



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas Charities Regulatory Authority

Opinion on the financial statements

I have audited the financial statements of the Charities Regulatory Authority for the year ending 31 December 2019 as required under the provisions of section 30 (2) of the Charities Act 2009. 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 Charities Regulatory Authority 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 Charities Regulatory Authority 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 Charities Regulatory Authority has presented certain other information together with the financial statements. This comprises the governance statement and Authority 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.

Maureen Mulligan
For and on behalf of the
Comptroller and Auditor General

20 May 2020

Appendix to the report

Responsibilities of Authority members

The governance statement and Authority members' report sets out the Authority members' responsibilities. The Authority board members are responsible for

- the preparation of financial statements in the form prescribed under section 30 (1) of the Charities Act 2009
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- 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 30 (2) of the Charities Act 2009 to audit the financial statements of the Charities Regulatory Authority 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 the Charities Regulatory Authority'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 the Charities Regulatory Authority 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.

Financial Statements

Charities Regulatory Authority

For the year ended 31 December 2019

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ADMINISTRATION

For the year ended 31 December 2019

The Charities Regulatory Authority

Board Members

Patrick Hopkins (Chairperson)

David Brady

Katie Cadden

Niamh Cahill

Tom Costello

Patricia Cronin

Fergus Finlay

Máire McMahon

Graham Richards

Ercus Stewart

Martin Sisk (appointed 1st March 2019)

Rosemary Keogh (appointed 1st March 2019)

Chief Executive Officer (CEO)

Helen Martin (appointed 03rd April 2019)

OFFICE:

3 George's Dock, IFSC, Dublin 1, D01 X5X0

CHARITIES REGULATORY AUTHORITY

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

The Charities Regulatory Authority (“Authority”) was established on the 16 October 2014 under the Charities Act 2009. The general functions of the Authority are set out in section 14 of the Act. The Board of the Authority is accountable to the Minister for Rural and Community Development and is responsible for ensuring good governance 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 Authority are the responsibility of the CEO and senior management. The CEO and senior management must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and senior management of the Authority.

Board Responsibilities

The work and responsibilities of the Board are set out in the Code of Business Conduct and the Scheme of Delegation, which also contains the matters specifically reserved for Board decision. Standing items considered by the Board at its meetings include:

- declaration of interests;
- reports from committees;
- financial reports/management accounts;
- performance reports; and
- reserved matters.

Section 30 of the Charities Act 2009 requires the Board of the Authority to keep, in such form as may be approved by the Minister for Department for Rural and Community Development 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 Board of the Authority 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 Board 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 30 of the Charities Act 2009. The maintenance and integrity of corporate and financial information on the Authority website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the Authority by reference to the budget was carried out in January 2019. The annual business plan was reviewed in May 2019.

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

The Board considers that the financial statements of the Authority give a true and fair view of the financial performance and the financial position of the Authority at 31 December 2019.

Board Structure

At 31 December 2019, the Board consisted of a Chairperson and eleven ordinary members. Board members appointed before 26 July 2017 were appointed by the Minister for Justice and Equality. Those appointed after that date were appointed by the Minister for Rural and Community Development, and the Minister of State for Rural and Community Development. The table below details the appointment period for current members. The Board met eleven times in 2019.

In December 2019 the Board commissioned an external board evaluation in line with the Code of Practice for the Governance of State Bodies (2016). The evaluation report was presented at the January 2020 Board Meeting.

Board Member	Role	Date Appointed	Date Reappointed
Patrick Hopkins	Chairperson	16 th October 2014	15 th October 2018
David Brady	Ordinary Member	16 th October 2014	15 th October 2017
Katie Cadden	Ordinary Member	16 th October 2014	15 th October 2018
Niamh Cahill	Ordinary Member	17 th January 2018	
Tom Costello	Ordinary Member	16 th October 2014	15 th October 2017
Patricia Cronin	Ordinary Member	16 th October 2014	15 th October 2017
Fergus Finlay	Ordinary Member	16 th October 2014	16 th October 2018
Máire McMahon	Ordinary Member	16 th January 2018	
Graham Richards	Ordinary Member	16 th October 2014	16 th October 2018
Ercus Stewart	Ordinary Member	17 th January 2018	
Martin Sisk	Ordinary Member	01 st March 2019	
Rosemary Keogh	Ordinary Member	01 st March 2019	

The Board has established four committees, as follows:

- 1. Finance, Audit, Risk and Governance Committee (FARG):** comprises three Board members and two independent members. The role of the FARG is to oversee the implementation of the Code of Practice for the Governance of State Bodies and to support the Board in relation to its responsibilities for issues of risk management, internal audit, control and governance and associated assurance. The FARG is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The FARG reports to the Board after each meeting, and formally in writing annually.

