

CARANUA

support for survivors of institutional abuse

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2019

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

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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 2019.

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 2019.

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 10 times per annum. 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 2019. The Board discussed and accepted the findings on 16th April 2020.

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

The Board has established two committees:

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, Thomas Daly and Richard Heeney. There were 7 meetings of the committee in 2019.

Sub Committee to Oversee wind down of operations comprises of four Board members. The members of this Committee are Patricia Carey (Chair), Frances Harrington, Katherine Finn and Francis W. Treanor. There were 4 meetings of the committee in 2019.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2019 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 2019 €	Expenses 2019 €
David O'Callaghan	10	-	-	-	65
Damien Casey	7	7	-	-	364
Frances Harrington	10	-	4	-	2,780
Francis W. Treanor BL	6	-	2	-	1,258
Katherine Finn BL	8	3	3	-	12
Patricia Carey	5	-	3	-	-
Thomas Daly	6	3	-	-	1,045
Phyllis Morgan-Fann	7	-	-	-	3,191
Richard Heeney	9	3	-	-	1,606
Total Meetings Held	10	7	4	-	10,321

Board members did not receive a fee in 2019.

**There were two Extraordinary Board meetings on 26th February 2019 and 4th July 2019.

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

Key Personnel Changes

On the 18th January 2019 Rachel Downes was appointed CEO.

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 From	To	Number of employees	
		2019	2018
€ 60,000	- € 69,999	-	2
€ 70,000	- € 79,999	2	-
€ 80,000	- € 89,999	-	1
€ 90,000	- € 99,999	1	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

Consultancy Costs

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

	2019	2018
	€	€
Legal advice	2,188	46,241
Human Resources	3,001	17,392
Internal Audit	6,753	18,655
Total consultancy costs	11,942	82,288
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	11,942	82,288
Total	11,942	82,228

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.

	2019	2018
	€	€
Legal fees - legal proceedings*	195,670	38,661
Conciliation and arbitration payments	-	-
Settlements	-	-
Total	195,670	38,661

* Legal fees increased in 2019 due to high court cases which ruled in Caranua's favour.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019	2018
	€	€
Domestic		
- Board*	9,774	7,059
- Employees	1,209	1,230
International		
- Board*	1,268	751
- Employees	4,406	877
Total	16,657	9,917

* includes travel and subsistence of €10,321 paid directly to Board members in 2019 (2018: €7,036). The balance of €721 (2018: €774) 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:

	2019	2018
	€	€
Staff hospitality	-	1,311
Client hospitality	-	-
Total	-	1,311

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

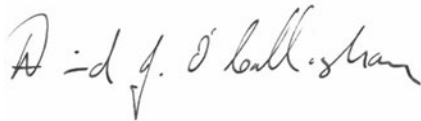
STATEMENT OF COMPLIANCE

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

Date: 30th July 2020



Rachel Downes
Chief Executive Officer

Date: 30th July 2020

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 WEAKNESSES 2019

Payments to survivors

The audits of the 2014 to 2018 financial statements identified weaknesses in internal control where the Board's procedures were not always followed in respect of payments to survivors. In 2019 the following issues were noted:

- For certain types of housing expenditure, proof of tenancy or ownership must be presented by an applicant. A sample of payments from 2019 selected for testing by audit did not have proof of ownership or tenancy in 17% of cases.
- The audit examined quotes that had been presented to the Board prior to payment for a sample of payments made in 2019. The sample found that while there was evidence of one or more quotes with every funding support payment made, in 30% of the cases sampled the required number of quotes had not been presented.
- In cases where post payment invoices and receipts were required to be presented to the Board, there is evidence that such documentation had not been presented in 45% of cases sampled by audit in 2019. In all except one of those cases, there was evidence that Caranua wrote to Survivors requesting that they forward a receipt for funding received after goods were purchased or services provided, the exception being a case where an applicant was incarcerated. As Caranua cannot compel applicants to forward post payment receipts, all reasonable steps are taken to secure as many as possible.

