

ombudsman
do leanaí
for children

OMBUDSMAN FOR CHILDREN'S OFFICE

FINANCIAL STATEMENTS

for the year ended 31 December 2021

OMBUDSMAN FOR CHILDREN'S OFFICE

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OMBUDSMAN FOR CHILDREN'S OFFICE

General Information For the year ended 31 December 2021

Ombudsman for Children

Dr Niall Muldoon

Head Office

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Telephone: 01-8656800, 1800 202040
Web Site: www.oco.ie
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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
2 Park Place
City Gate Park
Mahon Point
Cork

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, Equality, Disability, Integration and Youth 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, Equality, Disability, Integration and Youth 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 2021.

Ombudsman for Children's Office Structure

Dr Niall Muldoon was appointed Ombudsman for Children on 17th February 2015 by President Michael D. Higgins following a public independent recruitment process and was re-appointed for a second six year term by President Michael D Higgins on 17th February 2021.

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 2021.

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 2021 is set out below including the fees and expenses received by each member:

Committee Member	Audit & Risk Committee	Fees 2021 €	Expenses 2021 €
Eamonn Collins	4	-	-
Lesley Goulding	4	-	-
Tom Cribbin	4	-	-
		-	-

Key Personnel Changes

No key personnel changes occurred in 2021.

OMBUDSMAN FOR CHILDREN'S OFFICE

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

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:

Employee Short-Term Benefits Breakdown

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

Consultancy Costs

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

	2021	2020
	€	€
Legal advice (inc GDPR advisory)	52,459	78,504
Internal audit and risk management	24,457	10,473
Other Professional fees	-	4,205
OCO Strategic plan	24,600	-
OCO Review of Ombudsman for Children's Act	49,200	-
IT Consultancy	36,730	34,322
Web Design	-	1,000
Total consultancy costs	187,446	128,504
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	187,446	128,504
Total	187,446	128,504

OMBUDSMAN FOR CHILDREN'S OFFICE

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

Legal Costs and Settlements

In October 2020 a judicial review process was taken against a decision made by the Ombudsman. The action was successful and costs were subject to an adjudication process which was completed in April 2022. The total costs were €67,750. An accrual of €50,000 had been made in the 2020 financial statements and the balance has been accrued in 2021.

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

	2021	2020
	€	€
Domestic		
- Ombudsman for Children*	499	213
- Employees	2,438	4,062
International		
- Ombudsman for Children*	-	1,221
- Employees	-	709
Total	<u>2,937</u>	<u>6,206</u>

* Includes travel and subsistence of €499 paid directly to the Ombudsman for Children in 2021 (2020: €823). The balance of €nil (2020: €611) relates to expenditure paid on behalf of the Ombudsman for Children.

Hospitality Expenditure

The Statement of Income and Expenditure includes the following hospitality expenditure:

	2021	2020
	€	€
Staff / Committee hospitality	4,696	407
Client / Volunteer hospitality	1,756	122
Total	<u>6,452</u>	<u>529</u>

OMBUDSMAN FOR CHILDREN'S OFFICE

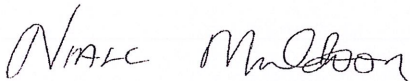
Governance Statement and Ombudsman for Children's Report (continued)

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 undertakes 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 performs executive functions.



Dr Niall Muldoon
Ombudsman for Children

Date: 8th September 2022

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 2021 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 and senior management team as appropriate;
- management responsibilities are clearly assigned, with corresponding accountability.
- Internal Reporting Relationships are clearly assigned which ensured adequate segregation of duties.

Capacity to Handle Risk

The Ombudsman for Children's Office has established an Audit and Risk Committee (ARC) comprising of three external members. The Committee's Terms of Reference are in accordance with the Code of Practice for the Governance of State Bodies (revised 2016) which includes oversight on financial reporting, external and internal audits, risk management and internal controls. The ARC met four times in 2021.

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.

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement on Internal Control (continued)

The internal audit function has been outsourced to a firm of qualified internal auditors. Reports of the internal auditor are examined by the Audit and Risk Committee and the Ombudsman for Children; and recommendations are reviewed and implemented where appropriate.

The OCO has developed a risk management policy which sets out the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to the senior management team who are expected to work within the risk management policies, to alert the Ombudsman for Children on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Impact of Covid-19 pandemic to the Control Environment

The onset of the COVID 19 pandemic in early 2020, and the resulting public health advice and safety measures rapidly changed the working practices of the Ombudsman for Children's Office.