There were five meetings of the FARG in 2019. Members of the FARG at 31 December 2019 were Fergus Finlay (Chairperson), Máire McMahon (Committee Member), Rosemary Keogh (Committee Member), Adrian Clements (External Committee Member) and Nuala Comerford (External Committee Member).

- 2. Regulatory Committee (RC):** comprises four Board members at 31 December 2019. The role of the RC is to oversee the effectiveness and controls around the delivery of the Authority's registration, reporting and regulatory functions. There were six meetings of the RC in 2019. Members of the RC at 31 December 2019 were Katie Cadden (Chairperson), Tom Costello (Committee Member), Patricia Cronin (Committee Member) and Martin Sisk (Committee Member).
- 3. Charity Services Committee (CSC):** comprises three Board members and two external members. The role of the CSC is to assist the Authority in carrying out the functions previously vested in the Commissioners of Charitable Donations and Bequests. These include authorising the disposal of charity property, appointment of new trustees and vesting of charity property in trustees, framing of Schemes of Incorporation and Cy-Près Schemes and approval of grants and scholarships. There were nine meetings of the CSC in 2019. Members of the CSC at 31 December 2019 were Graham Richards (Chairperson), Ercus Stewart (Committee Member), Niamh Cahill (Committee Member), Judge John O'Connor (External Committee Member) and Sandra Chambers (External Committee Member).
- 4. Performance, Resource Planning and Advisory Committee (PRPAC):** comprises four Board members. The purpose of the PRPAC is to review the performance of the CEO and senior management, evaluate the adequacy of resources in place, and advise the CEO and senior management on associated matters. There were six meetings of the PRPAC in 2019. Members of the PRPAC at 31 December 2019 were Patrick Hopkins (Chairperson), Tom Costello (Committee Member), Patricia Cronin (Committee Member) and Fergus Finlay (Committee Member).

Schedule of Attendance, Fees and Expenses

There were eleven Board meetings in the period 1 January 2019 to 31 December 2019 and the related Board fees were €77,198 (2018: €60,846) and the expenses were €1,158 (2018: €4,492). Details of attendance and amounts paid to the Board Members are outlined below. Fees were paid to Board members and the Chairperson at the approved standard rate set by the Department of Public Expenditure and Reform during the period.

	Board	FARG	Sub-Committees			Fees 2019	Expenses 2019
Number of Meetings	11	5	6	9	6	€	€
Patrick Hopkins	10/11				6/6	10,514	613
David Brady	8/11	1/1				6,864	-
Katie Cadden	10/11		6/6			6,864	545
Niamh Cahill	10/11			9/9		6,864	-
Tom Costello	11/11		6/6		5/6	6,864	-
Patricia Cronin	11/11		5/6		6/6	6,864	-
Fergus Finlay	10/11	5/5			5/6	6,864	-
Marie McMahon	10/11	5/5				6,864	-
Graham Richards ¹	11/11			9/9		-	-
Ercus Stewart	11/11			9/9		6,864	-
Martin Sisk	9/9		3/5			5,886	-
Rosemary Keogh	6/9	3/3				5,886	-
Judge John O'Connor (External)				6/9		-	-
Sandra Chambers ² (External)				1/7		-	-
Nuala Comerford (External)		4/5				-	-
Adrian Clements (External)		5/5				-	-
						77,198	1,158

¹Board member waived their Board Fees in 2019.

²Attendance impacted by illness.

Key Personnel Changes

Following a Public Appointments process, two new Board members were appointed by the Minister in accordance with Schedule 1(2) of the Charities Act 2009, on 1 March 2019. Helen Martin was appointed CEO on 3 April 2019 (acting CEO from 30 October 2018 to 3 April 2019); Thomas Mullholland was appointed Head of Compliance and Enforcement on 4 November 2019; Heidee Kealy was appointed Head of Communications and Stakeholder Engagement on 24 June 2019 and Niall Scanlon was appointed Finance Manager/Professional Accountant on 1 July 2019.

