



RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

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RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

GENERAL INFORMATION

Address	4 th Floor Metropolitan Building, James Joyce Street, Dublin 1
Members of the Board	Mr. David O'Callaghan, Chairperson Mr. Damian Casey Ms. Frances Harrington Mr. Francis W. Treanor BL Ms. Katherine Finn BL Ms. Patricia Carey Mr. Thomas Daly Ms. Phyllis Morgan-Fann (appointed 16/11/2018) Mr. Richard Heeney (appointed 16/11/2018)
Senior Executive	Ms. Rachel Downes Chief Executive Officer (from 05/10/2017) Mr. David Yeomans Director of Finance & Corporate (up to 19/03/2018) Ms. Saragh Fitzpatrick Director of Finance & Corporate Governance (from 23/04/2018 to 28/08/19) Mr. Michael Fitzpatrick Director of Finance & Corporate Governance (from 26/08/2019) Ms. Sinead Dwyer Director of Services (from 11/12/2017)
Accountants	Crowleys DFK 16/17 College Green Dublin 2
Auditor	Comptroller and Auditor General 3a Mayor Street Upper Dublin 1

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

The Board of the Residential Institutions Statutory Fund was established under the Residential Institutions Statutory Fund Act 2012. The functions of the Board are set out in section 7 of this Act. The Board is accountable to the Minister for Education and Skills, 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 Residential Institutions Statutory Fund are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of the Residential Institutions Statutory Fund.

Board Responsibilities

The work and responsibilities of the Board are set out in the Board Governance Handbook, which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- statement of interests,
- matters arising,
- chair report,
- reports from executive,
- reports from committees,
- reserved matters.

Section 31 of the Residential Institutions Statutory Fund Act 2012 requires the Board of the Residential Institutions Statutory Fund to keep, in such form as may be approved by the Minister for Department of Education and Skills with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the Residential Institutions Statutory Fund 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.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 31 of the Residential Institutions Statutory Fund Act 2012. The maintenance and integrity of the corporate and financial information on the Residential Institutions Statutory Fund's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the Residential Institutions Statutory Fund by reference to the annual plan and budget was carried out at each Board meeting and Audit and Risk sub-committee meeting held in 2018.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of the Residential Institutions Statutory Fund give a true and fair view of the financial performance and the financial position of the Residential Institutions Statutory Fund at 31 December 2018.

Board Structure

The Board consists of the chairperson and 8 members, of whom 4 are persons who were resident in an institution specified in the Schedule to the Act of 2002 before they attained the age of 18 years. All Board members are appointed by the Minister for Education and Skills. The members of the Board were appointed for a period of four years and meet at least on a monthly basis. The table below details the appointment period for current members:

Board Member	Role	Date (Re)appointed
David O'Callaghan	Chair	25/03/2017
Damian Casey	Board Member	25/05/2017
Frances Harrington	Board Member	25/05/2017
Francis W. Treanor BL	Board Member	25/05/2017
Katherine Finn BL	Board Member	25/05/2017
Patricia Carey	Board Member	25/05/2017
Thomas Daly	Board Member	25/05/2017
Phyllis Morgan-Fann	Board Member	16/11/2018
Richard Heeney	Board Member	16/11/2018

The Board commenced a self-evaluation of Board Effectiveness and Evaluation Review in December 2018, which will be completed in 2019.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

The Board has established one committee:

Audit and Risk Committee: comprises three Board members, CEO and Director of Finance and may also have three independent members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are: Damian Casey (Chair), Katherine Finn and Thomas Daly.

There were 5 meetings of the committee in 2018.

