

Financial Statements

Charities Regulatory Authority

For the Period 17 October 2014 to 31 December 2015

CONTENTS	PAGE
Administration	3
Statement of Authority Members' Responsibilities	4
Statement on Internal Financial Control	5
Auditor's Report	6
Statement of Income and Expenditure and Retained Revenue Reserves	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 15

ADMINISTRATION

For the period ended 31 December 2015

The Charities Regulatory Authority ("The Authority")

Conor Woods Chairman (resigned 31 May 2015)
Graham Richards
Ann Fitzgerald
Patricia Cronin
David Brady
Cynthia Clampett
Patrick Hopkins (appointed chairperson 13 July 2015)
Anna Classon
Fergus Finlay
Tom Costello
Senan Turnbull
Barbara O'Connell
Hugh Maddock
Sandra Chambers
Katie Cadden
Noel Wardick

Chief Executive

Ms. Úna Ní Dhubhghaill (17 October 2014 to 15 April 2016)
John Farrelly (appointed 16 May 2016)

OFFICE: St. Martin's House, Waterloo Road, Dublin 4

CHARITIES REGULATORY AUTHORITY

STATEMENT OF AUTHORITY MEMBERS' RESPONSIBILITIES

Section 30 (1) of the Charities Act 2009, requires the Authority to prepare financial statements in such forms and in respect of such accounting periods as may be approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform. In preparing the financial statements, the Authority is required to:

- Select appropriate 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 the Authority will continue in operation.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Authority and which enable it to ensure that the financial statements comply with Section 30 (1) of the Charities Act 2009. The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Patrick Hopkins, Chairperson.

Date:

15/12/2016



John Farrelly, Chief Executive.

Date:

15/12/2016

CHARITIES REGULATORY AUTHORITY

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Charities Regulatory Authority, we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the Authority.

We are satisfied that the systems, which the Authority has in place, are reasonable and appropriate for the Authority's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations. However, the systems do not, and cannot, provide absolute assurance against material error.

The Authority has adopted the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform.

The Chief Executive reviews expenditure on a regular basis together with income received.

The Authority takes the major strategic decisions and meets at regular intervals to monitor performance and plans. The executive management only act within the authority delegated to them by the Authority to give effect to the Authority's policy and decisions.

The following specific procedures are in place in order to provide effective financial control.

1. Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services. Procedures in this regard have been strengthened during the year through the implementation of recommendations emerging from internal audits.
2. Monthly management accounts are reviewed by the Chief Executive.
3. The Authority's Finance, Audit and Risk (FAR) Committee exercises oversight on behalf of the Board.
4. The Authority's financial control procedures are subject to review by the Department of Justice and Equality internal audit unit.
5. The Department of Justice and Equality's Audit Committee reviews the work of internal audit.
6. The Authority is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

We confirm that the Board conducted a review of the effectiveness of the system of internal financial control in respect of the period ended 31 December 2015.

On behalf of the Board of the Charities Regulatory Authority:


Patrick Hopkins, Chairperson.

Date:

15/12/2016


John Farrelly, Chief Executive.

Date:

15/12/2016

AUDITOR'S REPORT

CHARITIES REGULATORY AUTHORITY

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE
RESERVES FOR THE PERIOD ENDED 31 DECEMBER 2015**

Income	Note	2015
		€
Oireachtas Grant	3	1,550,476
Total Income		<u>1,550,476</u>
Expenditure		
Staff costs	4	736,801
Administration	5	908,726
Audit fee		5,426
Depreciation	6	<u>4,990</u>
Total expenditure		<u>1,655,943</u>
Deficit for the period before appropriations		(105,467)
Transfer to capital account		(117,198)
Deficit for the period after appropriations		(222,665)
Balance brought forward at 17 October 2014		-
Deficit carried forward at 31 December 2015		<u>(222,665)</u>

The deficit for the period represents expenditure accrued at the year end that related to 2015 that was paid in 2016. It is funded by the Department of Justice and Equality Vote in 2016.

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 Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson.

Date: 15/12/2016



John Farrell, Chief Executive.

Date: 15/12/2016

CHARITIES REGULATORY AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

Fixed Assets	Note	2015
		€
Property, plant and equipment	6	127,020
		<hr/>
Current Assets		
Inventory	8	1,258
Current Liabilities		
Payables and accruals	9	223,923
		<hr/>
Net Current Liabilities		(222,665)
Total Net Liabilities		(95,645)

Representing:

Capital Account	7	127,020
Retained Revenue Reserves		(222,665)
		<hr/>
		(95,645)

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

On behalf of the Board of the Charities Regulatory Authority:



 Patrick Hopkins, Chairperson.

