



Garda
Ombudsman
INQUIRY INDEPENDENCE IMPARTIALITY

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

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

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

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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. Patrick Sullivan
Senior Executive	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)



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Garda Síochána Ombudsman Commission

Opinion on the financial statements

I have audited the financial statements of the Garda Síochána Ombudsman Commission for the year ended 31 December 2019 as required under the provisions of section 77 of the Garda Síochána Act 2005. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- 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 Garda Síochána Ombudsman Commission 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 Garda Síochána Ombudsman 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 information other than the financial statements, and on other matters

The Garda Síochána Ombudsman Commission has presented certain other information together with the financial statements. This comprises the governance statement and Commission 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.

I have nothing to report in that regard.

Mark Brady
For and on behalf of the
Comptroller and Auditor General
14 December 2020

Appendix to the report

Responsibilities of Commission members

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

- the preparation of financial statements in the form prescribed under section 77 of the Garda Síochána Act 2005.
- 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 77 of the Garda Síochána Act 2005 to audit the financial statements of the Garda Síochána Ombudsman Commission 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 Garda Síochána Ombudsman Commission'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 Garda Síochána Ombudsman Commission 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.

GARDA SÍOCHÁNA 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 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 11th February 2020.

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 2019.

Commission Structure

In 2019, the Commission consists of a Chairperson, and two Commissioners, all of whom are appointed by the President of Ireland. The members of the Commission met 11 times throughout 2019. 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
Patrick Sullivan	Commissioner	02/07/2018	2.5 Years

The Commission conducted a Self-Assessment Effectiveness and Evaluation Review in respect of 2019.

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 of two Commissioners, two Directors and thirteen 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: Kieran Fitzgerald (Chairperson from April 2018), Patrick Sullivan, Conor Sexton, Darren Wright, George O'Doherty, Louise O'Meara, Garrett Croke, Rody Butler, Johan Groenewald, Nick Harden, Shane White, Niamh McKeague, Deirdre Quinn, Michelle Kavanagh, Suzanne Mullally and Kathryn Doherty. There were 6 meetings of the Risk Group in 2019.

2. Health and Safety Group: This is a work in progress. We have a final draft of GSOC's new safety statement awaiting approval. GSOC's Health and Safety Consultants have conducted a full review of GSOC's Health and Safety including risk assessments for all areas of GSOC. We anticipate that a new Health and Safety committee will be in place by 1st March 2020.

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 2019 is set out below including the fees and expenses received by each member:

	Commission	Fees 2019 €	Expenses for meetings 2019 €
Mary Ellen Ring	11/11	-	-
Kieran Fitzgerald	11/11	-	696
Patrick Sullivan	8/11	-	1,508
		-	2,204

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

Key Personnel Changes

There was no Key Personnel Changes during 2019.

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

Range of total employee benefits		Number of Employees	
From	To	2019	2018
€60,000	- €69,999	16	13
€70,000	- €79,999	9	11
€80,000	- €89,999	3	4
€90,000	- €99,999	3	3
€100,000	- €109,999	2	1
€110,000	- €119,999	-	-
€120,000	- €129,999	-	1
€130,000	- €139,999	1	1
€140,000	- €149,999	2	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.

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.

	2019 €	2018 €
Legal advice	52,399	110,019
Public relations/marketing	-	3,300
Business improvement	26,507	9,170
Other	26,092	22,926
Total consultancy costs	104,998	145,415
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	104,998	145,415
Total	104,998	145,415

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.

	2019 €	2018 €
Legal fees - legal proceedings	26,227	152,597
Conciliation and arbitration payments	-	-
Settlements	-	22,022
Total	26,227	174,619

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019 €	2018 €
Domestic		
- Commission*	1,458	1,497
- Employees	121,411	114,973
International		
- Commission	746	734
- Employees	30,979	28,625
Total	154,594	145,829

* includes travel and subsistence of €2,204 paid directly to Commission members in 2019 (2018: €2,231).

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:

	2019	2018
	€	€
Staff hospitality	4,010	3,878
Client hospitality	-	-
Total	<u>4,010</u>	<u>3,878</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.


Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 11 December 2020

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 October 2019. 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; and
- ❖ The Garda Síochána Ombudsman Commission held 11 Commission meetings in 2019.

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; and
- ❖ 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 6 times in 2019. 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; and
- ❖ 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.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT ON INTERNAL CONTROL

Internal control Issues

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements.

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.

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 2019 was carried out by the Commission and was signed off by the Commission in 2020.

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 2019 are effective.



Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 11th December 2020

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	2018 €
Income			
Oireachtas Grants	2	10,652,954	9,846,990
Transferred (to) / from Capital Account	10	(44,872)	8,830
Total Income		<u>10,608,082</u>	<u>9,855,820</u>
Expenditure			
Staff Costs	3	7,236,096	6,423,420
Upkeep and Overheads	4	1,696,806	1,654,399
General Expenses	5	1,007,211	1,114,465
Professional Fees	6	250,230	508,443
Depreciation	7	309,116	274,556
Total Expenditure		<u>10,499,459</u>	<u>9,975,283</u>
Surplus / (Deficit) for the year		108,623	(119,463)
Balance at 1 January		(94,786)	24,677
Balance at 31 December		<u>13,837</u>	<u>(94,786)</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 16 form part of these Financial Statements.