Sub Committee to Oversee wind down of operations: comprises four Board members. The members of this Committee are: Patricia Carey (Chair), Frances Harrington, Katherine Finn and Francis W. Treanor. There was 1 meeting of the committee in 2018.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2018 is set out below including the fees and expenses received by each member:

Board Members	Board Meetings	Audit & Risk Committee	Wind-down Sub-committee	Fees 2018 €	Expenses 2018 €
David O'Callaghan	9	-	-	-	245
Damien Casey	9	5	-	-	119
Frances Harrington	9	-	1	-	2,855
Francis W. Treanor BL	5	-	-	-	1,459
Katherine Finn BL	8	5	1	-	126
Mary Lodato	1	-	-	-	215
Patricia Carey	7	-	1	-	-
Thomas Cronin	-	-	-	-	80
Thomas Daly	7	5	-	-	1,446
Phyllis Morgan-Fann	1	-	-	-	491
Richard Heeney	1	-	-	-	-
Total Meetings Held	9	5	1	-	7,036

Board members did not receive a fee in 2018.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Key Personnel Changes

Two Board members resigned on 1st February 2018 and 16th February 2018 respectively. Two Board members were appointed on 16th November 2018.

The contract of CEO Mary Higgins came to an end on 10th April 2018. On the 18th January 2019 Rachel Downes was appointed CEO.

Director of Finance, David Yeomans, resigned on 19th March 2018. On 23rd April 2018, Saragh Fitzpatrick was appointed Director of Finance and Corporate Governance and resigned on 28th August 2019. On 26th August 2019, Michael Fitzpatrick was appointed Director of Finance and Corporate Governance.

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

The Board is responsible for ensuring that the Residential Institutions Statutory Fund 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 categorised into the following bands:

Range			Number of employees	
From		To	2018	2017
€ 60,000	-	€ 69,999	2	2
€ 70,000	-	€ 79,999	-	-
€ 80,000	-	€ 89,999	1	1
€ 90,000	-	€ 99,999	-	-

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.

Consultancy Costs

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

	2018	2017
	€	€
Legal advice	46,241	51,015
Human Resources	17,392	16,408
Internal Audit	18,655	-
Business improvement	-	17,491
Total consultancy costs	82,288	84,914
Consultancy costs capitalized	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	82,288	84,914
Total	82,288	84,914

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Residential Institutions Statutory Fund which is disclosed in consultancy costs above.

	2018	2017
	€	€
Legal fees - legal proceedings	38,661	33,691
Conciliation and arbitration payments	-	-
Settlements	-	-
Total	38,661	33,691

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2018	2017
	€	€
Domestic		
- Board*	7,059	8,077
- Employees	1,230	4,129
International		
- Board*	751	4,940
- Employees	877	10,528
Total	9,917	27,674

* includes travel and subsistence of €7,036 paid directly to Board members in 2018 (2017: €6,186). The balance of €774 (2017: €6,831) relates to expenditure paid by Residential Institutions Statutory Fund Board on behalf of the Board members.

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2018	2017
	€	€
Staff hospitality	1,311	983
Client hospitality	-	-
Total	1,311	983

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

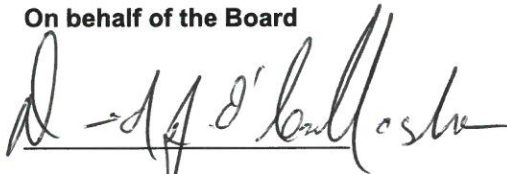
STATEMENT OF COMPLIANCE

The Residential Institutions Statutory Fund 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.

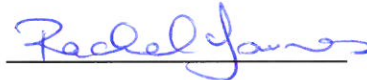
The Code of Practice for the Governance of State Bodies provides that agreement may be sought by State bodies from their relevant Minister/parent Department in respect of provisions that may be applied proportionately for use by them. The Residential Institutions Statutory Fund had written to the relevant Department in this regard in respect of the following:

- Provisions in relation to Head of Internal Audit
There is no designated executive that would equate to Head of Internal Audit role. Administratively the Director of Finance and Corporate Affairs is the formal contact point.