OCO has monitored the developments closely, looking to mitigate the risks that may affect the OCO's business operations, staff and stakeholders. Actions taken by the Office includes: -

- Initiated OCO's Business as Usual (BAU) model.
- Made necessary adaptations to the OCO's physical office environment in line with published guidance and expert assessment.
- Established and implemented Return to Work protocols, in accordance with public health guidelines
- Continual assessment of significant risks pertaining to the Covid-19 pandemic and the agility of OCO to respond effectively.
- Ensured robust segregation of duties remained and adequate cover is in place should specific approving authorities be unavailable.
- Ensured all existing data protection and records management policies and procedures continued to apply as normal.
- Assessed potential for weaknesses in internal controls and ICT controls as a direct result of the pandemic and took measures to monitor and update controls where necessary.

Risk and Control Framework

The Ombudsman for Children's Office has established and implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement on Internal Control (continued)

A risk register is in place which identifies the key risks facing the Ombudsman for Children's Office and these have been identified, evaluated and graded according to their significance. The risk register further details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

The risk register is reviewed, updated and presented to the senior management team and to the Audit and Risk Committee.

The Risk Register became a standing agenda item at all Audit and Risk Committee meetings. All monthly management team meetings include a dedicated session on risk assessment and risk management and any movement on risks is monitored at these meetings. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

On foot of recommendations put forward by an external review of risk management, OCO undertook an update to its existing risk management policies and procedures in 2021.

In addition, a control environment containing the following elements is in place:

- procedures for all key financial processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems,
- there are systems in place to safeguard the assets

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). In March 2021, the Ombudsman for Children's Office ICT infrastructure moved to the Office of the Government Chief Information Officer (OGCIO).

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement on Internal Control (continued)

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.

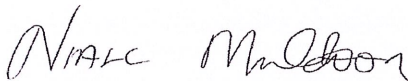
Internal Control Issues

No internal control issues were identified during the year.

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 control framework.

I confirm that the Ombudsman for Children's Office conducted an annual review of the effectiveness of the internal controls for 2021 in March 2022.



Dr. Niall Muldoon
Ombudsman for Children

Date: 8th September 2022



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

Report for presentation to the Houses of the Oireachtas

Ombudsman for Children

Opinion on the financial statements

I have audited the financial statements of the Ombudsman for Children for the year ended 31 December 2021 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 2021 and of its income and expenditure for 2021 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.

John Crean
For and on behalf of the
Comptroller and Auditor General

09 September 2022

Appendix to the report

Responsibilities of the Ombudsman

As detailed in the governance statement and Ombudsman for Children's report, the Ombudsman is responsible for

- the preparation of annual 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 he 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.

I report by exception if, in my opinion,

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

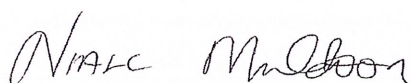
OMBUDSMAN FOR CHILDREN'S OFFICE

Statement of Income and Expenditure and Retained Revenue Reserves For the year ended 31 December 2021

	Notes	2021 €	2020 €
Income			
Grant	2	2,955,000	2,450,000
Superannuation Contributions	3	25,090	5,644
Other Income		-	1,280
Total Income		<u>2,980,090</u>	<u>2,456,924</u>
Expenditure			
Staff Costs	4	1,768,001	1,407,496
Accommodation Costs	6	266,278	272,523
Office Administration Expenses	7	707,825	533,048
Research and Policy	8	71,414	67,980
Complaints and Investigations	9	60,403	62,213
Seminars and Publications	10	124,824	147,729
Total Expenditure		<u>2,998,745</u>	<u>2,490,989</u>
(Deficit) for the year before appropriations		(18,655)	(34,065)
Transferred from/(to) Capital Account	14	79,931	31,083
Surplus/(Deficit) for the year after appropriations		<u>61,276</u>	<u>(2,982)</u>
Balance brought forward at 1 January		<u>(6,067)</u>	<u>(3,085)</u>
Balance carried forward at 31 December		<u>55,209</u>	<u>(6,067)</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

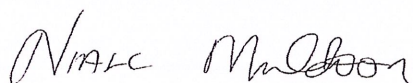
Date: 8th September 2022

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement of Financial Position as at 31 December 2021

	Notes	2021 €	2020 €
<u>Fixed Assets</u>			
Property, plant and equipment	11	242,291	322,222
<u>Current assets</u>			
Receivables and prepayments	12	83,334	69,806
Cash and cash equivalents		<u>169,112</u>	<u>122,382</u>
		252,446	192,188
<u>Current liabilities</u> <u>(Amounts falling due within 1 year)</u>			
Payables	13	<u>(197,237)</u>	<u>(198,255)</u>
Net Current Assets / (Liabilities)		55,209	(6,067)
Total Net Assets		<u><u>297,500</u></u>	<u><u>316,155</u></u>
<u>Representing</u>			
Retained revenue reserve		55,209	(6,067)
Capital Account	14	<u>242,291</u>	<u>322,222</u>
		<u><u>297,500</u></u>	<u><u>316,155</u></u>

