

08th January 2018

Minister Charlie Flanagan T.D.,
Department of Justice and Equality,
94 St Stephen's Green,
Dublin 2.

GSOC Audited Financial Statements 2016

Dear Minister,

The Comptroller and Auditor General ("C&AG") has completed the audit of the Garda Síochána Ombudsman Commission accounts for the year ended 31 December 2016.

In line with the terms of Circular 7/2015, i.e. within one month of certification, the audited financial statements and audit certificate are hereby submitted to the Department of Justice & Equality.

In addition it is noted, in the attached letter from the C&AG, that the Department of Justice & Equality is requested to lay the accounts and audit certificate before the Houses of the Oireachtas on behalf of GSOC within two months of receipt.

Yours sincerely,



Anthony Duggan
Director of Administration



Office of the Comptroller and Auditor General
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Ms Justice Mary Ellen Ring
Commissioner
Garda Síochána Ombudsman Commission

Received in GSOC Secretariat

DATE

05/01/18

ALS

TIME

11.30

Dear Ms Justice Ring

The audit of Garda Síochána Ombudsman Commissions financial statements for the year ended 31st December 2016 has been completed.

Please find enclosed:

- the report of the Comptroller and Auditor General
- a set of signed financial statements of Garda Síochána Ombudsman Commission for the year ended 31st December 2016.

A management letter in respect of the audit will issue to you in due course.

The timelines in relation to laying of accounts is set out in Circular 7/2015 as follows:

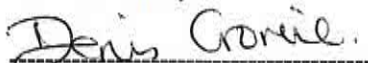
- The audited financial statements and the audit certificate should be submitted to the sponsoring Department as soon as possible and no later than one month after certification.
- The Department should lay the accounts and audit certificate before the Houses of the Oireachtas no later than two months after receipt or three months where the accounts must be presented to Government.

I would ask you to liaise with your Department to ensure compliance with these timelines.

I would also ask you to ensure that adequate controls are in place to ensure that the accounts and audit certificate laid before the Houses of the Oireachtas are identical to the version enclosed. You may need to exercise specific care where accounts are being formatted for inclusion in an annual report.

I wish to express my appreciation for the co-operation afforded to members of the audit team by your staff throughout the course of the audit.

Yours sincerely



Denis Cromie
Senior Auditor

Date: 22 December 2017



Garda
Ombudsman
INQUIRY INDEPENDENCE IMPARTIALITY

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2016

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 Ms. Carmel Foley Mr. Kieran FitzGerald Mr. Mark Toland (Appointed 12/12/2016)
Senior Executive	Mr. Anthony Duggan – Director of Administration Mr. Darren Wright – Director of Operations
Telephone Number:	01 871 6676 1890 600 800
Fax Number:	01 814 7025
Website:	www.gardaombudsman.ie
Email:	info@gsoc.ie
Auditors:	Office of the Comptroller and Auditor General 3A Mayor Street Upper Dublin 1

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL
(TO BE INSERTED UPON COMPLETION OF AUDIT)



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Garda Síochána Ombudsman Commission

I have audited the financial statements of the Garda Síochána Ombudsman Commission for the year ended 31 December 2016 under 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. The financial statements have been prepared in the form prescribed under Section 77 of the Act, and in accordance with generally accepted accounting practice.

Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Commission's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Commission as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Commission were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

22 December 2017

STATEMENT OF RESPONSIBILITY OF THE GARDA SÍOCHÁNA OMBUDSMAN COMMISSION


The Garda Síochána Ombudsman Commission is required by Section 77 of the Garda Síochána Act 2005 to prepare financial statements for each financial year of all proper and usual accounts of moneys received or expended in the performance of the Commission's functions under the Garda Síochána Act 2005.

In preparing these statements, the Commission is required to:

- ❖ Select appropriate accounting policies and apply them consistently;
- ❖ Make judgements and estimates that are reasonable and prudent;
- ❖ Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Commission will continue in business;
- ❖ Disclose and explain if there are any material departures from applicable accounting standards.

The Commission is responsible for ensuring that adequate accounting records are kept by the Garda Síochána Ombudsman Commission with records that disclose with reasonable accuracy at all times its financial position and to ensure that the financial statements comply with the Garda Síochána Act 2005.

The Commission is also responsible for safeguarding the Office's assets and to take appropriate steps for the prevention and detection of fraud and other irregularities, and also for ensuring compliance with late payments legislation.


Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 7th December 2017.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION
STATEMENT ON INTERNAL FINANCIAL CONTROL

Responsibility for system of Internal Financial Control

On behalf of the Garda Síochána Ombudsman Commission, I hereby acknowledge our responsibility for ensuring that an effective system of internal financial controls is maintained and operated.

The system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material error 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.

Control Environment

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 were no internal audits conducted in 2016. The Department of Justice and Equality internal audit unit does not have capacity to conduct an internal audit of the Garda Síochána Ombudsman Commission every year. 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.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT ON INTERNAL FINANCIAL CONTROL

Risk Assessment

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 six times in 2016. The Department of Justice and Equality's audit committee remit includes the Garda Síochána Ombudsman Commission.

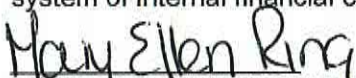
Control Mechanism

The system of internal financial 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.

I confirm that the Garda Síochána Ombudsman Commission reviewed the effectiveness of the system of internal financial control for the year ended 31 December 2016.


Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 7th December 2017.

GARDA SÍOCHÁNA OMBUDSMAN COMMISSION

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 €	2015 €
Income			
Oireachtas Grants	2	8,386,114	8,647,841
Transferred from Capital Account	11	529,596	223,202
Total Income		<u>8,915,710</u>	<u>8,871,043</u>
Expenditure			
Staff Costs	3	5,025,647	5,047,386
Upkeep and Overheads	5	1,505,507	1,554,516
General Expenses	6	834,693	817,985
Professional Fees	7	477,100	852,661
Research Expenses		9,840	9,840
Depreciation	8	643,471	590,970
Total Expenditure		<u>8,496,258</u>	<u>8,873,358</u>
Surplus / (Deficit) for the year		419,452	(2,315)
Balance at 1 January		(220,374)	(218,059)
Balance at 31 December		<u>199,078</u>	<u>(220,374)</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.


Chairperson of the Commission
Ms. Justice Mary Ellen Ring

Date: 7th December 2017