On behalf of the Board



David O'Callaghan
Chairperson



Rachel Downes
Chief Executive Officer

Date: 21 November 2019 Date: 21/11/2019

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT ON INTERNAL CONTROL

RESPONSIBILITY FOR THE SYSTEM OF INTERNAL CONTROL

On behalf of the Residential Institutions Statutory Fund Board, I acknowledge our responsibility for ensuring that an effective system of Internal 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

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 was established in March 2013 and 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 Control.

While expenditure in respect of payments to survivors 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.

The Board's Internal Audit function is provided by an external service provider. The programme of work is agreed with the Audit and Risk Committee and is set out in their 2-year plan. The Board's External Audit function is provided by the Office of the Comptroller and Auditor General.

The Board's system of Internal 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.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

CONTROL INITIATIVES

The audit of the 2017 financial statements identified weaknesses in internal control where the Board's procedures were not always followed in respect of payments to survivors. The Board has taken a number of steps to address the control weaknesses identified during the prior year audit.

Payments to survivors

During the audit of the 2017 annual financial statements, control weaknesses were identified over the processing of payments to survivors, as follows;

- In cases where invoices and receipts were required to be presented to the Board, the audit found evidence that such documentation had not been presented in all cases sampled in 2017.
- For certain types of housing expenditure, proof of tenancy or ownership must be presented by the applicant. The audit examined a sample of payments where proof of tenancy or ownership was required, and found that such evidence had not been provided to the Board in all cases.
- The audit examined that required quotes had been presented to the Board prior to a sample of payments made in 2016 and did not find evidence in all cases sampled that the required quotes had been presented.

The Board accepted the recommendations made by the audit and assigned responsibility for their implementation. During 2019, the Board implemented enhanced controls over payments. These included (i) clarified guidelines in relation to acceptable standards of documentation that must be received prior to payment which was effective from December 2018, (ii) introduction of additional levels of checking of documentation prior to payment, e.g. team leaders reviewed all quotes for payments on a weekly basis, these quotes were then further reviewed by the Finance Executive (iii) additional controls in relation to the requirement for presentation of receipts and invoices post payment e.g. if a Survivor had not submitted a receipt in 2018, Caranua followed up by writing to the Survivor requesting return of outstanding receipts.

Salesforce system

The 2017 audit noted a number of discrepancies in the records maintained within Salesforce (case management system which maintains records of payments to survivors). These discrepancies related to:

- reconciliation of Salesforce and Fexco (payment system) data.
- no internal audit of the Salesforce system.
- the facility for application data on Salesforce to be amended by multiple users.
- and a number of anomalies in the Salesforce data, i.e. currency errors and zero balances.

Throughout 2018, the Board implemented additional controls in relation to Salesforce data to obtain greater assurance over the data held in relation to funds expended, as follows;

- Monthly reconciliations of payments between Salesforce and Fexco and correction of any errors identified.
- Monthly download of information from Salesforce, effectively creating a record of historical information for use in year-end reconciliations.
- Ongoing maintenance of a full audit trail of all amendments of application data by any user.

Non-compliant procurement

Due to previous audit findings, Caranua commenced a review of procurement procedures in 2019 in order to ensure compliance with procurement guidelines.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

CONTROL WEAKNESSES 2018

Payments to survivors

The audits of the 2014 to 2017 financial statements identified weaknesses in internal control where the Board's procedures were not always followed in respect of payments to survivors. In 2018 the following issues were noted:

- For certain types of housing expenditure, proof of tenancy or ownership must be presented by the applicant. The audit examined a sample of payments and found that in 33% of the sample where proof of tenancy or ownership was required such evidence had not been provided to the Board. The level of non-compliance is further reduced to 19% when payments made under the direction of the appeals process are taken into account.
- The audit examined quotes that had been presented to the Board prior to payment for a sample of payments made in 2018. The sample found that while there was evidence of one or more quotes with every funding support payment made, in 33% of the cases sampled the required number of quotes had been not presented. The level of non-compliance is further reduced to 20% when payments for specialist surgery and payments made under the direction of the appeals process are taken into account.
- In cases where post payment invoices and receipts were required to be presented to the Board, the audit found evidence that such documentation had not been presented in over 50% of such cases sampled in 2018. Following on from the implementation of enhanced controls over payments in 2018, Caranua wrote to 1,733 Survivors in Q2 2019 who had not submitted their receipts for funding supports received in 2018. Following this exercise, an additional 632 receipts were received from Survivors.