Tom Malone resigned from the post as Head of Compliance and Enforcement on 6 February 2019 and Eamon Timmins resigned from the post as Head of Communications and Stakeholder Engagement 25 January 2019.

Employee short term benefits breakdown

A table showing the breakdown of employee short term benefits is included in Note 4(b) – staff short term benefits.

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

The Board is responsible for ensuring that the Authority 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:

Consultancy Costs

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

	2019 €	2018 €
Digital Platform (IT)	158,904	218,184
Regulation	49,453	36,092
Public Relations and Communications	25,241	-
Governance	30,352	58,837
Risk Management	-	12,300
Quality Management	861	13,346
Procurement	5,804	-
Total Consultancy Costs	270,615	338,759
Consultancy costs capitalised	102,785	212,034
Consultancy costs charged to Income and Expenditure and Retained Revenue Reserves	167,830	126,725
Total	270,615	338,759

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019 €	2018 €
Domestic		
- Board	1,157	1,985
- Employees	5,287	12,106
International		
- Board ¹	-	2,507
- Employees ²	2,813	2,692
Total	<u>9,257</u>	<u>19,290</u>

¹In 2019, €0 (2018: €575) was paid directly by the Authority for overseas travel on behalf of Board Members.

²In 2019, €2,640 (2018: €484) was paid directly by the Authority for overseas travel on behalf of employees.

Hospitality Expenditure

There was no hospitality expenditure within the Authority within the year.

Statement of Compliance

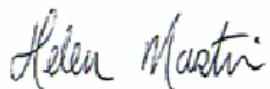
The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Authority was in full compliance with the Code of Practice for the Governance of State Bodies (2016) for 2019.

On behalf of the Authority:



Patrick Hopkins, Chairperson of the Authority

Date: 30 April 2020



Helen Martin, CEO

Date: 30 April 2020

STATEMENT ON INTERNAL CONTROL

Statement on Internal Control

Scope of Responsibility

On behalf of the Authority, we hereby acknowledge our responsibility for ensuring that an effective system of internal control 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 is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Authority for the year ended 31 December 2019 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Authority has a Finance, Audit, Risk and Governance Committee (FARG) comprising three Board members, one of whom is the Chair, and two external members with financial and audit expertise. The FARG met five times in 2019.

The Authority has also established its internal audit function, through the Department of Rural and Community Development, which was adequately resourced and conducted a programme of work agreed with the FARG in 2019.

The Authority has developed a risk management policy that is reviewed by the FARG, which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff, who are expected to adhere to it. The Authority has also established a risk management process to alert management on emerging risks and control weaknesses and to assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

The Authority has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A Risk Register is in place which identifies the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The Register is reviewed and updated by senior management and reviewed by the FARG on a quarterly basis. These reviews are used to plan and allocate resources to ensure risks are managed to an acceptable level.

The Risk Register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. We confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at management level with corresponding accountability;

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- there are systems aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

I confirm that the Authority has procedures in place to ensure compliance with current Office of Government Procurement (OGP) rules and guidelines. Matters arising regarding controls over procurement are highlighted under Internal Control Issues below.

Review of Effectiveness

I confirm that the Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of internal and external auditors, the Finance, Audit, Risk and Governance Committee which oversees their work, and senior management within the Authority responsible for the development and maintenance of the internal financial control framework.

The 2019 annual review of the effectiveness of the internal controls scheduled to take place in Q1 2020 was postponed due to the Covid 19 pandemic, and will be rescheduled whenever the current restrictions allow.

Internal Control Issues

Non-Compliant Procurement

During 2019, expenditure of €64,466 was incurred in relation to accountancy services where the procedures employed did not comply with procurement guidelines. This was due to the rollover of an existing contract. The accountancy services ceased in December 2019. The Authority's procurement procedures have been strengthened to prevent any similar recurrence in the future.

