



GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

CONTENTS

	Page
General Information	3
Certificate of the Comptroller and Auditor General	4
Governance Statement and Commission Members' Report	5-10
Statement on Internal Control	11-14
Statement of Income and Expenditure and Retained Revenue Reserves	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the Financial Statements	18-25

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

GENERAL INFORMATION

Head Office	Garda Síochána Ombudsman Commission 150 Upper Abbey Street Dublin 1
Commissioners	Ms. Justice Mary Ellen Ring - Chairperson Mr. Kieran FitzGerald Mr. Mark Toland (Resigned 05/11/2017)
Senior Executive	Mr. Anthony Duggan – Director of Administration Mr. Darren Wright – Director of Operations
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GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL
(TO BE INSERTED UPON COMPLETION OF AUDIT)

GARDA SÍÓCHÁNA OMBUDSMAN COMMISSION

GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Governance

The Garda Síochána Ombudsman Commission was established under the Garda Síochána Act 2005. The functions of the Commission are set out in Section 67 of this Act. The Commission is accountable to the Minister for Department of Justice and Equality and 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 Garda Síochána Ombudsman Commission are the responsibility of the Commission and the senior management team.

Commission Responsibilities

The work and responsibilities of the Commission are set out in Section 67 of the Garda Síochána Act 2005.

Section 77 of the Garda Síochána Act 2005 requires the Commission of the Garda Síochána Ombudsman Commission to keep, in such form as may be approved by the Minister for Department of Justice and Equality 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 Commission 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.

The Commission 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 77 of the Garda Síochána Act 2005. The maintenance and integrity of the corporate and financial information on the the Garda Síochána Ombudsman Commission's website is the responsibility of the Commission.

The Commission is responsible for approving the annual plan and budget. An evaluation of the performance of the Garda Síochána Ombudsman Commission by reference to the annual plan and budget was carried out on 16th January 2018.

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

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

The Commission considers that the financial statements of the Garda Síochána Ombudsman Commission give a true and fair view of the financial performance and the financial position of the Garda Síochána Ombudsman Commission at 31 December 2017.

Commission Structure

In 2017, the Commission consists of a Chairperson, and two Commissioners for part of 2017, all of whom are appointed by the President of Ireland. The members of the Commission met 11 times throughout 2017. The table below details the appointment period for current members:

Commission Member	Role	Date Appointed	Period of appointment
Mary Ellen Ring	Chairperson	12/12/2016	5 Years
Kieran FitzGerald	Commissioner	12/12/2016	4 Years

The Commission commenced a Self-Assessment Effectiveness and Evaluation Review in March 2018, which will be completed in 2018.

The Commission does not have sub-committees. Garda Síochána Ombudsman Commission come under the remit of the Department of Justice and Equality Audit Committee. The Department of Justice and Equality Audit Unit has completed audits of the Garda Síochána Ombudsman Commission which have been presented and discussed by the Audit Committee.

The Commission has established a number of active groups to deal with other areas:

1. Risk Group: comprises two directors and nine staff members. The role of the Risk Group is to support the Commission 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 Risk Group reports to the Commission after each meeting, and formally in writing annually.

The members of the Risk Committee Group are: Anthony Duggan (Chairperson), Conor Sexton, Darren Wright, Deirde Quinn, Garrett Croke, Lorna Lee, Louise O'Meara, Nick Harden, Pamela Howard, Rachel Patton and Rody Butler. There were 7 meetings of the Risk Group in 2017.

2. Health and Safety Group: comprises of 10 staff members. The members of this committee are: Garrett Croke, George O'Doherty, James Butler, Ken Fegan, María Nicholson, Noreen Lambert, Paul Bourke, Pauline Byrne, Roland Gowran, and Stuart Duguid. There were 6 meetings of the Health and Safety Group in 2017.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Commission and Committee meetings for 2017 is set out below including the fees and expenses received by each member:

	Commission	Fees 2017 €	Expenses for meetings 2017 €
Mary Ellen Ring	10/10	-	-
Kieran Fitzgerald	8/10	-	-
Mark Toland	9/9	-	2,998
		-	2,998

The Commissioners are not entitled to a separate fee but are paid a salary for their role.

Key Personnel Changes

One member of the Commission resigned on 5th November 2017. The role was vacant at year end. In accordance with the Garda Síochána Ombudsman Commission Act 2005, a member of the Commission was appointed on 2nd July 2018.

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

The Commission is responsible for ensuring that the Garda Síochána Ombudsman Commission 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

Information in relation to employees' short-term benefits is disclosed in note 3 to the financial statements.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Consultancy Costs

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

	2017	2016
	€	€
Legal advice	100,300	175,591
Financial/actuarial advice	-	8,180
Public relations/marketing	3,300	-
Human Resources	-	28,349
Business improvement	21,685	35,149
Other	31,346	5,714
Total consultancy costs	156,631	252,983
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	156,631	252,983
Total	156,631	252,983

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 Garda Síochána Ombudsman Commission which is disclosed in Consultancy costs above.

	2017	2016
	€	€
Legal fees - legal proceedings	189,470	144,763
Conciliation and arbitration payments	-	-
Settlements	7,844	-
Total	197,314	144,763

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
- Commission*	2,998	209
- Employees	84,440	80,653
International		
- Commission	-	-
- Employees	21,483	13,992
Total	108,921	94,854

* includes travel and subsistence of €2,998 paid directly to Commission members in 2017 €2,998 (2016: €209).