Salesforce system

Following the implementation of additional controls in 2018, the internal audit review of payments in Q1 2019 as well as the C&AG audit did not find internal control weaknesses in relation to Salesforce.

Non-compliant procurement

During 2018, a sample of expenditure totalling c. €74,000 was incurred in relation to goods and services where the procedures employed did not comply with procurement guidelines. This was due to the lack of evidence and / or documents to support a proper procurement process being complete. All of this expenditure related to non-compliance in previous financial periods (2014 - 2017) and is only considered non-compliant in 2018 due to further expenditure being incurred with those suppliers. The largest portion of this expenditure (€33k) relates to a sole provider for the provision of a freephone service to Survivors.

As Caranua is winding-down operations, it is not feasible to enter into new one to three year contracts, so an agreement was reached by the Board in June 2019 that a process of market testing would be undertaken to ensure value for money for these historical contracts.

An internal audit review of procurement was carried out by RSM UK in Q3 2019. Their report found that Caranua is compliant with procurement guidelines.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

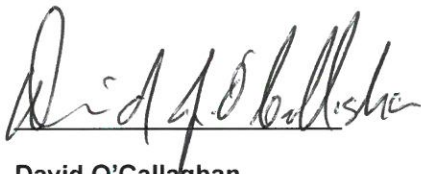
APPROVAL BY THE BOARD

The Statement on System of Internal Controls has been reviewed by the Audit and Risk Committee and the Board to ensure it accurately reflects the control system in operation during the reporting period.

Reviews of Internal Controls were carried out by an external firm during 2018. While there was no formal review of internal controls by the Board, internal controls were discussed at each Board meeting during 2018.

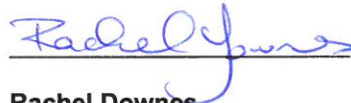
The Board is reasonably assured that the systems of Internal Control instituted and implemented in the Residential Institutions Statutory Fund Board for the financial year ended 31st December 2018 are effective.

On behalf of the Board



David O'Callaghan
Chairperson

Date: 21 November 2019



Rachel Downes
Chief Executive Officer

Date: 21/11/2019.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS

(To be inserted when the audit is complete)

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS

(To be inserted when the audit is complete)

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

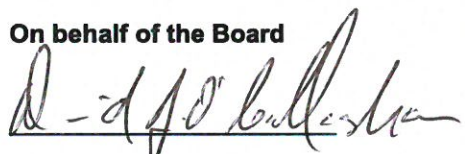
**FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 €	2017 €
INCOME			
Cash contributions received	2	1,987,637	4,911,034
INVESTMENT RETURN			
Interest (charged)/earned		(7,794)	(19,851)
Transfer (to)/from capital account	7	3,226	(6,266)
		<u>(4,568)</u>	<u>(26,117)</u>
EXPENDITURE			
Payments to Survivors	4	13,739,999	14,954,781
Administration Costs	5	2,375,581	2,062,038
		<u>16,115,580</u>	<u>17,016,819</u>
DECREASE IN FUND DURING THE PERIOD		(14,132,511)	(12,131,902)
FUND VALUE BROUGHT FORWARD		26,862,430	38,994,332
TOTAL FUND VALUE AT YEAR END		<u>12,729,919</u>	<u>26,862,430</u>

All income and expenditure for the year relates to continuing activities at the reporting date.
The Fund Account includes all gains and losses recognised in the year.