On behalf of the Authority:

Patrick Hopkins, Chairperson of the Authority

Date: 30 April 2020

AUDITOR'S REPORT

CHARITIES REGULATORY AUTHORITY

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

Income	Note	2019	2018
		€	€
Oireachtas Grant	3	3,762,917	3,960,226
Total Income		3,762,917	3,960,226
Expenditure			
Staff costs	4	1,844,483	2,132,207
Administration	5	1,901,127	1,465,399
Audit fee		17,500	16,500
Depreciation	6	155,687	63,369
Total expenditure		3,918,797	3,677,475
(Deficit)/Surplus for the year before appropriations		(155,880)	282,751
Transfer to capital account	7	(2,954)	(235,533)
(Deficit)/Surplus for the year after appropriations		(158,834)	47,218
Balance brought forward at start of year		129,843	82,625
(Deficit)/Surplus carried forward at 31 December		(28,991)	129,843

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the period. The Statement of Cash Flows and notes 1 to 15 form part of these financial statements.

On behalf of the Authority:

Patrick Hopkins, Chairperson of the Authority Date: 30 April 2020

Helen Martin, CEO.

Date: 30 April 2020

CHARITIES REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Fixed Assets	Note	2019 €	2018 €
Property, plant and equipment	6	756,306	753,352
Current Assets			
Inventory	8	3,194	3,319
Debtors	9	228,516	410,664
Total Current Assets		231,710	413,983
Current Liabilities			
Payables and accruals	10	260,701	284,140
Net Current (Liabilities)/Assets		(28,991)	129,843
Total Net Assets		727,315	883,195

Representing:			
Capital Account	7	756,306	753,352
Retained Revenue Reserves		(28,991)	129,843
		727,315	883,195

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

Patrick Hopkins, Chairperson of the Authority

Date: 30 April 2020

Helen Martin, CEO

Date: 30 April 2020

**CHARITIES REGULATORY AUTHORITY STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 DECEMBER 2019**

Net cash flows from operating activities	Note	2019	2018
		€	€
Operating (deficit)/surplus for year		(158,834)	47,218
Depreciation of property, plant and equipment	6	155,687	63,369
Transfer to capital account	7	2,954	235,533
Decrease/(increase) in inventory		125	(425)
(Decrease)/increase in payables and accruals		(23,439)	22,030
Decrease/(increase) in Prepayments		182,148	(68,823)
Net cash inflows from operating activities		158,641	298,902
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(158,641)	(298,902)
Net cash outflow from investing activities		(158,641)	(298,902)
Net increase in cash and cash equivalents		-	-
Reconciliation of net cash flow movement in net funds			
Cash and cash equivalents at start of year/ period		-	-
Cash and cash equivalents at 31 December		-	-

Notes 1 to 15 form part of these financial statements.

On behalf of the Authority:

Patrick Hopkins, Chairperson of the Authority

Date: 30 April 2020

Helen Martin, CEO

Date: 30 April 2020

CHARITIES REGULATORY AUTHORITY

**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 Authority are set out below. They have been applied consistently throughout the year.

(a) General Information

The Authority is Ireland's national statutory regulator for charitable organisations. The Authority is an independent Authority and was established on 16 October 2014 under the Charities Act 2009. The Act conferred administration and business functions on the Department of Justice and Equality, and Ministerial functions on the Minister for Justice and Equality. In July 2017, these functions transferred to the Department of Rural and Community Development and to the Minister for Rural and Community Development. The Act provided for the dissolution of the Commissioners of Charitable Donations and Bequests for Ireland (CCDB) and the transfer of their functions to the new Authority.

The Commissioners of Charitable Donations and Bequests for Ireland provided advice services to trustees of charities and assisted in the carrying out of the intentions of persons making donations and bequests to charities. The Commissioners also administered the assets or funds of any charity which were vested with the Commissioners.

The Commissioners provided this service by operating a charity fund account and also acting as an intermediary between the various charities and an investment fund. As a result of the dissolution, the Authority is now the administrators of the charity fund account and the investment fund.

The Authority is a Public Body entity.

(b) Basis of Accounts and Statement of Compliance

The financial statements of the Authority for the year ended 31 December 2019 have been prepared under FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), and promulgated by Chartered Accountants Ireland. The comparatives for period ending 2018 relate to the period 1 January 2018 to 31 December 2018.

The financial statements have been prepared under the accruals method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by the Minister for Rural and Community Development with the consent of the Minister for Public Expenditure and Reform.

