

Appropriation Account 2021

Vote 25

Irish Human Rights and Equality Commission

Introduction

As Director of the Irish Human Rights and Equality Commission, I am the Accounting Officer for Vote 25. I am required to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2021 for the salaries and expenses of the Irish Human Rights and Equality Commission and for payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €192,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Role of the Commission

The Irish Human Rights and Equality Commission is an independent statutory body, established on 1 November 2014 under the Irish Human Rights and Equality Commission Act 2014. The statutory mandate of the Commission is to protect and promote human rights and equality in Ireland and to build a culture of respect for human rights, equality and intercultural understanding. The Commission is Ireland's National Human Rights Institution and National Equality Body. It is also Ireland's National Rapporteur on Anti Human Trafficking.

The Commission has fifteen members, one of whom is the Chief Commissioner. The provisions of the Act are designed to ensure the independence of the Commission in its work. Members of the Commission are appointed by the President of Ireland, following a resolution by both Houses of the Oireachtas. The Commission is a body corporate. It accounts directly to the Oireachtas for its statutory functions and the members independently determine its policy and activities. The executive, led by the Director as Accounting Officer, implements the strategy and policies of the Commission.

The Commission must prepare every three years a strategy statement which must be laid before the Houses of the Oireachtas. The Commission's Strategy Statement 2022-2024 was laid before the Oireachtas in December 2021. The Commission must also, no later than six months after the end of each financial year, prepare an annual report on its activities which is laid before the Houses of the Oireachtas and is subsequently published.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in circulars 1 and 9 of 2022, have been applied in the preparation of the account with the following additions.

Depreciation rate for leasehold improvements

Leasehold premises improvements are depreciated at a rate of 5% per annum on a straight line basis.

Depreciation basis

Depreciation is charged on a monthly basis.

Valuation of capital assets

A threshold of €10,000 for the capitalisation of capital assets for asset additions has been applied from 1 January 2021.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Irish Human Rights and Equality Commission.

This responsibility is exercised in the context of the resources available to me and my other obligations as Director of the Commission. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

Payroll and human resources services are provided to the Irish Human Rights and Equality Commission on a shared services basis by the National Shared Services Office. I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Office and the National Shared Service Office for the provision of payroll and human resources shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Commission.

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.

- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability, and in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Commission
- there are regular reviews by senior management and the Commission of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Irish Human Rights and Equality Commission
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Irish Human Rights and Equality Commission ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal audit and Audit and Risk Committee

I confirm that the Irish Human Rights and Equality Commission has an internal audit function (currently outsourced) with appropriately trained personnel. Its work is informed by analysis of the financial risks to which the Irish Human Rights and Equality Commission is exposed and its annual internal audit plans, approved by me and the Audit and Risk Committee, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit and Risk Committee.

I have put procedures in place to ensure that the reports of the internal audit function are followed up.

During 2021 the chair of the audit and risk committee resigned four months prior to the end of his term. This occurred due to delays in agreeing a new Audit and Risk Committee charter and in agreeing the precise relationship of the ARC to the Commission and to the Accounting Officer. It is expected that these matters will be resolved in 2022.

Non-compliance with procurement rules

I confirm that the Irish Human Rights and Equality Commission ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

In 2021, the Commission complied with the guidelines with the exception of five contracts (in excess of €25,000), totalling €219,915 (ex. VAT). Details are set out below:

- Awareness campaign services with a value of €34,830 were obtained after the expiry date of the contract.
- Four contracts with a total value of €185,085 were put in place for specialist legal advice in carrying out our statutory legal functions.

The Irish Human Rights and Equality Commission has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

The Irish Human Rights and Equality Commission has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Irish Human Rights and Equality Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by senior management, the Audit and Risk Committee and the Irish Human Rights and Equality Commission regularly. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management, the Audit and Risk Committee and the Commission, where relevant, in a timely manner. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Irish Human Rights and Equality Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Irish Human Rights and Equality Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee and the senior management within the Irish Human Rights and Equality Commission responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account.

Covid-19 control issues

The recommendations from two audits undertaken in 2020 which examined Covid-19 controls issues were implemented during 2021.

- A health and safety risk assessment of our Green Street offices, following the installation of Covid-19 suppression controls.
- An audit review of internal financial controls which incorporated the Office of the Comptroller and Auditor General Insight on the Impact of Covid-19 on Control Environment (September 2020). This included a review of the effect of remote working on the internal financial control environment.

Laurence Bond

Accounting Officer

Irish Human Rights and Equality Commission

17 June 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 25 Irish Human Rights and Equality Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2021 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2021, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account 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 Irish Human Rights and Equality Commission 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 the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy

Comptroller and Auditor General

21 June 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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 the appropriation account.

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 assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer 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.

