



Residential Institutions Statutory Fund Board

Financial Statements

**For the period from establishment date
25th March 2013 to 31st December 2013**

**Financial Statements
For the period ended 31st December 2013**

Contents

	<u>PAGE</u>
GENERAL INFORMATION	3
STATEMENT OF RESPONSIBILITIES OF THE BOARD	4
STATEMENT ON INTERNAL FINANCIAL CONTROL	5-6
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	7
ACCOUNTING POLICIES	8-10
FUND ACCOUNT	11
BALANCE SHEET	12
CASHFLOW STATEMENT	13
NOTES TO THE FINANCIAL STATEMENTS	14-17

Financial Statements
For the period ended 31st December 2013

General Information

Address	3 rd Floor Frederick Court 24/27 North Frederick Street Dublin 1
Members of the Board	Mr David O'Callaghan (Chairperson) (from 24 th February 2014) Ms. Sylva Langford (to 24 th February 2014) Ms. Bernadette Fahy Ms. Phyllis Morgan Mr. Damien Casey Mr. Tom Daly Mr. Austin Currie Ms. Katherine Finn Mr. David Lane (from 25 th July 2013) Mr Francis Harrington (from 29 th January 2014) Mr Patrick Doyle (to 8 th August 2013) Mr Martin Power (to 5 th July 2013)
Chief Executive Officer	Mary Higgins
Accountants	Crowleys DFK 16/17 College Green Dublin 2
Auditor	Comptroller and Auditor General Treasury Block Dublin Castle Dublin 2

**Financial Statements
For the period ended 31st December 2013**

Statement of Responsibilities of the Board

Responsibilities of the Residential Institutions Statutory Fund Board

The Residential Institutions Statutory Fund Board was established on 25 March 2013 under the provisions of the Residential Institutions Statutory Fund Act 2012.

The principal functions of the Statutory Fund laid down in the 2012 Act are

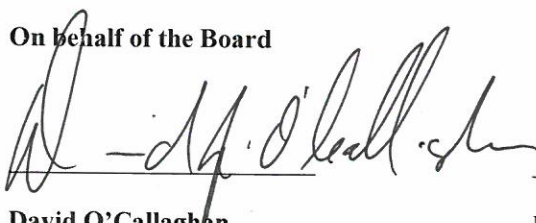
- a) Utilise the resources that are available to it in the investment account to make arrangements with persons for the provision of approved services to support the needs of former residents and pay grants to former residents in order that they may avail of approved services;
- b) To determine whether a service is an approved service and criteria by reference to which the Board shall make a decision on an application to the Board for an arrangement or grant;
- c) To promote understanding, among persons involved in the provision of approved services and publicly available services to former residents, of the affects of abuse on former residents.

Section 31 of the Act requires the chief executive to prepare accounts for approval by the Board for each financial year in such form as may be approved by the Minister for Education and Skills, with the consent of the Minister for Public Expenditure and Reform.

In preparing those financial statements, the Board is required to select suitable accounting policies and then apply them consistently.

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time its financial position and to enable it to ensure that the financial statements comply with Irish accounting standards and applicable law. The Board is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

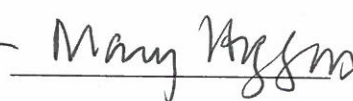
On behalf of the Board



David O'Callaghan
Chairperson

Date:

7 Mar 2015



Mary Higgins
Chief Executive Officer

Date:

**Financial Statements
For the period ended 31st December 2013**

Statement on Internal Financial Control

Prior to the establishment of the Board on 25th March 2013, the Education (Former Residents of Certain Institutions for Children) Finance Board was responsible for making payments to former residents.

The Education Finance Board was dissolved with effect from 29 March 2013 under the Residential Institutions Statutory Fund Act 2012. The assets and liabilities of the Education Finance Board have been transferred to the Residential Institutions Statutory Fund which will address any outstanding commitments in relation to applications to the Education Finance Board from former survivors and their relatives.

Responsibility for the system of Internal Financial Control

On behalf of the Residential Institutions Statutory Fund Board, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable but not absolute, assurance that the assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Board continued with arrangements already in place whereby the processing of approved operational costs was carried out under an agency agreement with the City of Dublin Educational and Training Board (CDETb). From August 2013, this arrangement ceased and operational payments were processed directly by the Board through a commercial bank account.

