

OMBUDSMAN FOR CHILDREN'S OFFICE

FINANCIAL STATEMENTS

for the year ended 31 December 2011

OMBUDSMAN FOR CHILDREN'S OFFICE

Financial statements

For the year ended 31 December 2011

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OMBUDSMAN FOR CHILDREN'S OFFICE

General Information

For the year ended 31 December 2011

Ombudsman for Children

Ms. Emily Logan

Head Office

Millennium House

52-56 Great Strand Street

Dublin 1

Telephone: 01-8656800, 1800 202040 Fax: 01-8747333

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Email: 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

Ombudsman for Children

I have audited the financial statements of the Ombudsman for Children for the year ended 31 December 2011 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 reporting framework that has been applied in their preparation is applicable law and 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 2011 and of its income and expenditure for the year then ended.

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 moneys have 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.

Andrew Harkness

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

22 June 2012

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement of Responsibilities of the Ombudsman for Children's Office

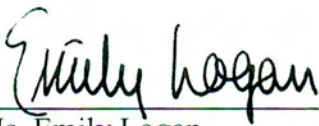
The Ombudsman for Children is required by Section 17 (1)(2) of the Ombudsman for Children Act 2002 to prepare financial statements for each financial year of all proper and usual accounts of moneys received or expended by her in the performance of her functions under the Ombudsman for Children Act 2002.

In preparing these statements, the Office is required to:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Office will continue in business;
- disclose and explain if there are any material departures from applicable accounting standards.

The Ombudsman for Children is responsible for ensuring that proper accounting records are kept by the Office of the Ombudsman for Children with records that disclose with reasonable accuracy at all times its financial position and to ensure that the financial statements comply with the Ombudsman for Children Act, 2002.

The Ombudsman for Children is also responsible for safeguarding the offices assets and to take appropriate steps for the prevention and detection of fraud and other irregularities, and also for ensuring compliance with late payments legislation.


Ms. Emily Logan
Ombudsman for Children

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement on Internal Financial Control

Responsibility for system of Internal Financial Control

I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated.

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

Control Environment

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

- decisions on expenditure rest with the Ombudsman for Children, Director of Communications 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)

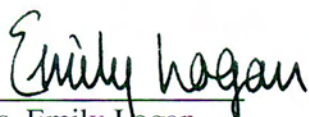
Control Mechanism

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 Communications and the Director of Corporate Services of financial information;
- regular management team meetings.

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

I confirm that in the year ended 31st December 2011, the Ombudsman for Children's Office conducted a review on the effectiveness of the systems of internal financial control.



Ms. Emily Logan
Ombudsman for Children

Date: 19 - June - 2012

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 Finance.

2. Period of Financial Statements

These financial statements cover the period 1 January 2011 to 31 December 2011.

3. Oireachtas Grants

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

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

4. Other Income

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

5. Tangible Fixed Assets

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

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

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

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

OMBUDSMAN FOR CHILDREN'S OFFICE

Statement of Accounting Policies (continued)

6. Capital Account

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

7. Pensions

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

The Ombudsman for Children Act 2002 provides that the Minister for Children and Youth Affairs, with the consent of the Minister for Finance, 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 for Children. Pending finalisation of the scheme by the Department of Finance, a scheme based on the civil service model is being operated on an administrative basis.

OMBUDSMAN FOR CHILDREN'S OFFICE

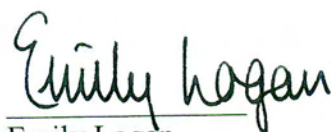
Income and Expenditure Account For the year ended 31 December 2011

	Notes	2011 €	2010 €
Income			
Grant-In-Aid	1	2,005,000	2,070,000
Transferred from Capital Account	14	4,142	10,766
Superannuation Contributions	2	103,872	-
Other income	3	54,509	14,635
Deposit Interest		94	315
Total Income		<u>2,167,617</u>	<u>2,095,716</u>
Expenditure			
Staff Costs	4	940,439	948,608
Accommodation Costs	6	347,547	340,432
Office Administration Expenses	7	262,769	325,453
Research and Policy	8	83,751	52,944
Complaints and Investigations	9	300,309	223,247
Seminars and Publications	10	167,027	230,824
		<u>2,101,842</u>	<u>2,121,508</u>
Surplus/(Deficit) for the year		65,775	(25,792)
Surplus at beginning of the year		52,959	78,751
Surplus at the end of the year		<u>118,734</u>	<u>52,959</u>

All recognised gains and losses for the year ended 31 December 2011 have been included in the Income and Expenditure Account.