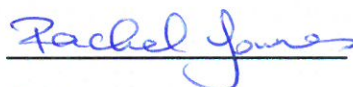
The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board



David O'Callaghan
Chairperson

Date: 21 November 2019



Rachel Downes
Chief Executive Officer

Date: 21/11/2019

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	As at 31 December 2018 €	As at 31 December 2017 €
FIXED ASSETS			
Property, plant and equipment	6	74,373	77,599
CURRENT ASSETS			
Exchequer notes held	3	10,000,000	24,004,563
NTMA Investment Accounts	3	1,569,434	106,309
Bank	3	1,478,011	2,828,807
Debtors and prepayments	8	269,192	616,345
		<u>13,316,637</u>	<u>27,556,024</u>
CURRENT LIABILITIES (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Creditors and accruals	9	(586,718)	(693,594)
		<u>(586,718)</u>	<u>(693,594)</u>
NET CURRENT ASSETS		<u>12,729,919</u>	<u>26,862,430</u>
TOTAL NET ASSETS		<u>12,804,292</u>	<u>26,940,029</u>
REPRESENTING			
Capital Account	7	74,373	77,599
Fund account		12,729,919	26,862,430
		<u>12,804,292</u>	<u>26,940,029</u>

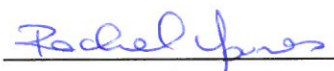
The Statement of Cash Flows and Notes 1 to 13 form part of these financial statements.

On behalf of the Board



David O'Callaghan
Chairperson

Date: 21 March 2019.



Rachel Downes
Chief Executive Officer

Date: 21/11/2019

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 €	2017 €
Net cash flows from Operating Activities			
Decrease in Fund for the period		(14,132,511)	(12,131,902)
Depreciation of fixed assets	6	16,196	24,750
(Increase)/decrease in debtors		347,153	(418,205)
Decrease in creditors		(106,876)	(44,950)
Capital account movement		(3,226)	6,266
Net cash outflow from operating activities		(13,879,264)	(12,564,041)
Cash flow from Investing Activities			
Payments to acquire property, plant & equipment		(12,970)	(31,016)
Net Decrease in cash and cash equivalents		(13,892,234)	(12,595,057)
Cash and cash equivalents at 1 January		26,939,679	39,534,736
Cash and cash equivalents at 31 December		13,047,445	26,939,679

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. 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.

GENERAL INFORMATION

The Residential Institutions Statutory Fund Board (RISFB) was established on 25 March 2013 under the provisions of the Residential Institutions Statutory Fund Act 2012, with a head office at 4th Floor, Metropolitan Building, James Joyce Street, Dublin 1. It oversees 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 payments 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 a housing support service.

Pending the establishment of the RISFB, a special interest-bearing account was established in the Central Bank under the dual control of the Minister of Public Expenditure and Reform and the Minister of Education and Skills to receive cash contributions from religious congregations. In March 2013, in accordance with S. 29(1) of the act, the total funds in this account totalling €41,314,845 including interest of €270,529 were transferred to the RISFB investment account held in 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 RISFB investment account on foot of instructions from the Department of Education and Skills with the consent of the Department of Public Expenditure and Reform. In accordance with S.29 (2) of the act, €61,591,273 was received from religious congregations which included interest of €1,099,106.

The Act also provides that the amounts paid into the investment account under S. 29 will not exceed €110 million plus any accrued interest, and that monies not required for the time being shall be invested. The cumulative amount received into the investment account to 31 December 2018 is €103,010,921.

STATEMENT OF COMPLIANCE

The financial statements of the RISFB for the year ended 31 December 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

BASIS OF PREPARATION

The financial statements 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.

The financial statements are in a form approved by the Minister for Education and Skills with the concurrence of the Minister for Public Expenditure and Reform.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

INCOME

Income is recognised in the financial statements when cash received from religious congregations is deposited in the RISFB 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.