Non-compliant procurement

During 2019, expenditure totalling c. €54,000 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 2019 due to further expenditure being incurred with those suppliers. 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 with the majority of recommendations implemented. A follow-up report by RSM UK dated 12th December 2019 confirmed that all recommendations had been implemented.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

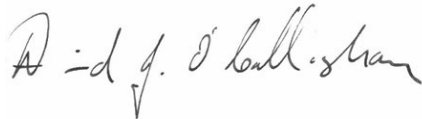
APPROVAL BY THE BOARD

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 2019. The Board conducted an annual review of the effectiveness of Internal Controls in December 2019 and is satisfied that Internal Controls were operating and effective during 2019.

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 2019 are effective.

On behalf of the Board



David O'Callaghan
Chairperson

Date: 30th July 2020



Rachel Downes
Chief Executive Officer

Date: 30th July 2020

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



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

Report for presentation to the Houses of the Oireachtas **Residential Institutions Statutory Fund Board (Caranua)**

Opinion on the financial statements

I have audited the financial statements of the Residential Institutions Statutory Fund Board for the year ended 31 December 2019 as required under the provisions of section 31 of the Residential Institutions Statutory Fund Act 2012. The financial statements comprise

- the fund account
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Board at 31 December 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Board and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Board has presented certain other information together with the financial statements. This comprises the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Inadequate control over grant payments

I draw attention to the statement on internal control which discloses that weaknesses in the Board's control over grant payments continued in 2019.

Seamus McCarthy
Comptroller and Auditor General 6
August 2020

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

Report of the C&AG (continued)

Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 31 of the Residential Institutions Statutory Fund Act 2012
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 31 of the Residential Institutions Statutory Fund Act 2012 to audit the financial statements of the Board and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Residential Institutions Statutory Fund Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Residential Institutions Statutory Fund Board to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

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

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

Reporting on other matters

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

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

I also report by exception if, in my opinion,

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

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

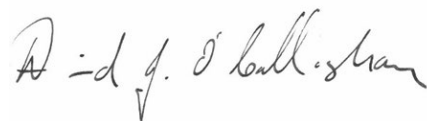
**FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 €	2018 €
INCOME			
Cash contributions received	2	8,371,090	1,987,637
INVESTMENT RETURN			
Interest (charged)/earned		(9,430)	(7,794)
Transfer from capital account	7	15,127	3,226
		5,697	(4,568)
EXPENDITURE			
Payments to Survivors	4	12,282,135	13,739,999
Administration Costs	5	2,092,292	2,375,581
		14,374,427	16,115,580
DECREASE IN FUND DURING THE PERIOD		(5,997,640)	(14,132,511)
FUND VALUE BROUGHT FORWARD		12,729,919	26,862,430
TOTAL FUND VALUE AT YEAR END		6,732,279	12,729,919

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 12 form part of these financial statements.

On behalf of the Board



David O'Callaghan
Chairperson

Date: 30th July 2020



Rachel Downes
Chief Executive Officer

Date: 30th July 2020

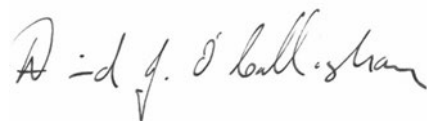
RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	As at 31 December 2019 €	As at 31 December 2018 €
FIXED ASSETS			
Property, plant and equipment	6	59,246	74,373
CURRENT ASSETS			
Exchequer notes held	3	-	10,000,000
NTMA Investment Accounts	3	52,009	1,569,434
Bank	3	6,673,019	1,478,011
Debtors and prepayments	8	253,292	269,192
		<u>6,978,320</u>	<u>13,316,637</u>
CURRENT LIABILITIES (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Creditors and accruals	9	(246,041)	(586,718)
		<u>(246,041)</u>	<u>(586,718)</u>
NET CURRENT ASSETS		<u>6,732,279</u>	<u>12,729,919</u>
TOTAL NET ASSETS		<u>6,791,525</u>	<u>12,804,292</u>
REPRESENTING			
Capital Account	7	59,246	74,373
Fund account	7	6,732,279	12,729,919
		<u>6,791,525</u>	<u>12,804,292</u>

The Statement of Cash Flows and Notes 1 to 12 form part of these financial statements.