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



Dr Niall Muldoon
Ombudsman for Children

Date: 8th September 2022

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement of Cash Flows For the year ended 31 December 2021

	Note	2021 €	2020 €
Net Cashflows from Operating Activities			
Surplus / (Deficit) for the year		61,276	(2,982)
Depreciation of Fixed Assets		89,545	86,652
Loss on disposal of fixed assets		4,600	1,774
Transfer (from) / to Capital Account		(79,931)	(31,083)
(Increase) / Decrease in Receivables		(13,528)	(3,239)
(Decrease) / Increase in Payables		(1,018)	(9,387)
Net Cash Inflow from Operating Activities		<u>60,944</u>	<u>41,735</u>
Investing Activities			
Payments to acquire Property, Plant and Equipment	11	<u>(14,214)</u>	<u>(57,343)</u>
Net Cash Flow from Investing Activities		<u>(14,214)</u>	<u>(57,343)</u>
Financing Activities			
Interest Received		<u>-</u>	<u>-</u>
Net Cash Flow from Financing Activities		<u>-</u>	<u>-</u>
Increase / (Decrease) in Cash and Cash Equivalents		<u>46,730</u>	<u>(15,608)</u>
Cash and Cash Equivalents at the beginning of the year		<u>122,382</u>	<u>137,990</u>
Cash and Cash Equivalents at the end of the year		<u>169,112</u>	<u>122,382</u>

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the Financial Statements For the year ended 31 December 2021

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 2021 have been prepared in compliance with the applicable legislation, and with FRS 102 The financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC).

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, Equality, Disability, Integration and Youth 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

Accounting Policies (continued)

Revenue

Oireachtas Grants

Revenue is generally recognised on an accrual basis; one exception to this is in the case of Oireachtas Grant income from the Department of Children, Equality, Disability, Integration and Youth 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 accrual 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	33% per annum
(iv)	Leasehold Improvements	Straight line (until Apr. 2025)

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

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, Equality, Disability, Integration and Youth, 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 such a 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 for Children.

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.

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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.

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2. Grant

	2021	2020
	€	€
Grant towards Administration – Department of Children, Equality, Disability, Integration and Youth - Vote 40; Subhead C.7.	2,955,000	2,865,000
Grant Allocation Not Drawn	-	(415,000)
	<u>2,955,000</u>	<u>2,450,000</u>

Grants received from the Department of Children, Equality, Disability, Integration and Youth of €2,955,000 is net of €35,000 which has been allocated to the Office of the Government Chief Information Officer on behalf of the Ombudsman for Children's Office for the services they provide to the Office.

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. €25,090 was retained in 2021 (€5,644 in 2020 – lower due to a reclassification of prior year Single Public Sector Pension Scheme contributions).

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 that have been remitted in respect of 2021 was €43,820 (2020: €29,043).

4. Staff Costs and Employee Information

	2021	2020
	€	€
Staff Payroll Costs		
Staff costs	1,689,149	1,346,390
Temporary Staff Costs	9,187	6,020
Staff Related Expenses		
Domestic Travel and Subsistence	2,937	4,275
Foreign Travel and Subsistence	-	1,931
Recruitment Cost	58,201	48,880
Staff Wellbeing	8,527	-
Total Staff Costs	<u>1,768,001</u>	<u>1,407,496</u>

4a. Employee Numbers

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

	2021	2020
Ombudsman for Children	1	1
Staff	<u>27</u>	<u>21</u>
	28	22
Whole Time Equivalents (WTE) at year end	30	26

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4b. Employee benefits breakdown

Range of total employee benefits		Number of Employees	
From	To	2021	2020
€60,000	- €69,999	2	-
€70,000	- €79,999	2	5
€80,000	- €89,999	3	-
€90,000	- €99,999	-	-
€100,000	- €109,999	1	1
€110,000	- €119,999	-	1
€120,000	- €129,999	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.

There was no overtime paid in 2021 (2020: nil). There were no termination payments paid in the year.

4c. Ombudsman's Remuneration

The Ombudsman for Children was appointed on 17th February 2015 and re-appointed for a further six years from the 17th February 2021. The Ombudsman's remuneration in 2021 was €124,171 (2020: €115,136). 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 €229,630 (2020: €216,381).