There are no other gains and losses apart from the gains and losses shown in the two financial years above.

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



Emily Logan
Ombudsman for Children

Date: 19-June-2012

OMBUDSMAN FOR CHILDREN'S OFFICE

Balance Sheet

As at 31 December 2011

	Notes	2011 €	2010 €
<u>Fixed Assets</u>			
Tangible Assets	11	67,851	71,993
<u>Current assets</u>			
Cash on hand and at bank		164,692	256,612
Debtors and prepayments	12	28,531	16,806
Total assets		261,074	345,411
<u>Current liabilities</u>			
Amounts Falling Due Within 1 Year			
Creditors and Accruals	13	(74,489)	(220,459)
Total Assets less Current Liabilities		<u>186,585</u>	<u>124,952</u>
<u>Capital and Reserves</u>			
Non-Capital Income and Expenditure Account			
Surplus/(Deficit)		118,734	52,959
Capital Account	14	67,851	71,993
		<u>186,585</u>	<u>124,952</u>

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


Emily Logan
Ombudsman for Children

Date: 19-June-2012

OMBUDSMAN FOR CHILDREN'S OFFICE

Cash Flow Statement

For the year ended 31 December 2011

	Note	2011 €	2010 €
Reconciliation of surplus/(deficit) to net cash (outflow)/inflow from operating activities			
Surplus/(Deficit) for the year		65,775	(25,792)
Depreciation charge		24,869	26,970
Amortisation of Capital Grant		(24,869)	(26,970)
Interest Received		(94)	(315)
(Increase)/decrease in Debtors		(11,725)	(9,711)
(Decrease)/increase in Creditors		(145,970)	80,808
Net Cash (Outflow)/Inflow from Operating Activities		(92,014)	44,990

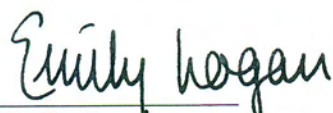
Cash Flow Statement

Net Cash (Outflow)/Inflow from Operating Activities		(92,014)	44,990
Return on Investments and Servicing of Finance			
Interest Received		94	315
Capital Expenditure			
Payments to acquire Fixed Assets	11	(20,727)	(16,204)
Financing			
State Grant applied to Fixed Assets		20,727	16,204
(Decrease)/Increase in Cash in the year		(91,920)	45,305

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		256,612	211,307
Net funds at the end of the year		164,692	256,612
(Decrease)/Increase in Cash in the year		(91,920)	45,305

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



Emily Logan
Ombudsman for Children

Date: 19 - June - 2012

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the financial statements For the year ended 31 December 2011

1. Grant-In-Aid

	2011	2010
	€	€
Department of Children and Youth Affairs	<u>2,005,000</u>	<u>2,070,000</u>

2. Superannuation Contributions

The Ombudsman for Children had sought confirmation from the Department of Health and Children on the appropriate treatment for superannuation contributions by staff of the Ombudsman for Children's Office. The Department of Health and Children 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 €103,872 brought to account in 2011, comprises €83,360 in respect of accumulated deductions from previous years, together with €20,512 in respect of the current accounting year.

3. Other Income

An amount of €54,509 was recouped in 2011 (2010: €14,635) in relation to staff seconded to The Adoption Authority of Ireland.

4. Staff Costs and Employee Information

	2011	2010
	€	€
Staff Payroll Costs		
Staff costs	767,045	728,952
Agency Staff Costs	163,893	213,995
Staff Related Expenses		
Travel and Subsistence	9,501	5,661
Total Staff Costs	<u>940,439</u>	<u>948,608</u>

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the financial statements For the year ended 31 December 2011

4a. Employee Numbers

	2011	2010
The average number of employees during the year was made up as follows:		
Ombudsman for Children	1	1
Staff	12	12
	<u>13</u>	<u>13</u>

4b. Ombudsman for Children's Remuneration

The annual basic salary of the Ombudsman for Children is €127,355 (2010: €127,415).

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. €39,504 of pension levy has been deducted in 2011 and paid over to the Department of Children and Youth Affairs.