In accordance with the provisions of the Residential Institutions Statutory Fund Act 2012, an account was established at the Central Bank for the purposes of receiving cash contributions. Section 29(3) of the Residential Institutions Statutory Fund Act 2012 provides that the Statutory Fund shall establish an investment account into which the amount paid under section 29(1) & (2) shall be deposited. Periodically, the Board draws down funds from this account to meet its liabilities as they fall due.

The Board has taken steps to ensure an appropriate control environment by implementing a system of clearly defined management responsibilities and has developed a procedures manual for the awarding of grants and for the processing and approval of other payments.

The Board also established an Audit and Risk Committee. The Committee meets at least four times a year. The Committee's terms of reference include ensuring systems that guarantee internal financial control.

While expenditure in respect of grant payments is demand-led and therefore not amenable to annual budgeting, the Board through its procedures, including in particular the consideration and review by the Audit and Risk Committee of the management accounts, carefully monitors on a regular basis expenditure patterns and any issues arising

The Board has engaged the services of a firm of accountants to prepare the annual financial statements. These services are used also to produce quarterly management accounts and to provide further advice on financial and control matters as required.

Financial Statements
For the period ended 31st December 2013

Statement on Internal Financial Control

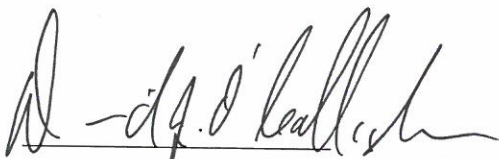
The Board's system of internal financial controls is based on a framework of regular management information, a system of delegation and accountability, a set of financial procedures, administrative procedures including segregation of duties and rigorous ongoing checks by the finance function. In particular it includes:

- A budgeting system on operational expenditure;
- Setting authorisation limits for the disbursement of the Residential Institutions Statutory Fund Boards' funds;
- Regular reviews by the Audit and Risk Committee and senior management of periodic and annual financial information and reports including management accounts.

Annual Review of Controls for period ended 31 December 2013

The Residential Institutions Statutory Fund Board was established on 25 March 2013 under the provisions of the Residential Institutions Statutory Fund Act 2012. A review of the effectiveness of the system on internal financial control was not carried out in 2013. It is the intention of the Board to conduct a review in 2014.

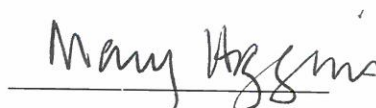
On behalf of the Board



David O'Callaghan
Chairperson

Date:

7 May 2015



Mary Higgins
Chief Executive Officer

Date:



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Residential Institutions Statutory Fund Board

I have audited the financial statements of the Residential Institutions Statutory Fund Board for the period 25 March 2013 to 31 December 2013 under the Residential Institutions Statutory Fund Act 2012. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the fund account, the balance sheet, the cashflow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 31 of the Residential Institutions Statutory Fund Act 2012, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Chief Executive Officer

The Chief Executive Officer is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the transactions of the Fund and of the state of its affairs 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 Board'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 Board's affairs at 31 December 2013 and of the transactions on the fund account for the period ended 31 December 2013.

In my opinion, proper books of account have been kept by the Board. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Board'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.

Seamus McCarthy

Seamus McCarthy
Comptroller and Auditor General

20 May 2015

Residential Institutions Statutory Fund Board
Financial Statements
For the period ended 31st December 2013



Accounting Policies

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.

Basis of Preparation

Introduction

The Residential Institutions Fund Board (RISFB) was established on 25 March 2013 under the provisions of the Residential Institutions Statutory Fund Act 2012. It will oversee the use of the cash contributions of up to €110 million pledged by religious congregations to support the needs of survivors of residential institutional child abuse. The key functions of the RISFB as defined in the Act include the payment of grants to former residents in order that they may avail of approved services, which include; mental health services, health and personal social services, educational services and housing support services.

As 2013 was the first year of operation, activities focused on establishing a new organisation; building relationships with stakeholders and other relevant bodies; designing the services for survivors; and ensuring that it would be operational and ready to accept applications. As we were not ready to invite applications until late 2013, limited expenditure was incurred in payments to survivors.

The Education Finance Board, was dissolved on 29 March 2013. Its remaining commitments and assets transferred to the Residential Institutions Statutory Fund Board (RISFB) on dissolution. The net assets transferred on dissolution totalled €29,490.

