

OFFICE OF THE OMBUDSMAN FOR CHILDREN

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005

OFFICE OF THE OMBUDSMAN FOR CHILDREN

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OFFICE OF THE OMBUDSMAN FOR CHILDREN
GENERAL INFORMATION

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OMBUDSMAN FOR CHILDREN

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements of the Ombudsman for Children for the year ended 31 December 2005 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.

Respective Responsibilities of the Ombudsman for Children and the Comptroller and Auditor General

The Ombudsman for Children is responsible for preparing the financial statements in accordance with the Ombudsman for Children Act, 2002, and for ensuring the regularity of transactions. The Ombudsman for Children prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Ombudsman for Children are set out in the Statement of Responsibility.

My responsibility is to audit the financial statements in accordance with relevant legal and regularity requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Ombudsman for Children's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

Basis of Audit Opinion

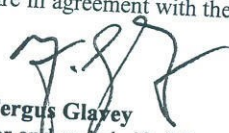
In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Audit Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Ombudsman for Children's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Ombudsman for Children's affairs at 31 December 2005 and of the income and expenditure and cash flow 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.


Fergus Glavey
for and on behalf of the
Comptroller and Auditor General

21 December 2006

**STATEMENT OF RESPONSIBILITY OF THE
OFFICE OF THE OMBUDSMAN FOR CHILDREN**

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 judgements 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

OFFICE OF THE OMBUDSMAN FOR CHILDREN
STATEMENT ON INTERNAL FINANCIAL CONTROLS

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 and the office manager;
- * management responsibilities are clearly assigned and communicated between the Ombudsman and the office manager;
- * internal reporting relationships are clearly assigned;
- * the Department of Health and Children provided an agency payment service for the Ombudsman for Children's Office during the accounting year.

Risk Assessment

The Ombudsman intends to establish 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.

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 and office manager of financial information provided by the Department of Health & Children;
- * regular team meetings.

OFFICE OF THE OMBUDSMAN FOR CHILDREN
STATEMENT ON INTERNAL FINANCIAL CONTROLS

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 and Children).

The provision of financial services to the office will continue to be under review in 2005 - 2006. Included in this process will be the introduction of procedures to formally identify business risks to the office and an evaluation of their financial implications.

Signed _____
Ms. Emily Logan
Ombudsman for Children

Date _____

OFFICE OF THE OMBUDSMAN FOR CHILDREN

STATEMENT OF ACCOUNTING POLICIES

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 Health and Children.

The financial statements are in a form approved by the Minister for Health and Children with the concurrence of the Minister for Finance.

2. Period of Financial Statements

These financial statements cover the period 1 January 2005 to 31 December 2005. The Office of the Ombudsman for Children was established on 25 April 2004 consequently, where appropriate, comparative figures for the eight month period 25 April 2004 to 31 December 2004 are also shown.

3. Oireachtas Grants

Income recognised in the financial statements under Oireachtas Grants represents the amounts allocated and paid on behalf of the Office during the period, by the Department of Health and Children. Grant Income applied for capital purposes and which result in additions to fixed assets are capitalised on the Capital Account.

4 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.

5 Capital Account

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

6 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 pension entitlements of the Ombudsman for Children who is appointed by the President have not yet been finalised. There is no charge in these financial statements for any liabilities which may arise in respect of the pension of the Ombudsman.

OFFICE OF THE OMBUDSMAN FOR CHILDREN
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	12 Months ended 31-Dec-2005 €	8 Months ended 31-Dec-2004 €
Income			
Oireachtas Grants	1	1,019,045	276,252
Transferred to Capital Account to fund Fixed Assets	8	(64,645)	(44,713)
Total Income		<u>954,400</u>	<u>231,539</u>
Expenditure			
Staff Costs	2	439,628	136,105
Accommodation Expenses	3	152,390	363
Office Administration Expenses	4	239,765	70,274
Seminars and Events	5	134,580	35,126
Gross Expenditure		<u>966,363</u>	<u>241,868</u>
Depreciation	6	20,314	7,368
Amortisation of Capital Grant	8	(20,314)	(7,368)
Total Expenditure for the year		<u>966,363</u>	<u>241,868</u>
Deficit for the year		(11,963)	(10,329)
Surplus / (Deficit) at beginning of the year		(10,329)	-
Deficit at the end of the year		<u>(22,292)</u>	<u>(10,329)</u>

All recognised gains and losses for the year ended 31 December 2005 have been included in the Income and Expenditure Account.

The Statement of Accounting Policies on Page 7 and notes 1 to 11 form part of these financial statements.

Ms. Emily Logan
Ombudsman for Children

Date: _____

OFFICE OF THE OMBUDSMAN FOR CHILDREN

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	12 Months ended 31-Dec-2005 €	8 Months ended 31-Dec-2004 €
<u>Fixed Assets</u>			
Tangible Assets	6	81,676	37,345
<u>Current Assets</u>			
Cash on hand and Bank Balances		218	170
		<u>218</u>	<u>170</u>
<u>Current Liabilities</u>			
Amounts falling due within one year			
Creditors and Accruals	7	(22,510)	(10,499)
Net Current Assets / (Liabilities)		(22,292)	(10,329)
Total Assets less Current Liabilities		<u>59,384</u>	<u>27,016</u>
<u>Capital and Reserves</u>			
Non-Capital Income and Expenditure Account (Deficit) / Surplus		(22,292)	(10,329)
Capital Account	8	81,676	37,345
		<u>59,384</u>	<u>27,016</u>