PAYMENTS

Commitments made by the Education Finance Board transferred into the RISFB are recognised in these financial statements when approved by the Board.

Payments to survivors made by the RISFB are recognised in the year in which the claims have been approved for payment by the Board.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 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% per annum
Office Furniture and Fittings	10% per annum

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

CANCELLED PAYMENTS

RISFB make payments to survivors through a third-party arrangement with an external firm for confidentiality purposes. Payments approved by the Board are paid to the firm who in turn issue cheques to survivors and suppliers. Cancelled cheques are recorded in the period to which they relate to and amounts shown as cancelled payments represent cheques for current period which were cancelled after the year end date to the date the financial statements are prepared.

CAPITAL ACCOUNT

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

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

GOING CONCERN

Section 29(4) of the Act provides that amounts paid into the investment account will not exceed €110 million, plus associated interest. At 31 December 2018, the cumulative value of cash contributions received from religious congregations was €103.01 million, including interest €1.38m, and the cumulative value of funds expended was €90.55 million. The balance on the fund at 31 December 2018 was €12.73 million. Given the current and anticipated future cash resources available, the Board considers that it will have discharged all its funding by late 2019 / early 2020 at which point the Board will be dissolved. The Board is in discussions with the Department of Education and Skills on the orderly wind down of the Board's operations. It is anticipated that legislation will be required to underpin the wind up and dissolution of the Board and that it will provide for the transfer of any assets and liabilities of the Board to the Department or other appointed entity. On the basis of the above, the Board considers it appropriate to prepare the financial statements on a going concern basis. Accordingly these financial statements do not include any adjustment to the carrying amounts and classification of assets and liability that may arise if the Board was unable to continue as a going concern.

FOREIGN CURRENCIES

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

PENSIONS

New entrant public service staff employed by the Residential Institutions Statutory Fund Board after 1 January 2013, are members of the Single Public Service Pension Scheme (the Scheme) in accordance with the Public Services Pensions (Single Scheme and Other Provisions) Act 2012. The Residential Institutions Statutory Fund Board makes the necessary deductions from salaries for staff who are part of the Scheme and employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the provisions of the Scheme.

There is no charge in these financial statements for any liabilities which may arise in respect of the retirement benefits of staff of the Residential Institutions Statutory Fund Board. Such liabilities, on wind up of the Residential Institutions Statutory Fund Board, will transfer to the Department of Education and Skills for payment, and will be provided for in the legislation governing such wind up.

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.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet 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. There were no judgements required that had a significant effect on amounts recognised in the financial statements for 2018.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. INCOME

	2018 €	2017 €
Amounts lodged to investment account under Section 29 (2) of 2012 Act	1,987,637	4,911,034
	1,987,637	4,911,034
CUMULATIVE AMOUNTS	Cumulative to 31 December 2018 €	Cumulative to 31 December 2017 €
Congregations contributions received *	103,010,921	101,023,284
Interest earned	313,685	321,479
Transferred from Education Finance Board	29,490	29,490
Transfer to capital account	(74,373)	(77,598)
Payments to Survivors	(80,549,426)	(66,809,427)
Administration costs	(10,000,378)	(7,624,798)
Fund value at 31 December 2018	12,729,919	26,862,430
Cash contributions due to be received	8,371,090	10,358,727

* Congregations contributions include interest €1,382,011

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. 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 2018 was €1,478,011 (2017: €2,828,807). Prior to August 2013, amounts were transferred to City of Dublin ETB who made payments on behalf of the Board on an agency basis.

Funds not required to make payments may be invested. At 31 December 2018, €10,000,000 (2017: €24,004,563) had been converted to Exchequer notes with the balance remaining in the NTMA investment account of €1,569,434 (2017: €106,309).