 Chairperson of the Commission
 Ms. Justice Mary Ellen Ring

Date: 11th December 2020

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019 €	2018 €
<u>Fixed Assets</u>			
Property, plant and equipment	7	1,346,867	1,301,995
<u>Current Assets</u>			
Receivables	8	513,747	366,291
Cash and cash equivalents		500	500
		<u>514,247</u>	<u>366,791</u>
<u>Current Liabilities (Amount falling due within one year)</u>			
Payables	9	<u>500,410</u>	<u>461,577</u>
Net Current Assets / (Liabilities)		13,837	(94,786)
Net Assets		<u>1,360,704</u>	<u>1,207,209</u>
<u>Representing</u>			
Retained Revenue Reserves		13,837	(94,786)
Capital Account	10	<u>1,346,867</u>	<u>1,301,995</u>
		<u>1,360,704</u>	<u>1,207,209</u>

The Statement of Cash Flows and Notes 1 to 16 form part of these Financial Statements.

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

Date: 11th December 2020

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	2018 €
Net Cash Flows from Operating Activities			
Surplus / (Deficit) for the year		108,623	(119,463)
Transfer to / (from) Capital Account		44,872	(8,830)
Depreciation charge		309,116	274,556
Loss on disposal of fixed assets		245	414
(Increase) / Decrease in Receivables		(147,456)	11,600
Increase in Payables		38,833	107,863
Net Cash Flows from Operating Activities		<u>354,233</u>	<u>266,140</u>
Cash Flows From Investing Activities			
Payments to acquire property, plant and equipment	7	(354,233)	(266,140)
Net Cashflows from Investing Activities		<u>(354,233)</u>	<u>(266,140)</u>
Increase / (decrease) in cash and cash equivalents		<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of year		500	500
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 2019**

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 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.

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 2019**

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.

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	2019	2018
	€	€
2 Oireachtas Grants		
Department of Justice and Equality	<u>10,652,954</u>	<u>9,846,990</u>

The Garda Síochána 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 2019 of €10,430,276 and net of miscellaneous charges and receipts amounting to €222,678 accounted for in other subheads which pertain to the Commission.

	2019	2018
	€	€
3 Staff Costs and Employee Information		
Wages and Salaries	6,537,460	5,832,384
Travel and Subsistence	154,594	145,829
Flexibility Allowance	415,548	334,893
Staff Training and CPD	128,494	110,314
Total Staff Cost	<u>7,236,096</u>	<u>6,423,420</u>

Pension Related Deduction was deducted in line with statutory requirements. €223,177 of pension levy has been deducted in 2019 (2018: €251,580) and retained by the Department of Justice and Equality.

3 (a) Employee Numbers	2019	2018
The average number of employees during the year was made up as follows:		
Commissioners	3	3
Directors	1	2
Operations	91	64
Administration	30	23
Total	<u>125</u>	<u>92</u>

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3 (b) Staff Costs and Employee Information

Employee benefits breakdown:

Range of total employee benefits		Number of Employees	
From	To	2019	2018
€60,000	- €69,999	16	13
€70,000	- €79,999	9	11
€80,000	- €89,999	3	4
€90,000	- €99,999	3	3
€100,000	- €109,999	2	1
€110,000	- €119,999	-	-
€120,000	- €129,999	-	1
€130,000	- €139,999	1	1
€140,000	- €149,999	2	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 2019 of the Chairperson and Commissioners are as follows:

	2019 Salary €	2018 Salary €
Ms. Justice Mary Ellen Ring (re-appointed 12/12/16)	-	-
Mr. Kieran FitzGerald	148,620	126,920
Mr. Patrick Sullivan (appointed 02/07/18)	139,845	65,480

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 €210,724 (2018: €202,826) paid to one of the Commissioners, Justice Mary Ellen Ring, whose salary for administrative convenience was borne by the Central Fund.

Commissioner Kieran FitzGerald is a member of the civil service pension scheme and will be entitled to a pension at Assistant Principal Officer level. Ms. Justice Mary Ellen Ring opted not to join the Spouse and Children's Pension Scheme. Commissioner Patrick Sullivan is deemed to be a member of the Single Public Service Pension Scheme (as defined in the Public Service Pensions (Single Scheme and other Provisions) Act 2012).

In 2019, Chairperson Justice Mary Ellen Ring incurred travel expenses of €0 (2018: €0). Commissioners Kieran FitzGerald and Patrick Sullivan incurred travel expenses of €696 (2018: €998), and €1,508 (2018: €1,233) respectively.

