows from Operating Activities</b>			
(Deficit)/ Surplus for the year		(105,761)	(113,809)
Depreciation of Fixed Assets		10,996	15,942
Transfer (from)/to Capital Account		(8,507)	8,298
(Increase) / Decrease in Receivables		(1,181)	9,574
Increase / (Decrease) in Payables		13,063	46,444
<b>Net Cash (Outflow)/ Inflow from Operating Activities</b>		<u>(91,390)</u>	<u>(33,551)</u>
<b>Investing Activities</b>			
Payments to acquire Property, Plant and Equipment	11	<u>(2,489)</u>	<u>(24,240)</u>
<b>Net Cash Flow from Investing Activities</b>		<u>(2,489)</u>	<u>(24,240)</u>
<b>Financing Activities</b>			
Interest Received		<u>-</u>	<u>-</u>
<b>Net Cash Flow from Financing Activities</b>		<u>-</u>	<u>-</u>
<b>(Decrease)/ Increase in Cash and Cash Equivalents</b>		<u>(93,879)</u>	<u>(57,791)</u>
Cash and Cash Equivalents at the beginning of the year		<u>124,354</u>	<u>182,145</u>
<b>Cash and Cash Equivalents at the end of the year</b>		<u><b>30,475</b></u>	<u><b>124,354</b></u>

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

### **Notes to the financial statements For the year ended 31 December 2017**

#### **1. Accounting Policies**

The basis of accounting and significant accounting policies adopted by the Ombudsman for Children's Office are set out below. They have been applied consistently throughout the year and for the preceding year.

#### **General Information**

The Ombudsman for Children's Office was set up in 2004 under the Ombudsman for Children Act, 2002, with a head office at Millennium House, 52-56 Great Strand Street, Dublin 1.

Under the Ombudsman for Children Act 2002, the Ombudsman for Children has two main roles; to look into complaints made by or for children and young people about the actions of public organisations and to promote the rights and welfare of children and young people under 18 years old living in Ireland.

#### **Statement of Compliance**

The financial statements of the Ombudsman for Children's Office for the year ended 31 December 2017 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Children and Youth Affairs with the concurrence of the Minister for Public Expenditure and Reform under the Ombudsman for Children Act 2002.

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

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### Accounting Policies (continued)

##### Revenue

###### Oireachtas Grants

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas Grant income from the Department of Children and Youth Affairs which is recognised on a cash receipts basis.

Grant income applied for capital purchases and which results in additions to fixed assets is capitalised on the Capital account.

In accordance with the directions of the Minister, superannuation deductions from staff salaries who commenced on or before 1 January 2013 are retained by the Office and treated as income.

Other income is recognised on an accruals basis.

##### Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

(i)	Fixtures and Fittings	10% per annum
(ii)	Office Equipment	20% per annum
(iii)	Computer and ICT Equipment	20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

##### Capital Account

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

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### Accounting Policies (continued)

##### Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions. Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable are dealt with in the Statement of Income and Expenditure Account and Retained Revenue Reserves.

##### Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

##### 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.

###### 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. 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. Accordingly, the financial statements do not recognise pension costs and liabilities in respect of the Ombudsman.

The Office of the Ombudsman for Children also operates 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 and Reform.

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### Accounting Policies (continued)

##### Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Ombudsman for Children's Office 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.

#### 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.

##### Depreciation and Residual Values

The Ombudsman for Children's Office reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### 2. Grant

	2017	2016
	€	€
Grant towards Administration – Department of Children and Youth Affairs - Vote 40; Subhead C.7.	2,360,000	2,154,000
Grant Allocation Not Drawn	(210,000)	(354,000)
	<u>2,150,000</u>	<u>1,800,000</u>

#### 3. Superannuation Contributions

By direction of the Minister the superannuation deductions of staff who commenced prior to 1 January 2013 are retained by the Ombudsman for Children's Office. €17,335 was retained in 2017 (€27,311 in 2016).

Staff who commenced after 1 January 2013 are members of the Single Public Sector Pension Scheme and their contributions are remitted to the Department of Public Expenditure and Reform. The amounts to be remitted in respect of 2017 were €5,295 (2016 €7,725).

#### 4. Staff Costs and Employee Information

	2017	2016
	€	€
<b>Staff Payroll Costs</b>		
Staff costs	826,034	830,098
Temporary Staff Costs	84,598	31,612
<b>Staff Related Expenses</b>		
Domestic Travel and Subsistence	18,038	15,416
Foreign Travel and Subsistence	10,166	9,399
Total Staff Costs	<u>938,836</u>	<u>886,525</u>

#### 4a. Employee Numbers

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

	2017	2016
Ombudsman for Children	1	1
Staff*	<u>17</u>	<u>14</u>
	<u>18</u>	<u>15</u>
Whole Time Equivalent (WTE) at year end	15	15

\*Includes 3 temporary/agency staff in 2017 (2016: 1).

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### 4b. Employee benefits breakdown

Range of total employee benefits		Number of Employees	
From	To	2017	2016
€60,000	- €69,999	3	2
€70,000	- €79,999	1	1
€80,000	- €89,999	-	1
€90,000	- €99,999	1	-
€100,000	- €109,999	-	1
€110,000	- €119,999	1	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee, but exclude employer's PRSI.

A payment of €13,602 was made to a member of staff in respect of overtime accumulated between 2010 and his retirement in December 2016. There was no overtime paid in 2017. There was no termination payments paid in the year.