Date: 15/12/2016



 John Farrelly, Chief Executive.

Date: 15/12/2016

CHARITIES REGULATORY AUTHORITY

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2015

Net cash flows from operating activities	Note	2015
		€
Operating deficit for period		(222,665)
Depreciation of property, plant and equipment		4,990
Transfer to capital account		117,198
Increase in inventory		(1,258)
Increase in payables and accruals		223,923
Net cash inflows from operating activities		<u><u>122,188</u></u>
Cash flows from investing activities		
Payments to acquire property, plant and equipment		(122,188)
Net cash outflow from investing activities		<u><u>(122,188)</u></u>
Net increase / (decrease) in cash and cash equivalents	3	<u><u>-</u></u>
Reconciliation of net cash flow movement in net funds		
Cash and cash equivalents at 17 October 2014		-
Cash and cash equivalents at 31 December 2015		<u><u>-</u></u>

Notes 1 to 15 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



 Patrick Hopkins, Chairperson.

Date: 15/12/2015



 John Farrelly, Chief Executive.

Date: 15/12/2015

CHARITIES REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by the Charities Regulatory Authority are set out below. They have been applied consistently throughout the year.

(a) General Information

The Charities Regulatory Authority is Ireland's national statutory regulator for charitable organisations. The Charities Regulatory Authority is an independent Authority and was established on 17 October 2014 under the Charities Act 2009. The Act provides the dissolution of the former Commissioners of Charitable Donations and Bequests for Ireland (CCDB) and the transfer of their functions to the new Authority.

The former Commissioners of Charitable Donations and Bequests for Ireland

- provided advice services to trustees of charities
- assisted in the carrying out of the intentions of persons making donations and bequests to charities
- 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 CRA are administrators of the charity fund account and the investment fund.

(b) Basis of Accounts and Statement of Compliance

The financial statements of the Charities Regulatory Authority for the period 17 October 2014 to 31 December 2015 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. These are the Authority's first set of financial statements prepared in accordance with FRS102. The date of transition to FRS102 is 17 October 2014. The transition to FRS102 has not affected its reported financial position or financial performance.

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 Justice and Equality with the consent of the Minister for the Department of Public Expenditure and Reform.

(c) Income Recognition

Grant income from the Department of Justice and Equality is reported on a cash receipts basis.

(d) Expenditure

Payroll is processed by the Department of Justice and Equality and recorded in the financial statements on a cash basis. However, for the period 17 October to 31 December 2014, payroll liabilities for staff employed during this period were borne by the Department of Justice and Equality. Consequently, no charge has been made in these

financial statements in respect of these costs. All payroll costs since 1 January 2015 has been charged to these financial statements.

(e) Property, Plant and Equipment

Property, plant and equipment are shown at the net book value at date of transfer to the Authority.

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.

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 €36 million at 31 December 2015.

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 Charities Regulatory Authority website www.charitiesregulatoryauthority.ie.

The Charities Regulatory Authority is a Public Benefit Entity (PBE).

(b) Charity Fund Account

At the period end, the Authority held funds for safe keeping for 93 Charitable Trusts of which, the Authority is defined as a Trustee. There are a further 10 Trusts currently under review to determine if the Authority is a Trustee. The funds are held in a bank account on behalf of the Charitable Trusts. The balance at 31 December 2015 was €3.8 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 Charities Regulatory Authority website www.charitiesregulatoryauthority.ie.

3 Oireachtas Grant	2015
	€
Vote 24 – Justice and Equality	1,550,476

The Authority do not hold cash and cash equivalents. Funding is provided by way of the Oireachtas Grant from the Department of Justice and Equality. The Department of Justice and Equality makes all payments on behalf of the Authority. The total grant matches the sum charged to the Appropriation Account of that Department.

4 Staff Costs

(a) Staff costs breakdown	2015
	€
Wages and salaries	724,581
Travel and subsistence	12,220
Total	736,801

The Authority employed 17.4 whole time equivalent permanent staff in 2015. For the period 17 October 2014 to 31 December 2014, payroll liabilities were borne by the Department of Justice and Equality. The charge for the period would have been €62,095.

(b) Employee benefits breakdown

Range of total employee benefits		Number of Employees
From	To	2015
€60,000	- €69,999	2
€70,000	- €79,999	-
€80,000	- €89,999	-
€90,000	- €99,999	1
€100,000	- €109,999	-
€110,000	- €119,999	-

5 Administration Costs	2015
	€
Board Member Fees *	117,821
Postage and Telecommunications	8,703
IT Expenses	395,506
Office Machinery and other Office Supplies	11,881
Office Cleaning and Maintenance	22,864
Light & Heat	11,354
Legal Fees	126,156
Rent	91,674
Consultancy Costs	39,761
General Expenses	83,006
	908,726

* €31,709 of the fees paid relate to the period before 17th October 2014.