5. Additional Superannuation Contribution

Additional Superannuation Contribution (ASC) were made in line with statutory requirements. €40,513 (2020: €37,088) of ASC deductions were made in 2021 and paid over to the Department of Children, Equality, Disability, Integration and Youth.

6. Accommodation Expenses	2021	2020
	€	€
Rent	159,194	154,629
Service Charges	92,282	94,771
Premises Insurance	5,180	-
Maintenance and Refurbishment Expenses	9,622	23,123
	<u>266,278</u>	<u>272,523</u>

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7. Office Administration Expenses	2021	2020
	€	€
Legal and Compliance	130,738	116,320
Public Relations	83,627	42,720
Postal and Telephone Costs	38,054	35,496
IT and Website Costs	95,570	64,496
Advertising	28,255	8,446
Office Supplies	3,694	5,484
Other Miscellaneous Expenses	701	1,109
Accountancy and Payroll	90,086	79,103
Internal audit and risk management	31,396	10,473
Audit	11,150	9,350
Cleaning and Catering	8,009	13,567
Training and Staff Development	37,450	21,405
Translators and Interpreter	27,322	5,947
Light and Heat	20,465	18,508
Membership Subscriptions	6,697	11,784
Bank Charges	466	414
Depreciation	89,545	86,652
Loss on Disposal of Fixed Assets	4,600	1,774
	<u>707,825</u>	<u>533,048</u>

8. Research and Policy	2021	2020
	€	€
Research Costs	<u>71,414</u>	<u>67,980</u>
	<u>71,414</u>	<u>67,980</u>

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

9. Complaints and Investigations	2021	2020
	€	€
Investigations/complaints	25,452	60,574
Database Update	34,951	1,639
	<u>60,403</u>	<u>62,213</u>

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

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10. Seminars and Publications

	2021	2020
	€	€
Promotions and Sponsors	14,247	3,020 *
Design and Print	17,265	44,991
OCO Projects	40,607	6,380 *
Publications	7,587	23,096
Photography	1,057	-
Conference/Seminar Expenses	36,152	63,652
Media Monitoring Expenses	7,083	5,191
School Visits	826	1,399
	124,824	147,729

* The comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

11. Fixed Assets

	ICT Equipment €	Office Equipment €	Furniture & Fittings €	Leasehold Improvements €	Total €
Cost					
At 1 January 2021	97,764	33,277	68,538	308,317	507,896
Additions for the year	14,214	-	-	-	14,214
Disposals for the year	(27,533)	(1,118)	-	-	(28,651)
At 31 December 2021	<u>84,445</u>	<u>32,159</u>	<u>68,538</u>	<u>308,317</u>	<u>493,459</u>
Accumulated Depreciation					
At 1 January 2021	52,474	29,267	42,856	61,077	185,674
Depreciation charge for the year	26,971	1,296	4,145	57,133	89,545
Disposals for the year	(23,083)	(968)	-	-	(24,051)
At 31 December 2021	<u>56,362</u>	<u>29,595</u>	<u>47,001</u>	<u>118,210</u>	<u>251,168</u>
Net Book Value					
At 31 December 2021	<u>28,083</u>	<u>2,564</u>	<u>21,537</u>	<u>190,107</u>	<u>242,291</u>
At 31 December 2020	<u>45,290</u>	<u>4,010</u>	<u>25,682</u>	<u>247,240</u>	<u>322,222</u>

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12. Receivables and Prepayments

	2021	2020
	€	€
Prepayments	83,334	69,806
	<u>83,334</u>	<u>69,806</u>

13. Payables and Accruals

	2021	2020
	€	€
Amounts falling due within one year		
PAYE/PRSI	-	38,714
PSWT	-	15,679
Accrued expenses (Pay)	63,254	40,113
Accrued expenses (Non-Pay)	117,989	82,389
Other creditors	15,994	21,360
	<u>197,237</u>	<u>198,255</u>

14. Capital Account

	2021	2020
	€	€
As at 1st January	322,222	353,305
Allocated to purchase fixed assets	14,214	57,343
Disposal of fixed assets	(4,600)	(1,774)
Amount amortised in line with asset depreciation	(89,545)	(86,652)
Transfer from Income and Expenditure account	(79,931)	(31,083)
	<u>242,291</u>	<u>322,222</u>
Balance at 31 December	<u>242,291</u>	<u>322,222</u>

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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 which increased in 2021 to €153,134 per annum effective from rent review date 4 April 2020. Lease commitments are as follows:

	2021	2020
	€	€
Under 1 year	153,134	150,000
Between 2 – 5 years	344,552	487,500
Over 5 years	-	-
	<u>497,686</u>	<u>637,500</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 31st December 2021.

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 8th September 2022.