Amounts transferred from the Education Finance Board

The net assets transferred from EFB (€29,490) comprised

NTMA Investment Account	€24,200
Amounts held with City of Dublin VEC	€10,310
Prepayments	€3,323
Accruals	(€8,343)
Total	29,490

Funding of Operations

Pending the establishment of the RISF, a special interest bearing account was established in the Central Bank under the dual control of the Department of Public Expenditure and Reform and the Department of Education and Skills to receive cash contributions from religious congregations. In March 2013, the total funds in this account totalling €41,314,845 including interest of €270,529 were transferred to the RISF investment account managed by the National Treasury Management Agency (NTMA) and the special account was closed. In April 2013 a further €12,376 in accrued interest was paid into the investment account.

Section 29(2) of the Act provides for the receipt of further funds from religious congregations to the RISF investment account on foot of instructions from the Department of Education and Skills with the consent of the Department of Public Expenditure and Reform.

The Act also provides that the amounts paid into the investment account will not exceed €110 million and that monies not required for the time being shall be invested.

**Financial Statements
For the period ended 31st December 2013**

Accounting Policies

Payment Processing

Up to August 2013, operational costs were processed by City of Dublin Education and Training Board on an agency basis. From August 2013, these operational payments are processed directly by the Board through a commercial bank account.

The financial statements are prepared under the accrual method of accounting and in accordance with generally accepted accounting principles under the historical cost convention, except as indicated below.

Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative.

Period of Account and Transfer of Balances

These financial statements have been prepared for the period from the establishment date 25th March 2013 to 31st December 2013.

Income

Income is recognised in the financial statements when cash from religious congregations is transferred to the RISF investment account on the direction of the Minister for Education and Skills with the consent of the Minister for Public Expenditure and Reform as provided for under Section 29 (1) and (2) of the Residential Institutions Statutory Fund Act 2012.

Grant Payments

Commitments made by the Education Finance Board transferred into the Residential Institution Statutory Fund Board are recognised in these financial statements when approved by the RISF Board.

Grants made by the RISF are recognised in the year in which the claims have been approved for payment by the Board.

Fixed assets and depreciation

Fixed assets are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Income and Expenditure Account on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, over their expected useful lives as follows:-

Computer Equipment and Software	25%
---------------------------------	-----

Capital Account

The Capital Account balance represents the unamortised value of income applied for capital expenditure purposes.

**Financial Statements
For the period ended 31st December 2013**

Accounting Policies

Foreign currencies

Transactions denominated in foreign currencies are translated into Euros and recorded at the rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date or forward purchase contract rates where such contracts exist.

Pensions

Staff members of the Residential Institutions Statutory Fund Board (other than staff on secondment from other public bodies) are members of the Single Public Service Pension Scheme which commenced with effect from 1 January 2013. A standard vesting period of two calendar years must be served before becoming eligible for retirement benefits from the scheme.

In the case of seconded staff from other public bodies the cost of their employment, including charges for employer's PRSI and pension costs is recouped by their employers.

At 31 December 2013 the Board had no liability for pension benefits.

Fund Account
For the period ended 31st December 2013

	Notes	9 months period ended 31 December 2013 €
Income		
Cash contributions received	1	74,769,048
Investment Return		
Interest earned		156,714
Transfer to Capital Account	6	(13,351)
		<u>143,363</u>
Expenditure		
Grants	3	4,243
Administration costs	4	388,132
		<u>392,375</u>
Decrease in fund during the period		<u>(249,012)</u>
Closing Balance		<u>74,520,036</u>

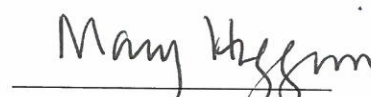
The Board had no gains or losses other than dealt with in the Fund Account.

The Statement of Accounting Policies and Notes 1 to 13 form part of these Financial Statements.

On behalf of the Board


David O'Callaghan
Chairperson

Date: 7 May 2015


Mary Higgins
Chief Executive Officer

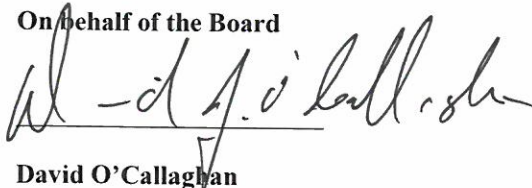
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Balance Sheet
As at 31 December 2013