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	2019	2018
	€	€
4 Upkeep and Overheads		
Rent and Service Charges	1,097,498	1,088,748
Repairs and Maintenance	175,302	119,494
Security	297,760	314,722
Cleaning	41,734	40,655
Light and Heat	80,527	85,762
Premises Expenses	3,985	5,018
	<u>1,696,806</u>	<u>1,654,399</u>

	2019	2018
	€	€
5 General Expenses		
Telephone	53,079	38,592
IT Expenses	593,193	746,229
Canteen	1,238	1,380
Print, Post and Stationery	75,089	74,302
Publication Expenses	10,080	3,012
Library and Reference Materials	50,404	42,721
Motor Expenses	114,246	110,530
Office Equipment	44,795	15,352
Protective Clothing and Accessories	12,185	14,381
Conference and Seminar Costs	5,887	26,603
General Meeting Expenses	13,964	20,877
Subscriptions	5,956	16,910
Loss on disposal of Fixed Assets	245	414
General Office Expenses	26,850	3,162
	<u>1,007,211</u>	<u>1,114,465</u>

	2019	2018
	€	€
6 Professional Fees		
Legal	78,627	284,628
Investigation related costs	137,661	171,177
HR Administration and Compliance costs	222	20,848
Accounting	17,220	16,790
External Audit	16,500	15,000
	<u>250,230</u>	<u>508,443</u>

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7 Property, Plant and Equipment	Improvements on Leasehold Buildings	IT Equipment	Office Equipment	Furniture & Fittings	Motor Vehicles	Total
	€	€	€	€	€	€
Cost						
At 01 January 2019	1,419,803	3,254,155	247,397	4,628,180	362,011	9,911,546
Additions for the year	-	50,780	4,242	224,444	74,767	354,233
Disposals	-	(331,116)	(12,705)	-	(51,728)	(395,549)
At 31 December 2019	1,419,803	2,973,819	238,934	4,852,624	385,050	9,870,230
Accumulated Depreciation						
At 01 January 2019	681,504	2,952,898	216,347	4,523,530	235,273	8,609,551
Depreciation charge for the year	56,792	132,405	11,084	39,069	69,766	309,116
Disposals	-	(330,871)	(12,705)	-	(51,728)	(395,304)
At 31 December 2019	738,296	2,754,432	214,726	4,562,599	253,311	8,523,363
Net Book Value						
At 31 December 2019	681,507	219,387	24,208	290,025	131,739	1,346,867
At 31 December 2018	738,299	301,257	31,050	104,650	126,738	1,301,995

	2019	2018
	€	€
8 Receivables		
Prepayments	513,747	366,291
	<u>513,747</u>	<u>366,291</u>

All receivables are due within one year.

	2019	2018
	€	€
9 Payables		
Amounts falling due within one year:		
Accrued Expenses		
Pay	358,149	285,450
Non-Pay	142,261	176,127
	<u>500,410</u>	<u>461,577</u>

The terms of accruals are based on the underlying contracts.

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	2019 €	2018 €
10 Capital Account		
At 01 January	1,301,995	1,310,825
<u>Transfer from / (to) Statement of Income and Expenditure and Retained Revenue Reserves</u>		
Funding of Fixed Assets	354,233	266,140
Amount released on disposal of fixed assets	(245)	(414)
Amortisation in line with asset depreciation policy	<u>(309,116)</u>	<u>(274,556)</u>
Transferred from / (to) Statement of Income and Expenditure and Retained Revenue Reserves	44,872	(8,830)
Balance at 31 December	<u>1,346,867</u>	<u>1,301,995</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. A 10 year lease has been signed on 24th of October 2018 to place the Cork team in an office located at Unit 4D, The Atrium, Blackpool Retail Park, Cork. The annual cost of the lease for 2019 is €75,875. This figure takes into account 2 months rent free which will be received for 2019, 2020 and 2021. After this the annual rent cost will be €91,050.

Lease Commitments

At 31 December 2019 and at 31 December 2018 the Garda Síochána Ombudsman Commission had the following future minimum lease payments under non-cancellable leases:

	As at 31 December 2019 €	As at 31 December 2018 €
Payable within 1 year	1,110,197	1,041,909
Payable within 2 – 5 years	4,440,788	4,395,261
Payable after 5 years	<u>8,449,089</u>	<u>9,627,571</u>
	<u>14,000,074</u>	<u>15,064,741</u>

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12 Capital Commitments

There were no capital commitments at 31st December 2019.

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 €430,694 (2018: €454,919). Payments from the Central Fund amounted to €210,724 (2018: €202,826).

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 Events After the Reporting Period

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Commission recognises that the Covid-19 pandemic is a significant event which has occurred since the reporting date. The Commission is taking the situation seriously and is monitoring the situation, in conjunction with management, on an ongoing basis. The business continues to operate with measures in place to protect staff and the GSOC's stakeholders. Staff are working remotely and services continue to be provided. To date, the operations and most of the entity's activities are being maintained while adjusting to the different way in which the business is being delivered. While GSOC is unable to reliably predict the impact of Covid-19 on its cash flows, the performance and operations of GSOC are being monitored closely and regular cash flow forecasts are provided to the Commission and to the Department of Justice.

The Commission considers that, as the entity provides a public service that is funded by moneys provided by the Exchequer, it is appropriate to prepare these financial statements on a going concern basis.

16 Approval of Financial Statements

The Financial Statements were approved on 11th December 2020.