On behalf of the Board



David O'Callaghan
Chairperson

Date: 30th July 2020



Rachel Downes
Chief Executive Officer

Date: 30th July 2020

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 €	2018 €
Net cash flows from Operating Activities			
Decrease in Fund for the period		(5,997,640)	(14,132,511)
Depreciation of fixed assets	6	15,127	16,196
Decrease in debtors		15,900	347,153
(Decrease) in creditors		(340,677)	(106,876)
Capital account movement		(15,127)	(3,226)
Net cash outflow from operating activities		(6,322,417)	(13,879,264)
Cash flow from Investing Activities			
Payments to acquire property, plant & equipment		-	(12,970)
Net Decrease in cash and cash equivalents		(6,322,417)	(13,892,234)
Cash and cash equivalents at 1 January		13,047,445	26,939,679
Cash and cash equivalents at 31 December		6,725,028	13,047,445

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 is €111,382,011, including interest of €1,382,011.

STATEMENT OF COMPLIANCE

The financial statements of the RISFB for the year ended 31 December 2019 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 2019

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 2019

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 2019, the cumulative value of cash contributions received from religious congregations was €111.38 million, including interest €1.38m, and the cumulative value of funds expended was €104.92 million. The balance on the fund at 31 December 2019 was €6.73 million. Given the current cash resources available, the Board considers that it will discharge all of its funding by October 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 2019.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. INCOME

	2019	2018
	€	€
Amounts lodged to investment account under Section 29 (2) of 2012 Act	8,371,090	1,987,637
	8,371,090	1,987,637

	Cumulative to 31 December 2019	Cumulative to 31 December 2018
	€	€
CUMULATIVE AMOUNTS		
Congregations contributions received *	111,382,011	103,010,921
Interest earned	304,255	313,685
Transferred from Education Finance Board	29,490	29,490
Transfer to capital account	(59,246)	(74,373)
Payments to Survivors	(92,831,561)	(80,549,426)
Administration costs	(12,092,670)	(10,000,378)
Fund value at 31 December 2019	6,732,279	12,729,919
Cash contributions due to be received	-	8,371,090

* Congregations contributions include interest €1,382,011

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 was €6,673,019 (2018: €1,478,011). 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 2019, €nil (2018: €10,000,000) had been converted to Exchequer notes with the balance remaining in the NTMA investment account of €52,009 (2018: €1,569,434).

	2019*	2018*
	€	€
4. PAYMENTS TO SURVIVORS		
Housing Support	7,829,745	10,152,899
Health	3,963,117	3,206,420
Socially Active and Connected	295,254	249,337
Education, Learning and Development	100,984	61,685
Exceptional Needs	93,035	69,658
	<u>12,282,135</u>	<u>13,739,999</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 2019, the total charge amount in relation to this was €28,100 (2018: €36,200)

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. ADMINISTRATION COSTS	2019	2018
	€	€
Salaries and Wages	1,252,768	1,422,548
Telephone, postage, stationery	69,509	106,078
Transport and couriers	117	652
Travel and Subsistence – Staff (National)	1,209	1,230
Travel and Subsistence – Staff (International)	4,406	877
Travel and Subsistence – Board (National)	9,774	7,059
Travel and Subsistence – Board (International)	1,268	751
Rent and Service Charge	279,409	279,409
Information Technology	94,902	124,074
Light and Heat	16,464	21,875
Maintenance and Relocation Costs	13,345	86,951
Insurance	17,248	14,701
Meeting and Conference Costs	10,006	1,772
Legal Costs	178,881	88,944
Accounting Services	5,898	15,392
Audit Fee	21,800	20,000
Internal Audit	6,753	18,655
Other Consultancy	3,001	15,723
General Expenses	11,072	18,212
Communications	-	25,061
Subscriptions and Memberships	4,609	7,250
Printing and Publications	5,706	8,909
Bank Charges	403	472
Staff Training and Development	7,304	34,347
Recruitment Costs	11,446	13,713
Appeals Officer	47,800	23,000
Depreciation	15,127	16,196
Prompt Payment Interest	72	419
Staff Benefits	1,995	1,311
	<u>2,092,292</u>	<u>2,375,581</u>

Included in Administration Costs is an amount of €47,800 (2018: €23,000) 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 2019**

		2019	2018
5(a)	STAFF COSTS	€	€
	Salaries and Wages	1,252,768	1,422,548
	Travel and Subsistence	5,615	2,107
		<u>1,258,383</u>	<u>1,424,655</u>

A pension levy of €43,928 was deducted from the salaries during the year.

