

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT ON INTERNAL CONTROL

Risk and Control Framework

The Commission has established processes to identify and evaluate business and financial risks by:

- ❖ Identifying the nature and extent of financial risks facing the office;
- ❖ Assessing the potential of identified risks occurring;
- ❖ Evaluating and assessing the internal capacity of the office to manage the risks that do occur;
- ❖ Examining financial risks in the context of strategic goals;
- ❖ Rebuilding the Risk Management Monitoring Team in the context of recent staffing departures.

The Garda Síochána Ombudsman Commission has in place a Strategy for Risk Management, one element of which is a Risk Management Monitoring Team. The Risk Management Monitoring Team was set up in 2016 and consists of twelve members comprising of various grades in order to ensure cross organisational participation and buy-in to the risk management process. The role of the Risk Management Monitoring Team is to provide oversight to the management of risk by line managers and heads of Business Units, ensure the implementation of a cohesive approach to risk management throughout GSOC, and provide assurance to Senior Management that all known risks are mitigated against. The Risk Management Monitoring Team met 7 times in 2017. The Department of Justice and Equality's audit committee remit includes the Garda Síochána Ombudsman Commission.

Monitoring and Review

The system of internal control is based on internal management of information, administrative procedures and a system of delegation and accountability. In particular, this involves

- ❖ Regular review by the Commission and Corporate Services of financial information provided by the Department of Justice and Equality;
- ❖ Comprehensive budgeting system with an annual budget which is reviewed regularly by senior management;
- ❖ Submission of monthly finance reports to the Director of Administration for reviews.

Mechanisms have been established for ensuring the adequacy of the security of the Commission's information (internally within the Garda Síochána Ombudsman Commission) and communication technology systems.

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Disclosure of Details Regarding Instances where Breaches in Control has Occurred

Details of breaches	Mitigating actions
<p>1. Breaches of procurement guidelines</p> <p>In 2017, Garda Síochána Ombudsman Commission incurred expenditure of €43,865 in relation to lease negotiations following a rent review of GSOC's offices at 150 Upper Abbey Street, Dublin 1.</p> <p>GSOC had contacted the Office of Public Works (OPW), who had assisted with the original lease negotiations in 2006/7, for advice and assistance on this review. The OPW were unable to assist in this regard. Because there was a need to quickly obtain appropriate professional assistance and the unpredictable outcome of the review, GSOC engaged commercial agents who had been contracted by other state agencies in the same area.</p> <p>GSOC did not follow public procurement procedures in this case.</p>	<p>GSOC procedures in place to ensure compliance with current procurement rules and guidelines.</p> <p>The nature and urgency of this incident is once off and required that GSOC act swiftly to contain exposures to risks.</p>
<p>2. Breach to Data Security controls</p> <p>In 2017, Garda Síochána Ombudsman Commission had reported four incidences of breaches to Data Protection guidelines to the Office of the Data Protection Commissioner Ireland.</p> <ul style="list-style-type: none"> • A complainant's personal details were sent to An Garda Síochána in error. This was reported to the DPC and a letter of apology issued to affected parties. • Two members of An Garda Síochána concerned in the same case received each other's letters. This was reported to the DPC and a letter of apology issued to affected parties. • Email sent to complainant was sent to the incorrect email address. This was reported to the DPC and a letter of apology issued to affected parties. • Email sent to complainant was sent to the incorrect email address. This was reported to the DPC and a letter of apology issued to affected parties. 	<p>GSOC had formally reported these four incidences to the Office of the Data Protection Commissioner Ireland.</p>

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Compliance with Public Spending Code

The Garda Síochána Ombudsman Commission has procedures in place to ensure compliance with current procurement rules and guidelines as set out by the Office of Government Procurement. Exceptions to full compliance are noted in the section above.

Approval by the Commission

The Statement on System of Internal controls has been reviewed by the Commission to ensure it accurately reflects the control system in operation during the reporting period.

A review of the internal controls in 2017 was carried by the Commission and was signed off by the Commission on 18th March 2018.

The Commission is reasonably assured that the systems of Internal Control instituted and implemented in the Garda Síochána Ombudsman Commission for the financial year ended 31st December 2017 are effective.

Mary Ellen Ring

Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 20th November 2018

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR
THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 €	2016 €
Income			
Oireachtas Grants	2	8,759,928	8,386,114
Transferred to / (from) Capital Account	10	(50,829)	529,596
Total Income		<u>8,709,099</u>	<u>8,915,710</u>
Expenditure			
Staff Costs	3	5,614,293	5,025,647
Upkeep and Overheads	4	1,558,958	1,470,553
General Expenses	5	1,079,861	869,647
Professional Fees	6	382,080	477,100
Research Expenses		-	9,840
Depreciation	7	248,308	643,471
Total Expenditure		<u>8,883,500</u>	<u>8,496,258</u>
(Deficit) / Surplus for the year		(174,401)	419,452
Balance at 1 January		199,078	(220,374)
Balance at 31 December		<u>24,677</u>	<u>199,078</u>

All income and expenditure for the year relates to continuing activities at the reporting date.