#### 4c. Ombudsman's Remuneration

The Ombudsman for Children was appointed on 17<sup>th</sup> February 2015. The Ombudsman's remuneration in 2017 was €113,351 (2016: €109,636). 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.

#### 4d. Key Management Remuneration

Key management personnel in Ombudsman for Children consist of the Ombudsman for Children and the Director of Investigations. Total compensation paid to key management personnel amounted to €205,387 (2016: €263,364).

#### 5. Pension Related Deduction

Pension related deductions were made in line with statutory requirements. €36,529 (2016: €38,314) of pension related deductions were made in 2017 and paid over to the Department of Children and Youth Affairs.

#### 6. Accommodation Expenses

	2017	2016
	€	€
Rent	150,000	150,000
Service Charges	95,628	80,970
Premises Insurance	1,656	1,684
Maintenance and Refurbishment Expenses	3,446	4,836
	<u>250,730</u>	<u>237,490</u>

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

<b>7. Office Administration Expenses</b>	<b>2017</b>	<b>2016</b>
	€	€
Legal and Compliance	47,573	25,189
Public Relations	21,989	27,134
Postal and Telephone Costs	26,660	29,085
IT and Website Costs	23,252	10,991
Advertising	6,828	2,140
Office Supplies and Machinery	4,211	3,849
Other Miscellaneous Expenses	1,175	1,551
Accountancy and Payroll	68,120	74,865
Internal audit and risk management	10,656	9,552
Audit	7,500	7,500
Cleaning and Catering	17,618	19,347
Training and Staff Development	33,758	17,588
Translators and Interpreter	9,852	334
Light and Heat	18,435	19,878
Membership Subscriptions	13,151	9,743
Bank Charges	438	414
Depreciation	10,996	15,942
	<u>322,212</u>	<u>275,102</u>

<b>8. Research and Policy</b>	<b>2017</b>	<b>2016</b>
	€	€
Research Costs	<u>3,876</u>	<u>9,225</u>
	<u>3,876</u>	<u>9,225</u>

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

<b>9. Complaints and Investigations</b>	<b>2017</b>	<b>2016</b>
	€	€
Investigations/complaints	415,746	324,049
Database Update	45,018	-
Complaints and investigations process review	-	12,300
	<u>460,764</u>	<u>336,349</u>

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



## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### 10. Seminars and Publications

	2017	2016
	€	€
Promotions and Sponsors	4,102	7,646
Design and Print	102,451	89,733
OCO Projects	116,983	18,295
Publications	28,219	10,656
Photography	2,780	2,811
Conference/Seminar Expenses	32,059	15,144
Media Monitoring Expenses	5,201	4,629
School Visits	9,153	8,995
Development of Digital Media	-	13,838
OCO Strategic Plan	4,237	16,384
	<u>305,185</u>	<u>188,131</u>

#### 11. Fixed Assets

	ICT Equipment €	Office Equipment €	Furniture & Fittings €	Total €
<b><u>Cost</u></b>				
At 1 January 2017	162,503	47,057	113,264	322,824
Additions for the year	2,489	-	-	2,489
At 31 December 2017	<u>164,992</u>	<u>47,057</u>	<u>113,264</u>	<u>325,313</u>
<b><u>Accumulated Depreciation</u></b>				
At 1 January 2017	151,538	45,640	79,239	276,417
Depreciation charge for the year	4,394	1,085	5,517	10,996
At 31 December 2017	<u>155,932</u>	<u>46,725</u>	<u>84,756</u>	<u>287,413</u>
<b><u>Net Book Value</u></b>				
At 31 December 2017	<u>9,060</u>	<u>332</u>	<u>28,508</u>	<u>37,900</u>
At 31 December 2016	<u>10,965</u>	<u>1,417</u>	<u>34,025</u>	<u>46,407</u>

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### 12. Receivables and Prepayments

	2017	2016
	€	€
Prepayments	19,651	18,470
	<u>19,651</u>	<u>18,470</u>

#### 13. Payables and Accruals

	2017	2016
	€	€
Amounts falling due within one year		
PAYE/PRSI	20,682	32,471
PSWT	28,875	18,868
Accrued expenses (Pay)	9,916	12,970
Accrued expenses (Non-Pay)	74,237	67,794
Other creditors	20,023	8,567
	<u>153,733</u>	<u>140,670</u>

Interest accrues on late payment. No interest was due at the financial year end date.

#### 14. Capital Account

	2017	2016
	€	€
As at 1st January	46,407	38,109
Allocated to purchase fixed assets	2,489	24,240
Amount amortised in line with asset depreciation	<u>(10,996)</u>	<u>(15,942)</u>
Transfer (to)/ from Income and Expenditure account	(8,507)	8,298
Balance at 31 December	<u>37,900</u>	<u>46,407</u>

## OMBUDSMAN FOR CHILDREN'S OFFICE

### Notes to the financial statements For the year ended 31 December 2017

#### 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.

#### Lease Commitments

A 20 year lease commenced on 4 April 2005 with rent of €150,000 per annum. Lease commitments are as follows:

	2017	2016
	€	€
Under 1 year	150,000	150,000
Between 2 – 5 years	600,000	600,000
Over 5 years	337,500	487,500
	<u>1,087,500</u>	<u>1,237,500</u>

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 2017.

#### 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 for Children 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 19<sup>th</sup> December 2018.