	2018*	2017*
	€	€
4. PAYMENTS TO SURVIVORS		
Housing Support	10,152,899	10,795,855
Health	3,206,420	3,707,901
Socially Active and Connected	249,337	137,893
Education, Learning and Development	61,685	256,064
Exceptional Needs	69,658	57,068
	<u>13,739,999</u>	<u>14,954,781</u>

Included in the payments to survivors' total figure above are charges to the external firm tasked with generating EFT payments and anonymised cheques for provision to survivors. In 2018, the total charge amount in relation to this was €36,200 (2017: €32,943)

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5.	ADMINISTRATION COSTS	2018 €	2017 €
	Salaries and Wages	1,422,548	1,346,900
	Telephone, postage, stationery	106,078	118,288
	Transport and couriers	652	175
	Travel and Subsistence – Staff (National)	1,230	4,129
	Travel and Subsistence – Staff (International)	877	10,528
	Travel and Subsistence – Board (National)	7,059	8,077
	Travel and Subsistence – Board (International)	751	4,940
	Rent and Service Charge	279,409	114,020
	Information Technology	124,074	81,550
	Light and Heat	21,875	-
	Maintenance and Relocation Costs	86,951	7,414
	Insurance	14,701	10,125
	Meeting and Conference Costs	1,772	13,421
	Legal Costs	88,944	76,359
	Accounting Services	15,392	18,557
	Audit Fee	20,000	14,000
	Internal Audit	18,655	5,500
	Other Consultancy	15,723	43,082
	General Expenses	18,212	8,738
	Communications	25,061	48,960
	Subscriptions and Memberships	7,250	8,400
	Printing and Publications	8,909	27,912
	Bank Charges	472	379
	Staff Training and Development	34,347	33,958
	Recruitment Costs	13,713	(5,107)
	Appeals Officer	23,000	36,000
	Depreciation	16,196	24,750
	Prompt Payment Interest	419	-
	Staff Benefit	1,311	983
		2,375,581	2,062,038

Included in Administration Costs is an amount of €23,000 (2017: €36,000) representing amounts that the Minister has requested to be drawn down from the Investment Account to make payments to the Appeals Officer under Section 31(3) of the Act.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5(a)	STAFF COSTS	2018	2017
		€	€
	Salaries and Wages	1,422,548	1,346,900
	Travel and Subsistence	2,107	14,657
		<u>1,424,655</u>	<u>1,361,557</u>

A pension levy of €33,309 was deducted from the salaries during the year.

Average staff members during the period	2018	2017
Seconded Staff	0.75	1.00
Temporary Agency Staff	3.35	2.90
Fixed term / Purpose Contract Staff	24.15	21.86
	<u>28.25</u>	<u>25.76</u>

5(b) EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits		Number of Employees	
From	To	2018	2017
€60,000	- €69,999	2	2
€70,000	- €79,999	-	-
€80,000	- €89,999	1	1
Total		<u>3</u>	<u>3</u>

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	€	€
5(c) BOARD EXPENSES		
Travel	3,660	2,427
Subsistence / Meals	2,246	7,020
Accommodation	1,904	3,571
	7,810	13,018

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

ANALYSIS OF BOARD MEMBER EXPENSES

Board Member	Vouched Expenses €	Meetings Attended (of 9 held)
David O'Callaghan	245	9
Damian Casey	119	9
Frances Harrington	2,855	9
Francis W. Treanor BL	1,459	5
Katherine Finn BL	126	8
Mary Lodato	215	1
Patricia Carey	-	7
Thomas Cronin	80	1
Thomas Daly	1,446	7
Phyllis Morgan-Fann	491	1
Richard Heeney	-	1
	7,036	

In addition to the Board expenditure noted above, a total of €774 was incurred in respect of catering for Board meetings.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5(d) FORMER CHIEF EXECUTIVE OFFICER'S
REMUNERATION**

	2018	2017
	€	€
Chief Executive Officer basic salary	-	88,059
All in cost of the Chief Executive Officer total remuneration package	<u>-</u>	<u>88,059</u>

The former Chief Executive Officer was paid travel and subsistence expenses in 2018 amounting to €416 (2017: €1,244).