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and Notes 1 to 15 form part of these financial statements.

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

Date: 20th November 2018

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	2017 €	2016 €
<u>Fixed Assets</u>			
Property, plant and equipment	7	1,310,825	1,259,995
<u>Current Assets</u>			
Receivables	8	377,891	453,987
Cash and cash equivalents		500	500
		<u>378,391</u>	<u>454,487</u>
<u>Current Liabilities (Amount falling due within one year)</u>			
Payables	9	<u>(353,714)</u>	<u>(255,409)</u>
Net Current Assets		24,677	199,078
Net Assets		<u>1,335,502</u>	<u>1,459,073</u>
<u>Representing</u>			
Retained Revenue Reserves		24,677	199,078
Capital Account	10	<u>1,310,825</u>	<u>1,259,995</u>
		<u>1,335,502</u>	<u>1,459,073</u>

The Statement of Cash Flows and Notes 1 to 15 form part of these financial statements.

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

Date: *20th November 2018*

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	2016 €
Net Cash Flows from Operating Activities			
(Deficit) / Surplus for the year		(174,401)	419,452
Transfer to / (from) Capital Account		50,829	(529,596)
Depreciation charge		248,308	643,471
Loss on disposal of fixed asses		-	64
Decrease / (Increase) in Receivables		76,096	(149,512)
(Decrease) / Increase in Payables		98,305	(269,840)
Net Cash Flows from Operating Activities		<u>299,137</u>	<u>114,039</u>
Cash Flows From Investing Activities			
Payments to acquire property, plant and equipment	7	<u>(299,137)</u>	<u>(113,939)</u>
Net Cashflows from Investing Activities		<u>(299,137)</u>	<u>(113,939)</u>
Increase / (decrease) in cash and cash equivalents		<u>-</u>	<u>100</u>
Cash and cash equivalents at the beginning of year		500	400
Cash and cash equivalents at the end of the year		<u>500</u>	<u>500</u>

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

1. Accounting policies

The basis of accounting and significant accounting policies adopted by the Garda Síochána Ombudsman Commission are set out below. They have been applied consistently throughout the year and for the preceding year.

a) General Information

The Garda Síochána Ombudsman Commission was set up under the Garda Síochána Act 2005, with a head office at 150 Upper Abbey Street, Dublin 1. Their primary function is to deal with matters involving possible misconduct by members of the Garda Síochána, in an efficient, effective and fair manner.

b) Statement of Compliance

The financial statements of the Garda Síochána Ombudsman Commission for the year ended 31 December 2017 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.

c) Basis of Preparation

The Financial Statements are prepared on the going concern basis, under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council, except as indicated in Oireachtas Grants below. The Financial Statements are in the form approved by the Minister for Justice and Equality with the concurrence of the Minister for Public Expenditure and Reform. The Financial Statements are prepared in Euro which is the functional currency of the Commission.

d) Oireachtas Grants

Income recognised in the financial statements under Grants represents funding provided to the Commission through the Vote of the Department of Justice and Equality. The Department administers the payment of salaries and all other costs and the amount recognised as income represents the recourse to the Vote to fund payments made during the year.

e) Property, Plant and Equipment

Property, plant and equipment are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Statement of Income and Expenditure and Retained Revenue Reserves 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: -

Improvements on Leasehold buildings	Over lease term of 25 years
Furniture and Fittings	10.00%
Office Equipment	20.00%
IT Equipment	20.00%
Motor Vehicles	20.00%

The residual value and useful lives of fixed assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

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

f) Capital Account

The Capital Account represents the unamortised value of funding applied for the purchase of fixed assets.

g) Cash and Cash Equivalents

Cash consists of cash on hand and demand deposits.

h) Foreign Currencies

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

i) Retirement Benefits

The Employees of the Garda Síochána Ombudsman Commission pension entitlements are covered by :

a) a defined benefit schemes which is unfunded and is administered by the Department of Public Expenditure and Reform or

b) The Single Public Service Pension Scheme which commenced with effect from 1 January 2013. All new members of staff joining the organisation on or after that date are members of this scheme.

Under section 71(3) of the Garda Síochána Act 2005 all officers of the Commission are civil servants, accordingly no charge arises in these financial statements for any liabilities which may arise in respect of their retirement benefits.

j) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

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

	2017	2016
	€	€
2 Oireachtas Grants		
Department of Justice and Equality	<u>8,759,928</u>	<u>8,386,114</u>

The Garda Síochana Ombudsman Commission is funded from the Vote of the Department of Justice and Equality (Vote 24) through subhead A.4.

The Oireachtas grant figure comprises the amount charged to Subhead A.4 in 2017 of €8,534,029 and net of miscellaneous charges and receipts amounting to €225,899 accounted for in other subheads which pertain to the Commission.