(c) Income Recognition

Grant income is received from the Department of Rural and Community Development (DRCD) Vote 42. Income shown in the financial statements under Oireachtas grant is recognised on a cash basis. The Department of Rural and Community Development was established on the 19 July 2017. On the 26 July 2017, a Ministerial Order was signed transferring the functions of the Minister for Justice and Equality under the Charities Act 2009 to the Department of Rural and Community Development. The Department of Rural and Community Development has the responsibility for ensuring arrangements for strong oversight of the charities sector through facilitating the Authority in carrying-out its independent statutory role.

(d) Expenditure

Payroll and all other expenditure was processed by the Department of Rural and Community Development and recorded in the financial statements on an accrual basis.

(e) Property, Plant and Equipment

Property, plant and equipment are shown at net book value at date of transfer to the Authority but subsequent additions are recorded at cost.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful life starting in the month the asset is placed in service.

Furniture	10% Straight Line
IT	20% Straight Line
Office Equipment	20% Straight Line

(f) Capital Account

The capital account represents the unamortised value of income applied for capital expenditure.

(g) Pensions Policy

The employees of the Authority consist of both civil and public servants and are members of a defined benefit scheme which is unfunded and is administered by the Department of Public Expenditure and Reform.

The Public Pensions (Single Scheme and Other Provisions) Act 2012 introduced the new Single Public Service Pension Scheme, the Single Scheme, which commenced with effect from 1 January 2013. All staff members who are new entrants to the Public Sector on or after 1 January 2013, are members of the Single Scheme.

2 The Investment Fund and Charity Funds

(a) Investment Fund

The investment fund is a mix of investments in equities, government securities, property and cash assets. The investment fund had a value of €40.1 million at 31 December 2019 (31 December 2018: €34.9 million).

These funds are not available for use by the Authority in the performance of its statutory functions. As a consequence, these financial statements do not include these funds.

Audited accounts of these funds are published separately and are available on the Authority website www.charitiesregulator.ie.

(b) Charity Fund Account

At the year end, the Authority held funds on behalf of 94 charitable trusts of which the Authority is a trustee. The Authority held funds relating to a further 9 trusts which are being reviewed to determine the relevant trustees. The funds are held in a bank account on behalf of the charitable trusts concerned. The balance at 31 December 2019 was €0.870 million (2018: €1.38 million).

These funds are not available for use by the Authority in the performance of its statutory functions. As a consequence, these financial statements do not include these funds. Audited accounts of these funds are published separately and are available on the Authority website www.charitiesregulator.ie.

3 Oireachtas Grant

	2019 €	2018 €
Vote 42 – Rural and Community Development (DRCD)	<u>3,762,917</u>	<u>3,960,226</u>

The Authority does not hold cash and cash equivalents. The Department of Rural and Community Development make all Pay and Non-Pay payments on behalf of the Authority. Funding is provided by way of the Oireachtas Grant from the Department of Rural and Community Development. The total grant matches the sum charged to the Appropriation Account of the Department of Rural and Community Development (see Note 1(c)).

4 Remuneration/Staff Costs

(a) Staff costs breakdown	2019 €	2018 €
Wages and salaries	1,835,226	2,112,917
Travel and subsistence	9,257	19,290
Total	<u>1,844,483</u>	<u>2,132,207</u>

At 31 December 2019 the number of whole time equivalent permanent staff employed by the Authority was 38 (2018: 38).

(b) Staff Short-Term Benefits	2019 €	2018 €
Basic Pay	1,817,342	2,110,404
Allowances	16,520	2,381
Overtime	1,363	132
Total	<u>1,835,225</u>	<u>2,112,917</u>

	2019	2018
(c) Key Management Personnel		
Basic Pay	€ 331,776	€ 485,841
Overtime	-	-
Allowances	2,290	-
Total	334,066	485,841

Key management personnel in the Authority consists of the CEO, the Head of Compliance & Enforcement, the Head of Registration & Projects, Head of Communications & Stakeholder Engagement, Legal Advisor & Head of Charity Services and, Finance Manager. The total value of employee benefits for key management personnel is set out above.

This does not include the value of retirement benefits earned in the period. The key management personnel are members of the public sector defined benefit superannuation scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

(d) Termination Benefits

An amount of €3,000 was paid in termination/severance payments in 2019 (2018: €0).