**5(e) CHIEF EXECUTIVE OFFICER'S
REMUNERATION**

	2018	2017
	€	€
Acting Chief Executive Officer basic (from 5 th October 2017)	87,002	23,526
All in cost of the Acting Chief Executive Officer total remuneration package (from 5 th October 2017)	<u>87,002</u>	<u>23,526</u>

The Chief Executive Officer claimed travel and subsistence expenses in 2018 amounting to €199 (2017: €253).

The Acting Chief Executive Officer received no performance related pay. The Acting Chief Executive Officer's pension entitlements do not extend beyond the standard entitlement in the model public sector defined benefit superannuation scheme.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Computer Equipment and Software	Office Furniture & Fittings	Total
6. PROPERTY, PLANT AND EQUIPMENT	€	€	€
<u>Cost</u>			
As at 1 January 2018	81,821	79,013	160,834
Additions	10,409	2,561	12,970
Disposals	-	-	-
As at 31 December 2018	92,230	81,574	173,804
<u>Depreciation</u>			
As at 1 January 2018	69,044	14,191	83,235
Charge for the period	8,039	8,157	16,196
Disposals	-	-	-
As at 31 December 2018	77,083	22,348	99,431
Net Book Value at 31 December 2018	15,147	59,226	74,373
Net Book Value at 31 December 2017	12,777	64,822	77,599

	Capital Account	Fund Account	Total
7. RESERVES	€	€	€
As at 1 January 2018	77,599	26,862,430	26,940,029
Amounts applied for purchase of fixed assets	12,970	-	12,970
Amortisation in line with asset depreciation	(16,196)	-	(16,196)
Decrease in fund during the year	-	(14,132,511)	(14,132,511)
Balance at 31 December 2018	74,373	12,729,919	12,804,292

	As at 31 December 2018	As at 31 December 2017
8. DEBTORS AND PREPAYMENTS	€	€
Prepayments	168,306	153,774
Accrued Interest	(4,278)	(2,559)
Cancelled payments recoverable	105,164	465,130
	269,192	616,345

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	As at 31 December 2018 €	As at 31 December 2017 €
9. CREDITORS AND ACCRUALS (amounts falling due within one year)		
Creditors	2,819	8,079
Committed Payments to Survivors	409,280	490,282
Other Accruals	174,619	194,042
PAYE/PRSI	-	10
Other Creditors	-	1,181
	586,718	693,594

10. OPERATING LEASE

On the 11th August 2017 Caranua entered into a State Occupant Agreement with the OPW for a premises (4th floor) in the Metropolitan Building on James Joyce Street, Dublin 1 which they now occupy for an annual rent of €243,020 per annum (inclusive of VAT at 23%) and service charge of €36,389 per annum.

Caranua will officially notify the OPW in December 2019 that they are providing their 6 months notice of it's intention to vacate the Metropolitan House, James Joyce Street at 30th June 2020. At 31st December 2018, the Board had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 €	2017 €
Payable within one year	279,409	279,409
Payable within two to five years	139,705	139,705
Payable after five years	-	-
	419,114	419,114

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

11. RELATED PARTY DISCLOSURES

Key management personnel in the Residential Institutions Statutory Fund Board consist of the CEO and members of the Board. Total compensation paid to key management personnel, including board members expenses and total CEO remuneration, amount to €95,343 (2017: €124,602).

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 5.

The Residential Institutions Statutory Fund Board adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personnel interests of Board members. In the normal course of business, the Residential Institutions Statutory Fund Board may enter into contractual arrangements with entities in which Residential Institutions Statutory Fund Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request in all such instances.

There were no transactions in the year in relation to the Board's activities in which the board members had any beneficial interest.

12. COMPARATIVE FIGURES

Some changes have been made to the presentation of items in the financial statements and the comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board at its meeting on 21/11/19.