	2017	2016
	€	€
3 Staff Costs and Employee Information		
Wages and Salaries	4,873,998	4,506,778
Travel and Subsistence	108,921	94,854
Flexibility Allowance	396,387	353,492
Staff Training and CPD	234,987	70,523
Total Staff Cost	<u>5,614,293</u>	<u>5,025,647</u>

Pension Related Deduction was deducted in line with statutory requirements. €226,264 of pension levy has been deducted in 2017 (2016: €247,435) and retained by the Department of Justice and Equality.

3 (a) Employee Numbers	2017	2016
The average number of employees during the year was made up as follows:		
Commissioners	2	3
Directors	2	2
Operations	59	59
Administration	21	19
Total	<u>84</u>	<u>83</u>

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

3 (b) Staff Costs and Employee Information

Employee benefits breakdown:

Range of total employee benefits		Number of Employees	
From	To	2017	2016
€60,000	- €69,999	10	18
€70,000	- €79,999	11	7
€80,000	- €89,999	5	5
€90,000	- €99,999	4	-
€100,000	- €109,999	-	-
€110,000	- €119,999	2	-
€120,000	- €129,999	1	1
€130,000	- €139,999	2	2
€140,000	- €149,999	1	-

* Justice Mary Ellen Ring is not included in the table above

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.

3 (c) Termination Benefits

No termination benefits were paid during the year.

3 (d) Remuneration of Chairperson and Other Commissioners

The remuneration in 2017 of the Chairperson and Commissioners are as follows:

	2017	2016
	Salary €	Salary €
Ms. Justice Mary Ellen Ring (re-appointed 12/12/16)	-	-
Ms. Carmel Foley (Resigned 12/12/2016)	-	130,794
Mr. Kieran FitzGerald	124,746	124,632
Mr. Mark Toland (appointed 12/12/16 – resigned 05/11/17)	112,653	-

The Commissioners did not receive any performance related payments or any other benefit in kind during the year.

The above charge for wages and salaries does not include the salary of €202,919 (2016: 172,710) paid to one of the Commissioners, Justice Mary Ellen Ring, whose salary for administrative convenience was borne by the Central Fund.

Commissioners Carmel Foley and Kieran FitzGerald are members of the civil service pension scheme and will be entitled to a pension at Principal Officer level and Assistant Secretary level respectively. Ms. Justice Mary Ellen Ring opted not to join the Spouse and Children's Pension Scheme. The terms of the non-contributory pension scheme for non-established state employees applies to Mr. Toland's contract.

In 2017, Chairperson Justice Mary Ellen Ring incurred travel expenses of €0 (2016: €187). Commissioners Carmel Foley, Kieran FitzGerald and Mark Toland incurred travel expenses of €0 (2016: €23), €0 (2016: €0) and €2,998 (2016: €0) respectively.

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

	2017 €	2016 €
10 Capital Account		
At 01 January	1,259,995	1,789,591
<u>Transfer from / (to) Statement of Income and Expenditure and Retained Revenue Reserves</u>		
Funding of Fixed Assets	299,137	113,939
Amount released on disposal of fixed assets	-	(64)
Amortisation in line with asset depreciation policy	<u>(248,308)</u>	<u>(643,471)</u>
Transferred from / (to) Statement of Income and Expenditure and Retained Revenue Reserves	50,829	(529,596)
Balance at 31 December	<u>1,310,825</u>	<u>1,259,995</u>

11 Lease Commitments

The Garda Síochána Ombudsman Commission has commitments in respect of a lease on office accommodation at No. 150 Abbey Street, Dublin 1. This is held by way of a 25 year lease, which commenced in 2007. The annual cost of lease is €979,272 in respect of the premises and €39,875 in respect of tenants' car park spaces.

GSOC have an office in the Irish Prison Service in Longford. GSOC's Cork team are currently placed in a temporary office based in Blackrock, Co. Cork. The process of signing a new please for a permanent office in Blackrock, co. Cork is ongoing.

Lease Commitments

At 31 December 2017 and at 31 December 2016 the Garda Síochána Ombudsman Commission had the following future minimum lease payments under non-cancellable leases:

	As at 31 December 2017 €	As at 31 December 2016 €
Payable within 1 year	1,019,147	987,911
Payable within 2 – 5 years	4,076,588	3,929,504
Payable after 5 years	<u>10,191,470</u>	<u>10,806,136</u>
	<u>15,287,205</u>	<u>15,723,551</u>

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

12 Capital Commitments

There were no capital commitments at 31st December 2017.

13 Related Party Transactions/ Disclosure of Interests

Key management personnel in the Garda Síochána Ombudsman Commission consists of three Commissioners and two members of the Senior Executive. Total compensation paid to key management personnel by the Garda Síochána Ombudsman Commission amounted to €509,581 (2016: €540,477). Payments from the Central Fund amounted to €202,919 (2016: €172,710).

The Garda Síochána Ombudsman Commission complies with the Code of Practice for the Governance of State Bodies issued by the Department of Finance in relation to the disclosure of interests by the Commission and members/staff of the Commission. Formal procedures exist to ensure adherence with the requirements of the Code.

14 Contingent Liability

The Commission is involved in a legal proceeding which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

15 Approval of financial statements

The financial statements were approved on _____.