	2019	2018
Average staff members during the period		
Seconded Staff	0	0.75
Temporary Agency Staff	1.50	3.35
Fixed term / Purpose Contract Staff	24.84	24.15
	<u>26.34</u>	<u>28.25</u>

5(b) EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits		Number of Employees	
From	To	2019	2018
€60,000	- €69,999	-	2
€70,000	- €79,999	2	-
€80,000	- €89,999	-	1
€90,000	- €99,999	1	-
Total		<u>3</u>	<u>3</u>

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	€	€
5(c) BOARD EXPENSES		
Travel	5,906	3,660
Subsistence / Meals	2,340	2,246
Accommodation	2,796	1,904
	<u>11,042</u>	<u>7,810</u>

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 10 held)
David O'Callaghan	65	10
Damian Casey	364	7
Frances Harrington	2,780	10
Francis W. Treanor BL	1,258	6
Katherine Finn BL	12	8
Patricia Carey	-	5
Thomas Daly	1,045	6
Phyllis Morgan-Fann	3,191	7
Richard Heeney	1,606	9
	<u>10,321</u>	

In addition to the Board expenditure noted above, a total of €721 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 2019**

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

	2019	2018
	€	€
Chief Executive Officer basic	94,487	87,002
All in cost of the Chief Executive Officer total remuneration package	94,487	87,002

The Chief Executive Officer claimed travel and subsistence expenses in 2019 amounting to €40 (2018: €199).

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

	Computer Equipment and Software	Office Furniture & Fittings	Total
	€	€	€
6. PROPERTY, PLANT AND EQUIPMENT			
<u>Cost</u>			
As at 1 January 2019	92,230	81,574	173,804
Additions	-	-	-
Disposals	-	-	-
As at 31 December 2019	92,230	81,574	173,804
<u>Depreciation</u>			
As at 1 January 2019	77,083	22,348	99,431
Charge for the period	6,970	8,157	15,127
Disposals	-	-	-
As at 31 December 2019	84,053	30,505	114,558
Net Book Value at 31 December 2019	8,177	51,069	59,246
Net Book Value at 31 December 2018	15,147	59,226	74,373

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. RESERVES	Capital Account €	Fund Account €	Total €
As at 1 January 2019	74,373	12,729,919	12,804,292
Amounts applied for purchase of fixed assets	-	-	-
Amortisation in line with asset depreciation	(15,127)	-	(15,127)
Decrease in fund during the year	-	(5,997,640)	(5,997,640)
Balance at 31 December 2019	59,246	6,732,279	6,791,525

8. DEBTORS AND PREPAYMENTS	As at 31 December 2019 €	As at 31 December 2018 €
Prepayments	54,937	168,306
Accrued Interest	(6,132)	(4,278)
Cancelled payments recoverable	204,487	105,164
	253,292	269,192

9. CREDITORS AND ACCRUALS (amounts falling due within one year)	As at 31 December 2019 €	As at 31 December 2018 €
Creditors	64,581	2,819
Committed Payments to Survivors	116,585	409,280
Other Accruals	64,875	174,619
	246,041	586,718

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 officially notified the OPW in December 2019 that they provided their six months' notice of its intention to vacate Metropolitan House, James Joyce Street at 30th June 2020. On 21st May 2020, the Board approved extending operations to 30th October 2020. The new leaseholder has agreed to provide Caranua with an office at no additional cost until 30th October 2020. At 31st December 2019, the Board had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	€	€
Payable within one year	139,705	279,409
Payable within two to five years	-	139,705
Payable after five years	-	-
	139,705	419,114

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 €104,848 (2018: €95,343). For a breakdown of 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. CONTINGENT LIABILITIES

There were no legal or other claims brought against Caranua during the year where a contingent liability is probable. This is consistent with independent legal advice.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board at its meeting on 23rd July 2020.