

## **Appropriation Account 2015**

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### **Vote 25**

### **Irish Human Rights and Equality Commission**

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## 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 2015 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 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.46 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

## Establishment of the Vote

The Irish Human Rights and Equality Commission (IHREC) was established on 1 November 2014 from the merger of the Equality Authority and the Irish Human Rights Commission. Both of these bodies were grant-in-aid funded by the Department of Justice.

In 2014 the Department of Justice Subhead D.3. provided grant-in-aid funding of all core pay and non-pay administrative costs involved in the operation of the Equality Authority and the Human Rights Commission up to 31 October 2014, and of the Irish Human Rights and Equality Commission (IHREC) from 1 November 2014 to 31 December 2014.

2015 is the first year the Irish Human Rights and Equality Commission (IHREC) has been a separate Vote. 2015 also represents the first full year of operation for IHREC and prior year comparative figures are not included.

Under the founding legislation, the Irish Human Rights and Equality Act 2014, IHREC must carry out its functions in a way that supports the development of a society in which:

- there is respect for, and protection of, everyone's human rights;
- there is respect for the dignity and worth of each person;
- a person's ability to achieve their potential is not limited by prejudice, discrimination, or neglect;
- everyone has a fair and equal opportunity to take part in the economic, political, social or cultural life of the State; and
- people respect each other, respect equality and human rights, and understand the value of diversity within society.

## **Statement of Accounting Policies and Principles**

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

### **Depreciation**

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

## **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 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 resource services are provided to the Commission on a shared service basis by the National Shared Service 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 HR and payroll shared service.

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

### ***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
- there is a Finance Committee which assists the Commission in fulfilling its responsibilities by providing oversight of the financial implications of the activities of the Commission

***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
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against budgets
- a risk management system operates within the 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 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, Audit and Risk Committee***

I confirm that the Commission has an internal audit function (currently outsourced) with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Commission is exposed and its annual internal audit plans, approved by me, 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 & Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

**Sinéad Gibney**

Accounting Officer  
Irish Human Rights and Equality Commission

26 September 2016

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 25 Irish Human Rights and Equality Commission**

I have audited the appropriation account for Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2015 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration in the Commission and for the regularity and propriety of all transactions in the appropriation account.

#### ***Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

#### ***Scope of audit***

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

***Opinion on the appropriation account***

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 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Irish Human Rights and Equality Commission. The appropriation account is in agreement with the accounting records.

**Seamus McCarthy**

Comptroller and Auditor General

27 September 2016

## Vote 25 Irish Human Rights and Equality Commission Appropriation Account 2015

		2015	
		Estimate provision	Outturn
		€000	€000
<b>Programme expenditure</b>			
A	Irish Human Rights and Equality Commission Function	6,334	3,954
<b>Gross expenditure</b>		<b>6,334</b>	<b>3,954</b>
<i>Deduct</i>			
B	<b>Appropriations-in-aid</b>	<b>144</b>	<b>222</b>
<b>Net expenditure</b>		<b>6,190</b>	<b>3,732</b>

### Surplus for surrender

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

	2015
	€
Surplus to be surrendered	2,457,959

### Analysis of administration expenditure

		2015	
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	3,241	1,763
ii	Travel and subsistence	80	68
iii	Training and development and incidental expenses	1,527	1,033
iv	Postal and telecommunications services	122	36
v	Office equipment and external IT services	165	196
vi	Office premises expenses	1,100	696
vii	Consultancy services and value for money and policy review	99	162
		<b>6,334</b>	<b>3,954</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2015

	2015	
	€000	€000
Programme cost		
Pay		1,763
Non pay		2,191
<b>Gross expenditure</b>		<b>3,954</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>		<b>222</b>
<b>Net expenditure</b>		<b>3,732</b>
<b>Changes in capital assets</b>		
Purchases cash	(252)	
Disposals	475	
Depreciation	22	
		<b>245</b>
<b>Changes in net current assets</b>		<b>53</b>
<b>Direct expenditure</b>		<b>4,030</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)		34
<b>Net programme cost</b>		<b>4,064</b>

#### 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.

	2015
	€000
Vote 13 Office of Public Works	33
Vote 18 Shared Services	1
	<b>34</b>

## 2 Balance Sheet as at 31 December 2015

	Note	2015 €000
<b>Capital assets</b>	2.2	255
<b>Current assets</b>		
Bank and cash	2.3	241
Accrued income		374
Prepayments		150
Other debit balances		9
Net funding due from the Exchequer	2.6	325
<b>Total current assets</b>		<b>1,099</b>
<b>Less current liabilities</b>		
Accrued expenses		347
Deferred income		342
Other credit balances	2.5	113
<b>Total current liabilities</b>		<b>802</b>
<b>Net current assets</b>		<b>297</b>
<b>Net assets</b>		<b>552</b>
<b>Represented by:</b>		
<b>State funding account</b>	2.1	<b>552</b>

2.1 State Funding Account	Note	2015 €000
Net assets transferred at 1 January	2.4	850
Disbursements from the Vote		
Estimate provision	Account	6,190
Surplus to be surrendered	Account	(2,458)
Net vote		3,732
Expenditure (cash) borne elsewhere	1	34
Net programme cost		(4,064)
<b>Balance at 31 December</b>		<b>552</b>