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

Hospitality Expenditure

The Statement of Income and Expenditure and Retained Revenue Reserves includes the following hospitality expenditure:

	2017	2016
	€	€
Staff hospitality	3,755	2,293
Client hospitality	-	-
Total	<u>3,755</u>	<u>2,293</u>

Statement of Compliance

The Garda Síochána Ombudsman Commission (GSOC) 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, with the following exceptions:

1. In recognition of GSOC's particular circumstances and statutory independence, this Corporate Governance Assurance Document has been agreed between both parties as satisfying the requirements of an Oversight Agreement as prescribed in the 2016 Code of Practice for the Governance of State Bodies. This agreement sets out the broad corporate governance framework within which GSOC will operate and defines key roles and responsibilities which underpin the relationship between GSOC and the Department of Justice and Equality (DJE).
2. Section 1.18 of the Code advises that the Minister should have sight of the financial plans and strategy statements of the State Body for the Minister's views before the plans are finalised and adopted. Formal reporting mechanisms are in place with the Minister and GSOC is responsible for the management of its own budget. Its strategy statement is informed by that of the DJE. As such, GSOC does not submit financial plans or strategy statements to the Minister for views.
3. Section 1.24 and section 4.8 of the Code advises that the role of the Chairperson and the Chief Executive Officer should not be combined. GSOC, in its current structure, does not have a Chief Executive Officer. The Ombudsman Commission is set up and its membership, composition, terms and conditions defined by statute.
4. Section 3.4 of the Code in relation to Circular 12/10: Protocol for Civil Servants Nominated to Boards of Non-commercial State Bodies does not apply to GSOC. The process of appointments to the Ombudsman Commission is provided for under the Act and there is a reporting relationship between GSOC and the Department regarding risk, internal controls and operational matters as outlined in this Assurance Agreement.
5. Section 3.10 of the Code outlines that the Secretary of the Board is responsible for the induction of new Board members. In GSOC, the Director of Administration and not the Secretary to the Commission is responsible for the formal induction of new Commission and Senior Management Team members and organising mentoring and training where required.
6. Section 4.1 outlines compliance with the Guidelines on Appointments to State Boards regarding terms of appointment and diversity. These guidelines do not apply to GSOC as the terms and conditions and gender composition of the Ombudsman Commission are outlined in sections 65 and 66 of the Act.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

GOVERNANCE STATEMENT AND COMMISSION MEMBERS' REPORT

7. Sections 7.2 and 7.7 of the Code refer to a State Body having a properly constituted Internal Audit Unit and an Audit and Risk Committee. Having regard to the size of the Commission, it is not deemed feasible for it to establish its own Internal Audit Unit or its own Audit & Risk Committee. Alternative arrangements have been put in place to provide GSOC with access to the Department's Internal Audit Unit and Audit Committee. In addition, GSOC is subject to annual audit by the Comptroller and Auditor General and has an internal risk management process overseen by a Risk Management Officer and a Risk Management Monitoring Group.
8. Section 8.27 of the 2016 Code outlines that Ministerial approval is required for any action which would extend or change the State body's remit. GSOC's remit is decided by government and set out in legislation. GSOC is, therefore, not in a position to extend its functions or to diversify in any way. It is extremely important that GSOC operates within its statutory remit, as to do otherwise would jeopardise its operations and run counter to its role and purpose. Similarly, GSOC is not involved in acquisitions. While its functions are labour intensive and require considerable skill and expertise, it requires a limited range of equipment to fully discharge its remit.

Mary Ellen Ring
Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 20th November 2018

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT ON INTERNAL CONTROL

Responsibility for system of Internal Control

On behalf of the Garda Síochána Ombudsman Commission, I hereby acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the system of Internal Control

The system of internal control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or other irregularities are either prevented or would be detected on a timely basis. We are satisfied that the systems, which the Commission has in place, are reasonable and appropriate for the Commission's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations.

Capacity to Handle Risk

The following steps have been taken to ensure an appropriate control environment

- ❖ Decisions on expenditure rest with line managers and the members of the Commission in line with approved expenditure thresholds;
- ❖ Management responsibilities are clearly assigned and communicated between the Director of Administration, Corporate Services and the Finance Team;
- ❖ Internal reporting relationships are clearly assigned;
- ❖ The Department of Justice and Equality provided an agency payment service for the Garda Síochána Ombudsman Commission during the accounting year. Payroll Shared Service Centre processed payroll and travel and subsistence during the accounting year. The Department of Justice and Equality also provide internal audit, fixed asset register maintenance, purchase ordering and tax filing services to the Garda Síochána Ombudsman Commission. There was an audit conducted on internal control in July 2017. In order to ensure appropriate controls are in place, the Garda Síochána Ombudsman Commission uses the services of an external contractor to undertake regular reviews of controls. This process complements the audits undertaken by the Department of Justice and Equality internal audit unit;
- ❖ The Garda Síochána Ombudsman Commission has in place robust financial procedures and in addition engaged the services of an external accounting firm.
- ❖ The Garda Síochána Ombudsman Commission held 10 Commission meetings in 2017.