The Statement of Accounting Policies on Page 7 and notes 1 to 11 form part of these financial statements

Ms. Emily Logan
Ombudsman for Children

Date: _____

OFFICE OF THE OMBUDSMAN FOR CHILDREN

Cash Flow Statement for the year ending 31 December 2005

Notes	12 Months ended 31-Dec-2005 €	8 Months ended 31-Dec-2004 €
<i>Reconciliation of deficit to net cash inflow from operating activities</i>		
Deficit for the period	(11,963)	(10,329)
Transfer to (from) Capital Account to fund the purchase of Fixed Assets	64,645	44,713
Depreciation Charge	20,314	7,368
Amortisation of Capital Grant	(20,314)	(7,368)
Increase in Creditors	12,011	10,499
Net Cash Inflow from Operating Activities	64,693	44,883
<u>Cash Flow Statement</u>		
Net Cash Flow from Operating Activities	64,693	44,883
<i>Return on Investments and Servicing of Finance</i>		
Capital Expenditure 6	(64,645)	(44,713)
Management of Liquid Resources	-	-
Financing	-	-
Increase in cash	48	170
<i>Reconciliation of Net Cash Flows to Movement in Net Funds</i>		
Increase in Cash in the period	48	170
Changes in Net Funds resulting from cash flow		
Net Funds at beginning of the period	170	0
Net Funds at the end of the period	218	170

The Statement of Accounting Policies on Page 7 and notes 1 to 11 form part of these financial statements

Ms. Emily Logan
Ombudsman for Children

Date: _____

OFFICE OF THE OMBUDSMAN FOR CHILDREN

NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	12 Months ended 31-Dec-2005 €	8 Months ended 31-Dec-2004 €
1 Oireachtas Grants		
Department of Health and Children Grant	1,019,045	276,252
2 Staff Costs and Employee Information	€	€
Staff Payroll Costs		
Wages and Salaries	420,065	128,094
Staff Related Expenses		
Travel and Subsistence	19,563	8,011
Total Staff Costs	439,628	8,011
Employee Numbers		
The average number of employees during the period was made up as follows:	2005	2004
Ombudsman	1	1
Administration Staff	6	4
Total	7	5
3 Accommodation Expenses	12 Months ended 31-Dec-2005 €	8 Months ended 31-Dec-2004 €
Rent and Rates	139,269	-
Maintenance and Refurbishment Expenses	13,121	363
	152,390	363
4 Office Administration Expenses	€	€
Consultancy and Legal	125,264	20,704
Postal & Telephone Costs	46,803	4,236
Computer Expenses	16,274	-
Advertising	13,656	29,129
Office Supplies and Machinery	9,921	2,442
Other Miscellaneous Expenditure	7,869	8,489
Audit	6,500	-
Cleaning and Catering	6,183	-
Training	5,795	5,274
Accountancy	1,500	-
	239,765	70,274

OFFICE OF THE OMBUDSMAN FOR CHILDREN

NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

5 Seminars and Publications

	12 Months ended 31-Dec-2005	8 Months ended 31-Dec-2004
	€	€
Promotions and Sponsor		
Design & Print	59,201	10,000
OCO Projects	47,821	11,734
Publications	12,723	13,392
Photography	4,036	-
Room Hire	8,987	-
Conference/Seminar expenses	1,286	-
	526	-
	134,580	35,126

6 Tangible Fixed Assets

Cost

At 1 January 2005

Additions for the year

Disposals at Gross Book Value

At 31 December 2005

Accumulated Depreciation

At 1 January 2005

Depreciation Charge for the year

Disposals - Accumulated Depreciation

At 31 December 2005

Net Book Value

At 31 December 2005

At 31 December 2004

	Computer & ICT Equipment	Office Equipment	Furniture & Fittings	Total
	€	€	€	€
At 1 January 2005	22,708	19,279	2,726	44,713
Additions for the year	36,288	15,509	12,848	64,645
Disposals at Gross Book Value	-	-	-	-
At 31 December 2005	58,996	34,788	15,574	109,358
At 1 January 2005	4,475	2,620	273	7,368
Depreciation Charge for the year	11,799	6,958	1,557	20,314
Disposals - Accumulated Depreciation	-	-	-	-
At 31 December 2005	16,274	9,578	1,830	27,682
At 31 December 2005	42,722	25,210	13,744	81,676
At 31 December 2004	18,233	16,659	2,453	37,345

7 Creditors and Accruals

Amounts falling due within one year:

Accrued Expenses

Pay

Non-Pay

	12 Months ended 31-Dec-2005	8 Months ended 31-Dec-2004
	€	€
Accrued Expenses		
Pay	22,510	534
Non-Pay	-	9,965
	22,510	10,499

8 Capital Account

Balance at 1 January 2005

Additions

Transfer (to) / from Income and Expenditure Account

Less -

Disposals

Amount amortised in line with asset depreciation for the year

Balance at 31 December 2005

	€	€
Balance at 1 January 2005	37,345	-
Transfer (to) / from Income and Expenditure Account	64,645	44,713
Disposals	-	-
Amount amortised in line with asset depreciation for the year	(20,314)	(7,368)
Balance at 31 December 2005	81,676	37,345

OFFICE OF THE OMBUDSMAN FOR CHILDREN

NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

9 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 rentals 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 with rent commencing at €265,675 per annum was agreed.

10 Capital and Other Commitments

There were no capital commitments at 31 December 2005.

11 Related Party Transactions / Disclosure of Interests

The Office of the Ombudsman 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 and members/staff of the Office. Formal procedures exist to ensure adherence with the requirements of the Code.