**2.2 Capital Assets**

	<b>Leasehold premises</b>	<b>Furniture and fittings</b>	<b>IT &amp; Office equipment</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Gross assets</b>				
Cost or valuation at 1 January 2015	737	144	90	971
Additions	222	4	26	252
Disposal	(737)	(144)	(40)	(921)
Cost or valuation at 31 December 2015	<b>222</b>	<b>4</b>	<b>76</b>	<b>302</b>
<b>Accumulated Depreciation</b>				
Opening balance at 1 January 2015	280	132	59	471
Disposal	(280)	(132)	(34)	(446)
Depreciation for the year	11	1	10	22
Cumulative depreciation at 31 December 2015	<b>11</b>	<b>1</b>	<b>35</b>	<b>47</b>
<b>Net assets at 31 December 2015</b>	<b>211</b>	<b>3</b>	<b>41</b>	<b>255</b>
<b>Net assets at 31 December 2014</b>	<b>457</b>	<b>12</b>	<b>31</b>	<b>500</b>

**2.3 Bank and cash**

	<b>2015</b>
	<b>€000</b>
PMG balances and cash	(190)
Commercial bank accounts	431
	<u>241</u>

**2.4 Net assets transferred at 1 January 2015**

Fixed assets	500
Bank and cash	614
Prepayments and accrued income	452
Creditors and deferred income	(716)
Pre- vote balance	<u>850</u>

**2.5 Other Credit Balances** **2015**  
 At 31 December **€000**

**Amounts due to the State**

Income Tax	36
Pay Related Social Insurance	31
Professional Services Withholding Tax	29
Pension contributions	(4)
Universal Social Charge	12
Value Added Tax	3
Relevant Contracts Tax	4
	<hr/>
	111
Payroll deductions held in suspense	1
Other credit suspense items	1
	<hr/>
	113
	<hr/>

**2.6 Net funding due from the Exchequer** **2015**  
 at 31 December **€000**

Exchequer grant undrawn	(2,783)
Surplus to be surrendered	2,458
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Net funding due from the Exchequer	<b>(325)</b>
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**Represented by:****Debtors**

PMG (overdrawn)	(190)
Debit balances	9
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	(181)

**Creditors**

Due to State	(111)
Credit balances	(2)
Due to project funding <sup>a</sup>	(31)
	<hr/>
	(144)

**(325)**

<sup>a</sup>The prior years financial statements were prepared on an accruals basis. The Commission continues to maintain its accounting system on an accruals basis. The Vote transactions and balances are extracted from this system. An unreconciled difference of €31,000 arose from the exercise and is being investigated by the Commission.

**2.7 Commitments**

**(a) Global commitments** **2015**  
 at 31 December **€000**

Total of legally enforceable commitments*	2,124
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\*Being Green Street lease commitment €236,000 per year up to 2024.

**2.8 Matured Liabilities** **2015**  
 at 31 December **€000**

Estimate of matured liabilities not discharged at year end	36
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### 3 Programme Expenditure by Subhead

		2015	
		Estimate provision	Outturn
		€000	€000
<b>A</b>			
A.1	Administration – pay	3,241	1,763
A.2	Administration – non pay	3,093	2,191
		<b>6,334</b>	<b>3,954</b>

#### Significant variations

Overall, the expenditure in relation to Programme A was €2.4 million lower than provided. This was mainly due to the following:

Description	Less than provided	Explanation
	€000	
Administration – pay	1,478	2015 was IHREC's first full year in operation and it did not reach its full employment control framework number. In 2016 there will be recruitment campaigns which will increase the number of employees.
Administration – non pay	902	IHREC did not have its full employment control framework number in 2015 and therefore did not have the capacity to achieve all of its intended aims. This situation is expected to be rectified in 2016 when additional staff will be recruited.

### 4 Receipts

#### 4.1 Appropriations-in-aid

	2015	
	Estimated	Realised
	€000	€000
1. Receipts from pension-related deduction on public service remuneration	144	106
2. External funding	—	114
3. Other	—	2
<b>Total</b>	<b>144</b>	<b>222</b>

**Explanation of significant variations**

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
External funding	(114)	At the time of submission of figures as part of the estimates process for 2015, there was uncertainty regarding the treatment of funding from external bodies arising from arrangements in place with the legacy bodies. This was subsequently clarified and external funding of €114,000 has been received and recognised.

**5 Employee Numbers and Pay**

	<b>2015</b>
Number of staff at year end (full time equivalents)	33
	<b>2015</b>
	<b>€000</b>
Pay	1,591
Other allowances	12
Overtime	—
Employer's PRSI	160
<b>Total Pay</b>	<b><u>1,763</u></b>

**5.1 Allowances and Overtime Payments**

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €
Other allowances	2	—	8,497

**5.2 Payroll Overpayments**

There were nil payroll overpayments for 2015.

**6 Miscellaneous****6.1 Legal costs**

Currently a case is under appeal to the Supreme Court which The Irish Human Rights and Equality Commission are funding the full cost of. A provision has been made in the Financial Statements in respect of the legal costs of the IHREC which are expected to be payable. A provision has not been made in respect of the legal costs of the other party.