I 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 appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account 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, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 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 am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 25 Irish Human Rights and Equality Commission

Appropriation Account 2021

		2021	2020
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Irish Human Rights and Equality Commission Function	7,014	6,817	6,154
Gross expenditure	7,014	6,817	6,154
<i>Deduct</i>			
B Appropriations-in-aid	81	76	70
Net expenditure	6,933	6,741	6,084

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2021	2020
	€	€
Surplus to be surrendered	192,105	648,867

Laurence Bond

Accounting Officer
Irish Human Rights and Equality Commission

31 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Pay		3,642	2,944
Non pay		3,175	3,210
Gross expenditure		6,817	6,154
<i>Deduct</i>			
Appropriations-in-aid		76	70
Net expenditure		6,741	6,084
Changes in capital assets			
Purchases cash	(120)		
Depreciation	158	38	78
Changes in net current assets			
Decrease in closing accruals		(286)	(129)
Direct expenditure		6,493	6,033
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		88	8
Net programme cost		6,581	6,041

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 25 borne elsewhere.

		2021	2020
		€000	€000
Vote 18	National Shared Services Office	9	8
Vote 43	Office of the Government Chief Information Officer	79	—
		88	8

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	1,643	1,681
Current assets			
Bank and cash		83	214
Prepayments	2.2	465	190
Other debit balances		1	4
Net Exchequer funding	2.5	75	—
Total current assets		624	408
Less current liabilities			
Accrued expenses	2.3	23	34
Other credit balances	2.4	159	140
Net Exchequer funding	2.5	—	78
Total current liabilities		182	252
Net current assets		442	156
Net assets		2,085	1,837
Represented by:			
State funding account	2.6	2,085	1,837

2.1 Capital assets

	Leasehold improvements	Furniture and fittings	IT and office equipment	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2021	1,746	360	356	2,462
Additions	—	—	120	120
Cost or valuation at 31 December 2021	1,746	360	476	2,582
Accumulated depreciation				
Opening balance at 1 January 2021	421	170	190	781
Depreciation for the year	87	35	36	158
Cumulative depreciation at 31 December 2021	508	205	226	939
Net assets at 31 December 2021	1,238	155	250	1,643
Net assets at 31 December 2020	1,325	190	166	1,681

2.2 Prepayments

at 31 December	2021	2020
	€000	€000
Training and development and incidental expenses	341	52
Office premises expenses	98	128
Office equipment and external IT services	21	9
Consultancy and VFM and policy reviews	5	—
Salaries, wages and allowances	—	1
	465	190

2.3 Accrued expenses

at 31 December	2021	2020
	€000	€000
Office equipment and external IT services	10	6
Training and development and incidental expenses	6	21
Office premises expenses	5	5
Postal and telecommunications services	2	2
	23	34

2.4 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Salaries	1	—
Income tax	52	49
Pay related social insurance	40	34
Professional services withholding tax	47	44
Pension contributions	—	4
Universal social charge	10	9
Value added tax	8	—
Tax saver ticket	1	—
	159	140

2.5 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	192	649
Exchequer grant undrawn	(267)	(571)
Net Exchequer funding	(75)	78
Represented by:		
Debtors		
Bank and cash	83	214
Debit balances	1	4
	84	218
Creditors		
Due to the State	(159)	(140)
	(159)	(140)
	(75)	78

2.6 State funding account

	Note	2021	2020
		€000	€000
Net assets at 1 January		1,837	1,786
Disbursements from the Vote			
Estimate provision	Account	6,933	
Surplus to be surrendered	Account	(192)	
Net vote		6,741	6,084
Expenditure (cash) borne elsewhere	1.1	88	8
Net programme cost	1	(6,581)	(6,041)
Balance at 31 December		2,085	1,837

2.7 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Procurement of goods and services ^a	1,740	1,217
Non-capital grant programmes	101	13
Legal and other projects	138	115
Total of legally enforceable commitments	1,979	1,345

Note ^a Lease of premises commitment is €393,896 per year up to 2024.

Note 3 Vote Expenditure

Analysis of administration expenditure

All of the allocation for Vote 25 Irish Human Rights and Equality Commission is classified as administration expenditure applied towards a single programme: Irish Human Rights and Equality Commission Function.

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	4,002	3,642	2,944
ii	Travel and subsistence	55	4	17
iii	Training and development and incidental expenses	1,573	1,638	1,738
iv	Postal and telecommunications services	40	75	34
v	Office equipment and external IT services	274	320	413
vi	Office premises expenses	600	511	614
vii	Consultancy services and value for money and policy reviews	470	627	394
		7,014	6,817	6,154

Significant variations

The following outlines an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

vii Consultancy services and value for money and policy reviews

Estimate provision €470,000; outturn €627,000

The increase on expenditure of €157,000 on consultancy services and policy review was due to increased specialist legal assistance required to support our increased human rights and equality litigation activity pursued by IHREC in accordance with its statutory functions.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	81	73	58
2	Miscellaneous	—	3	12
Total		81	76	70

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	<u>73</u>	<u>63</u>

5.2 Pay

	2021	2020
	€000	€000
Pay	3,288	2,639
Higher, special or additional duties allowances	13	30
Overtime	1	—
Employer's PRSI	<u>340</u>	<u>275</u>
Total pay	<u>3,642</u>	<u>2,944</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	1	1	12,740	22,829
Overtime	1	—	934	—

5.4 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	5	4,225	—

The Irish Human Rights and Equality Commission is engaging with the National Shares Services Office with a view to putting recoupment plans in place.

5.5 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary was on the Director scale, and the total annual gross salary was €120,225 (€117,670, at 31 December 2020).