6. Accommodation Expenses

	2011 €	2010 €
Rent	265,675	265,675
Service Charges	66,084	66,084
Maintenance and Refurbishment Expenses	15,788	8,673
	<u>347,547</u>	<u>340,432</u>

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the financial statements For the year ended 31 December 2011

7. Office Administration Expenses

	2011	2010
	€	€
Depreciation	24,869	26,970
Legal and Compliance	48,659	66,436
Postal and Telephone Costs	27,088	36,867
IT and Website Costs	21,683	14,964
Advertising	5,565	6,286
Office Supplies and Machinery	8,137	22,236
Other Miscellaneous Expenses	1,695	1,778
Accountancy	52,471	55,193
Audit	7,345	7,800
Cleaning and Catering	19,253	21,575
Training and staff Development	15,630	23,030
Translators and Interpreter	2,373	10,097
Light and Heat	20,345	20,809
Premises Insurance	-	2,038
Membership Subscriptions	7,143	8,772
Bank Charges	513	602
	<u>262,769</u>	<u>325,453</u>

8. Research and Policy

	2011	2010
	€	€
Research costs	<u>83,751</u>	<u>52,944</u>
	<u>83,751</u>	<u>52,944</u>

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

9. Complaints and Investigations

	2011	2010
	€	€
Investigations/complaints	<u>300,309</u>	<u>223,247</u>
	<u>300,309</u>	<u>223,247</u>

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

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the financial statements For the year ended 31 December 2011

10. Seminars and Publications

	2011	2010
	€	€
Promotions and Sponsors	3,215	-
Design and Print	50,511	105,763
OCO Projects	65,372	51,873
Publications	25,863	48,743
Photography	2,235	789
Conference/Seminar Expenses	1,294	740
Educational Materials Development	544	-
Media Monitoring Expenses	9,292	11,191
School visits	4,508	11,087
Development of Digital Media	4,193	638
	<u>167,027</u>	<u>230,824</u>

11. Tangible Fixed Assets

	Computer & ICT Equipment €	Office Equipment €	Furniture & Fittings €	Total €
<u>Cost</u>				
At 1 January 2011	145,206	46,791	73,277	265,274
Additions for the year	18,549	2,178	-	20,727
Disposals at Gross Book Value	-	-	-	-
At 31 December 2011	<u>163,755</u>	<u>48,969</u>	<u>73,277</u>	<u>286,001</u>
<u>Accumulated Depreciation</u>				
At 1 January 2011	121,146	40,640	31,495	193,281
Depreciation charge for the year	15,182	2,359	7,328	24,869
Disposals- Accumulated depreciation	-	-	-	-
At 31 December 2011	<u>136,328</u>	<u>42,999</u>	<u>38,823</u>	<u>218,150</u>
<u>Net Book Value</u>				
At 31 December 2011	<u>27,427</u>	<u>5,970</u>	<u>34,454</u>	<u>67,851</u>
At 31 December 2010	<u>24,060</u>	<u>6,151</u>	<u>41,782</u>	<u>71,993</u>

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the financial statements

For the year ended 31 December 2011

12. Debtors and Prepayments

	2011 €	2010 €
Prepayments	11,759	8,443
Accrued Income	16,772	8,363
	<u>28,531</u>	<u>16,806</u>

13. Creditors and Accruals

	2011 €	2010 €
Amounts falling due within one year		
Trade Creditors	438	-
PAYE/PRSI	16,794	14,647
PSWT	8,178	-
Superannuation deductions retained	-	83,360
Accrued expenses (Pay)	18,906	47,344
Accrued expenses (Non-Pay)	30,087	75,108
Other creditors	86	-
	<u>74,489</u>	<u>220,459</u>

14. Capital Account

	2011 €	2010 €
As at 1st January	71,993	82,759
Allocated to purchase fixed assets	20,727	16,204
Amount amortised in line with asset depreciation	(24,869)	(26,970)
Transfer (to)/ from Income and Expenditure account	(4,142)	(10,766)
	<u>67,851</u>	<u>71,993</u>

OMBUDSMAN FOR CHILDREN'S OFFICE

Notes to the financial statements For the year ended 31 December 2011

15. Financial Commitments

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

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

A 20 year lease commenced on 4 April 2005 with rent of €265,675 per annum.

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

16. Capital and Other Commitments

There were no capital commitments at 31 December 2011.

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 Finance 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 28 March 2012.