6 Property, Plant and Equipment

	IT	Office Equipment	Furniture	Total
	€	€	€	€
Cost				
At 17 October 2014	13,683	9,406	-	23,089
Additions	-	-	122,188	122,188
Disposals	-	-	-	-
At 31 December 2015	<u>13,683</u>	<u>9,406</u>	<u>122,188</u>	<u>145,277</u>
Accumulated Depreciation				
At 17 October 2014	7,207	6,060	-	13,267
Charged in the year ¹	1,451	1,216	2,323	4,990
Disposals	-	-	-	-
At 31 December 2015	<u>8,658</u>	<u>7,276</u>	<u>2,323</u>	<u>18,257</u>
Net Book Value				
At 17 October 2014	<u>6,476</u>	<u>3,346</u>	<u>-</u>	<u>9,822</u>
At 31 December 2015	<u>5,025</u>	<u>2,130</u>	<u>119,865</u>	<u>127,020</u>

¹ Depreciation was charged in the year on the original purchase cost of the assets.

7 Capital Account

	2015
	€
Assets transferred at 17 October 2014	9,822
Amortisation in line with depreciation	(4,990)
Additions	<u>122,188</u>
	<u>127,020</u>

8 Inventory

	2015
	€
Stationery	1,258
	<u>1,258</u>

9 Payables and accruals

	2015
	€
Payables	50,295
Accruals	173,628
	<u><u>223,923</u></u>

10 Pension Levy

Salary costs included in this account are the gross costs to the Authority for the period. The Department of Justice and Equality pays salaries on behalf of the Authority. Pension levy deductions, as per Section 2(3) of the Financial Emergency Measures in the Public Interest Act 2009 (No. 5 of 2009), are made by the Department and are retained as Appropriations-in-Aid for that Department.

11 Premises

The Authority operates from accommodation at St Martin's House, Waterloo Road, Dublin 4 which it rents from the Office of Public Works.

12 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.

13 Chief Executive Remuneration

The Chief Executive's remuneration was €98,055 in 2015 and €18,196 for the period 17 October 2014 to 31 December 2014. The CEO remuneration was made up of a basic salary of €98,055. The Chief Executive was paid expenses of €1,642 within the period 17 October 2014 to 31 December 2015. All expenses were incurred and paid in the 2015 year. The Chief Executive'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 2015.

14 Board Fees and Expenses

The Charities Regulatory Authority board was set up on 17 October 2014. Prior to set up, there were three preparatory board meetings and the related fees were €31,709. There were eight meetings in the period October 2014 to December 2015 and the related fees were €86,112 and the expenses were €7,016. Details of attendance and amounts paid to the board members are outlined below.

Board Members	Board Fee 2015	Travel & Subsistence 2015	# of Board Meetings 2015	Board Fees 2014	# of Board Meetings Oct - Dec 2014	# of Preparatory Board Meetings before 17 Oct 2014
Brady, David	5,985	-	6	3,990	2	3
Cadden, Katie	5,985	1,741	3	3,990	2	3
Chambers, Sandra	5,985	-	6	3,990	2	3
Clampett, Cynthia	5,985	-	4	3,990	2	2
Classon, Anna	5,985	359	3	3,990	1	3
Costello, Tom	5,985	-	5	3,990	2	3
Cronin, Patricia	5,985	-	6	3,990	2	2
Finlay, Fergus	-	-	4	-	2	2
Fitzgerald, Ann	5,985	1,969	6	3,990	2	2
* Hopkins, Patrick	7,424	815	5	3,990	2	3
Maddock, Hugh	5,985	331	4	-	1	3
O'Connell, Barbara	-	-	2	-	1	2
Richards, Graham	-	-	6	-	2	3
Turnbull, Senan	-	-	5	-	2	2
Wardick, Noel	5,985	-	5	3,990	2	3
** Woods, Conor	4,662	1,801	3	5,985	2	3
	<u>71,936</u>	<u>7,016</u>		<u>45,885</u>		
Total fees				€117,821		
Total travel & subsistence				€ 7,016		
Total fees and travel & subsistence				€124,837		

Fees were paid to Board members and the Chairman at the approved standard rate set by the Department of Public Expenditure and Reform during this period.

* Patrick Hopkins was appointed Chairman of the Board on 13th July 2015. Before that date Mr Hopkins was an ordinary member of the Board.

** Conor Woods resigned as Chairman of the Board on 28th May 2015.

15 Approval of financial statements

These accounts were approved by the Authority on 15 December 2016