	Notes	31 December 2013 €	€
FIXED ASSETS			
Computer equipment and software	5		13,351
CURRENT ASSETS			
Exchequer Notes Held	2	66,026,027	
NTMA Investment Accounts	2	8,434,810	
Bank	2	54,408	
Debtors and prepayments	7	<u>126,275</u>	
		<u>74,641,520</u>	
CREDITORS			
(Amounts falling due within one year)			
Creditors and Accruals	8	<u>91,994</u>	
		<u>91,994</u>	
NET CURRENT ASSETS			<u>74,549,526</u>
NET ASSETS			<u>74,562,877</u>
REPRESENTED BY			
Capital Account	6		13,351
Net assets transferred from Education Finance Board			29,490
Fund account			<u>74,520,036</u>
			<u>74,562,877</u>

The Statement of Accounting Policies and Notes 1 to 13 form part of these Financial Statements.

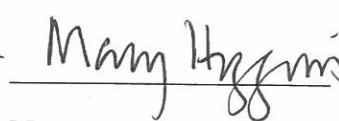
On behalf of the Board



David O'Callaghan
Chairperson

Date:

7 May 2015



Mary Higgins
Chief Executive Officer

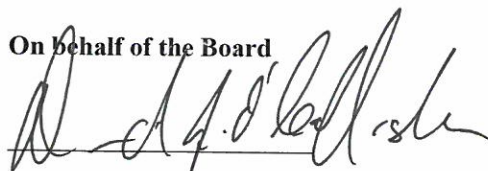
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Cashflow Statement
For the period ended 31st December 2013

	Notes	9 months period ended 31 December 2013 €
Reconciliation of (deficit) to net cash outflow from operating activities		
(Deficit) for the period		(249,012)
Depreciation charge	5	3,081
(Increase in debtors)		(126,275)
Increase in creditors		91,994
Capital account movement		13,351
Net cash outflow from operating activities		<u>(266,861)</u>
Cashflow Statement		
Net cashflow from operating activities		(266,861)
Return on Investments and servicing of finance		
Capital expenditure		(16,432)
Financing		74,798,538
Increase in cash		<u>74,515,245</u>
Reconciliation of net cash flows to movement in net funds		
Increase in cash in the year		74,515,245
Net funds at the end of the period		<u>74,515,245</u>

The Statement of Accounting Policies and Notes 1 to 13 form part of these Financial Statements.

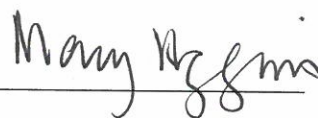
On behalf of the Board



David O'Callaghan
Chairperson

Date:

7 May 2015



Mary Higgins
Chief Executive Officer

Date:

**Notes to the Financial Statements
For the period ended 31st December 2013**

1. INCOME

Amount credited as income in the period is as follows:

	€
Balance on special account transferred in March 2013 as provided for in Section 29 (1) of 2012 Act *	41,314,845
Accrued interest credited in April 2013	12,376
Amounts lodged to investment account under Section 29 (2) of 2012 Act	33,441,827
Total amount transferred to RISF investment account during 2013	74,769,048

* includes accumulated interest of €270,529

2. CASH AND BANK

As provided for under Section 29 (1) & (2) receipts from the religious congregations are paid into the RISFB investment account on the direction of the Minister for Education and Skills with the consent of the Minister for Public Expenditure.

Since August 2013, amounts required to make payments are transferred to a commercial bank account. The balance on that account at 31 December 2013 was €54,408. Prior to August 2013, amounts were transferred to City of Dublin ETB who made payments on behalf of the Board on an agency basis (Note 8).

Funds not required to make payments may be invested. At 31 December 2013, €66,026,027 had been converted to Exchequer notes.

3. GRANT PAYMENTS

	EFB €	CARANUA €	TOTAL €
Grants	<u>(5,480)</u>	<u>9,723</u>	<u>4,243</u>
	<u>(5,480)</u>	<u>9,723</u>	<u>4,243</u>

Cheques totalling €5,480 issued by the City of Dublin VEC on behalf of the former Education Finance Board in respect of grants were subsequently cancelled or out of date and now being written back.