(e) CEO Salary and Benefits

As outlined on Page 3 of the financial statements Helen Martin was appointed CEO on 27th June 2019, prior to this date Helen Martin undertook the position on an interim basis. The figures below represent payments during the financial period.

The Chief Executive Officer's remuneration package for the financial period was as follows:

	2019	2018
Basic Pay	€ 113,720	€ 108,408
Overtime	-	-
Allowances	-	-
Total	113,720	108,408

The Chief Executive Officer's remuneration was made up of basic salary of €113,720 (2018: €108,408). The Chief Executive was paid expenses of €487 in 2019 (2018: €3,428). All expenses were incurred and paid in 2019. The Chief Executive Officer's pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme. The Chief Executive Officer did not receive any performance related payments in 2019. The value of retirement benefits earned in the period is not included above.

(f) Employee benefits breakdown

Range of total employee benefits		Number of employees	
From	To	2019	2018
€60,000	- €69,999	2	1
€70,000	- €79,999	1	3
€80,000	- €89,999	-	1
€90,000	- €99,999	-	-
€100,000	- €109,999	-	1
€110,000	- €119,999	1	-

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, excluding employer's PRSI.

5 Administration Costs	2019	2018
	€	€
Board Member Fees	77,198	60,846
IT Expenses	355,408	221,731
Consultancy Costs	388,269	333,348
Rent	310,773	310,773
Legal Fees	278,406	213,232
General Expenses	179,253	119,229
Advertising	163,960	40,396
Office Cleaning and Maintenance	80,730	79,645
Office Machinery and other Office Supplies	44,013	60,509
Postage and Telecommunications	15,018	17,150
Light & Heat	8,099	8,540
	1,901,127	1,465,399

6 Property, Plant and Equipment

	IT	Office Equip	Furniture	Total
	€	€	€	€
Cost				
At 1 January 2019	699,398	5,012	241,617	946,027
Additions	135,975	-	22,666	158,641
At 31 December 2019	835,373	5,012	264,283	1,104,668
Depreciation				
At 1 January 2019	49,953	3,602	139,120	192,675
Charged in the year	140,003	470	15,214	155,687
At 31 December 2019	189,956	4,072	154,334	348,362
Net Book Value				
At 31 December 2019	645,417	940	109,949	756,306
At 31 December 2018	649,446	1,411	102,495	753,352

7 Capital Account

	2019	2018
	€	€
Balance at start of year/ period	753,352	517,819
Amortisation in line with depreciation	(155,687)	(63,369)
Additions	158,641	298,902
	756,306	753,352

The net movement represents the transfer to the capital account from the Statement of Income and Expenditure and Retained Revenue Reserves Account.

8 Inventory

	2019 €	2018 €
Stationery	3,194	3,319
	3,194	3,319

9 Debtors

	2019 €	2018 €
Prepayments	228,516	410,664
	228,516	410,664

10 Payables and accruals

	2019 €	2018 €
Payables	93,532	76,859
Accruals	167,169	207,281
	260,701	284,140

11 Pension Levy

Salary costs included in this account are the gross costs to the Authority for the period. Since May 2018 the Department of Rural and Community Development have paid salaries on behalf of the Authority. The pension levy deductions for Authority employees as per Section 2(3) of the Financial Emergency Measures in the Public Interest Act 2009 (No. 5 of 2009) are being deducted by the Department of Rural and Community Development and are being retained by that Department as Appropriations-In-Aid. Prior to May 2018 pension levy deductions were made by the Department of Justice and Equality and were retained as Appropriations-in-Aid for that Department.

12 Premises

The Authority operates from accommodation at 3 George's Dock, IFSC, Dublin 1, D01 X5X0 under a ten-year lease from Irish Life Assurance PLC. The lease was signed by the Board of the Authority in October 2016.

13 Future Lease Payments

	2019	2018
	€	€
Within one year	266,104	199,578
One to five years	1,064,416	1,064,416
After five years	465,682	731,786
	1,796,202	1,995,780

The above lease payments exclude VAT.

14 Members Declaration of Interests

The Authority adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by members and those procedures were adhered to in the period. There were no transactions in the period in relation to the Authority's activities in which members had any beneficial interest.

15 Approval of financial statements

These accounts were approved by the Board on the 30 April 2020