Residential Institutions Statutory Fund Board



Notes to the Financial Statements For the period ended 31st December 2013

4. ADMINISTRATION COSTS

	9 month period ended 31 December 2013 €
Salaries and Wages	187,980
Telephone, printing, postage, stationary	13,821
Travel and Subsistence-Staff	6,377
Travel and Subsistence-Board Members	10,337
Prompt Payment Interest	437
Information Technology	18,452
Maintenance	13,754
Meeting Costs	2,675
Consultancy Fees	47,843
Accounting and Payroll Services	12,170
Audit Fee	8,834
Canteen and Cleaning	1,497
Communications and Promotions	45,974
Subscriptions	670
Books and Information	248
Bank Charges	134
Staff Training and Development	13,668
Recruitment Advertising	180
Depreciation	3,081
	<u>388,132</u>

4.(a) STAFF COSTS

	9 months period ended 31 st December 2013 €
Salaries and wages	187,980
Travel and Subsistence	<u>6,377</u>
	<u>194,357</u>

A pension levy of €1,418 was deducted from the salaries and had not been paid over to the Department of Education and Skills at the period end.

Staff transferred from the EFB comprised a manager and two administrative assistants. The Manager was on secondment from the CDETb and the two administration staff were on fixed term contracts. The Manager left in June and one of the administrative staff in July. The CEO commenced in April 2013. A Director of Services was on secondment from the Sports Council and the Head of Finance and Administration was seconded from the Houses of the Oireachtas from October 2013. Four temporary staff members were employed during the year.

4.(b) BOARD EXPENSES

	9 months period ended 31 st December 2013 €
Domestic Travel	3,050
Foreign Travel	5,370
Subsistence/Meals	1,017
Accommodation	<u>900</u>
	<u>10,337</u>

Board members are not remunerated and therefore none of the Board members received a fee during the year.

Notes to the Financial Statements
For the period ended 31st December 2013

4.(c) CHIEF EXECUTIVE OFFICER'S REMUNERATION

**9 months period ended
31st December 2013**
€

Chief Executive Officer basic salary	<u>58,630</u>
All in cost of the Chief Executive Officer total remuneration Package	<u>58,630</u>

The Chief Executive Officer claimed travel and subsistence expenses amounted to €5,568 during the period.

The Chief Executive Officer received no performance related pay during the period.

The Chief Executive Officer's pension entitlements do not extend beyond the standard entitlement in the model public sector defined benefit superannuation scheme.

5. FIXED ASSETS

	Computer Equipment and software	Total
	€	€
<u>Cost</u>		
As at 25 March 2013	-	-
Additions	16,432	16,432
Disposals	-	-
	<u>16,432</u>	<u>16,432</u>
<u>Depreciation</u>		
As at 25 March 2013	-	-
Charge for the period	3,081	3,081
Disposals	-	-
	<u>3,081</u>	<u>3,081</u>
Net Book Value at 31 December 2013	<u>13,351</u>	<u>13,351</u>

The Board carries on its business from a premises in Frederick Street, Dublin 1. The building is leased by the Office of Public Works for an annual rent of €78,000.

6. CAPITAL ACCOUNT

	€	2013
		€
Transfer (to)/ from Income and Expenditure account		
Amounts applied for purchase of fixed assets	16,432	
Amortisation in line with asset depreciation	<u>(3,081)</u>	
		<u>13,351</u>
Balance at 31 December 2013		<u>13,351</u>

Residential Institutions Statutory Fund Board

Notes to the Financial Statements For the period ended 31st December 2013

- 7. DEBTORS AND PREPAYMENTS**
- | | |
|------------------|----------------|
| | 2013 |
| | € |
| Prepayments | 12,150 |
| Accrued Interest | <u>114,125</u> |
| | <u>126,275</u> |
-
- 8. CREDITORS AND ACCRUALS**
- | | |
|---|---------------|
| | 2013 |
| | € |
| Amounts held with City of Dublin Education and Training Board | 1,212 |
| Creditors | 15,126 |
| Accruals | 50,870 |
| PAYE/PRSI | 21,689 |
| Other creditors | <u>3,097</u> |
| | <u>91,994</u> |
-
- 9. GRANT COMMITMENTS**
- Grant commitments at 31st December 2013 amounted to €1,777.
-
- 10. BOARD MEMBERS – DISCLOSURE OF TRANSACTIONS**
- The Board have adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by board members and these procedures have been adhered to during the period.
-
- 11. CAPITAL COMMITMENTS**
- There were no capital commitments at 31st December 2013.
-
- 12. ACCOUNTING PERIOD**
- These financial statements cover the 9 month period from 25th March 2013 to 31st December 2013
-
- 13. APPROVAL OF FINANCIAL STATEMENTS**
- The financial statements were approved by the Board at its meeting on 7th May 2015.