

Financial Statements

Charities Regulatory Authority

For the year ended 31 December 2016

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ADMINISTRATION

For the year ended 31 December 2016

The Charities Regulatory Authority ("The Authority")

Patrick Hopkins (Chairperson)
Graham Richards
Ann FitzGerald
Patricia Cronin
David Brady
Cynthia Clampett
Anna Classon
Fergus Finlay
Tom Costello
Senan Turnbull
Barbara O'Connell (resigned 11 November 2016)
Hugh Maddock
Sandra Chambers
Katie Cadden
Noel Wardick

Chief Executive

John Farrelly (appointed 16 May 2016)
Ms. Úna Ní Dhubhghaill (until 15 April 2016)

OFFICE:

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

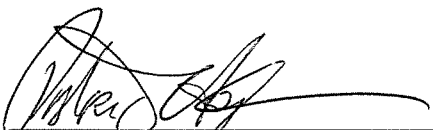
CHARITIES REGULATORY AUTHORITY

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: 13/12/2017


John Farrelly, Chief Executive.

Date: 13/12/2017.

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 2009 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.

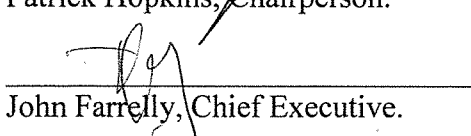
1. Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services. As a result of an internal review of a range of procurement procedures in the organization a number of actions were implemented to strengthen the procurement process.
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 2016.

On behalf of the Board of the Charities Regulatory Authority:


Patrick Hopkins, Chairperson.

Date: 13/12/2017


John Farrelly, Chief Executive.

Date: 13/12/2017

AUDITOR'S REPORT

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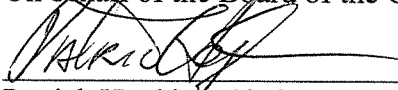
CHARITIES REGULATORY AUTHORITY

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

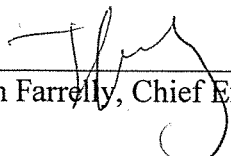
Income	Note	2016 €	October 2014 - December 2015 €
Oireachtas Grant	3	2,707,787	1,550,476
Total Income		<u>2,707,787</u>	<u>1,550,476</u>
Expenditure			
Staff costs	4	1,177,457	736,801
Administration	5	1,351,956	908,726
Audit fee		31,000	5,426
Loss on disposal of property, plant and equipment	6	510	-
Depreciation	6	114,931	4,990
Total expenditure		<u>2,675,854</u>	<u>1,655,943</u>
Surplus/(Deficit) for the year/ period before appropriations		31,933	(105,467)
Transfer to capital account	7	(15,492)	(117,198)
Surplus/(Deficit) for the year/ period after appropriations		16,441	(222,665)
Balance brought forward at start of year/ period		(222,665)	-
Deficit carried forward at 31 December		<u>(206,224)</u>	<u>(222,665)</u>

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 17 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:


Patrick Hopkins, Chairperson.

Date: 13/12/2017


John Farrelly, Chief Executive.

Date: 13/12/2017

CHARITIES REGULATORY AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

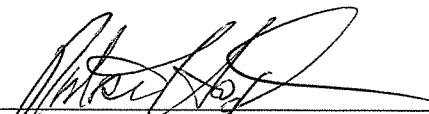
Fixed Assets	Note	2016	2015
		€	€
Property, plant and equipment	6	142,512	127,020
Current Assets			
Inventory	8	1,190	1,258
Debtors	9	5,102	-
Total Current Assets		6,292	1,258
Current Liabilities			
Payables and accruals	10	212,516	223,923
Net Current Liabilities		(206,224)	(222,665)
Total Net Assets/ (Liabilities)		(63,712)	(95,645)

Representing:

Capital Account	7	142,512	127,020
Retained Revenue Reserves		(206,224)	(222,665)
		(63,712)	(95,645)

The Statement of Cash Flows and notes 1 to 17 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



 Patrick Hopkins, Chairperson.

Date: 13/12/2016



 John Farrelly, Chief Executive.

Date: 13/12/2017

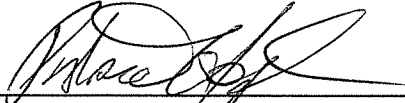
CHARITIES REGULATORY AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	October 2014 - December 2015 €
Net cash flows from operating activities			
Operating surplus/(deficit) for year/ period		16,441	(222,665)
Depreciation of property, plant and equipment	6	114,931	4,990
Loss on disposal of property, plant and equipment	6	510	-
Transfer to capital account	7	15,492	117,198
Decrease/(Increase) in inventory		68	(1,258)
Increase/(Decrease) in payables and accruals		(11,407)	223,923
(Increase) in Prepayments		(5,102)	-
Net cash inflows from operating activities		130,933	122,188
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(130,933)	(122,188)
Net cash outflow from investing activities		(130,933)	(122,188)
Net increase in cash and cash equivalents	3	-	-
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		-	-

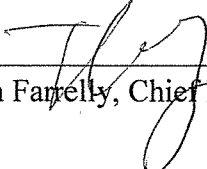
Notes 1 to 17 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



 Patrick Hopkins, Chairperson.

Date: 13/12/2016



 John Farrelly, Chief Executive.

Date: 13/12/2017

CHARITIES REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 16 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
- administrated 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 Charities Regulatory Authority 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 year ended 31 December 2016 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 2015 relate to the period 17 October 2014 to 31 December 2015. These are the Authority's second set of financial statements prepared in accordance with FRS102.

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 an accrual basis.

(e) Property, Plant and Equipment

Property, plant and equipment are shown at the 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.

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 €37.7 million at 31 December 2016 (31 December 2015: €36 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.

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

(b) Charity Fund Account

At the year end, the Authority held funds for safe keeping for 94 Charitable Trusts of which, the Authority is defined as a Trustee. There are a further 9 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 2016 was €3.75 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

	October 2014	
	-December	
	2016	2015
	€	€
Vote 24 – Justice and Equality	<u>2,707,787</u>	<u>1,550,476</u>

The Authority does 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

		October 2014 - December 2015
(a) Staff costs breakdown	2016	2015
	€	€
Wages and salaries	1,163,302	724,581
Travel and subsistence	14,155	12,220
Total	1,177,457	736,801

The Authority employed 29.7 (2015: 17.4) whole time equivalent permanent staff in 2016.

(b) Employee benefits breakdown

Range of total employee benefits		Number of Employees	
From	To	2016	2015
€60,000	- €69,999	3	2
€70,000	- €79,999	2	-
€80,000	- €89,999	-	-
€90,000	- €99,999	1	1
€100,000	- €109,999	-	-
€110,000	- €119,999	-	-

		2016	October 2014 - December 2015
5 Administration Costs	Note	€	€
Board Member Fees		68,828	117,821
Postage and Telecommunications		12,360	8,703
IT Expenses		307,346	395,506
Office Machinery and other Office Supplies		20,369	11,881
Office Cleaning and Maintenance		52,767	22,864
Fit out Costs	12	358,104	-
Light & Heat		10,020	11,354
Legal Fees		195,366	126,156
Rent		178,605	91,674
Consultancy Costs		85,431	39,761
General Expenses		62,760	83,006
		1,351,956	908,726

6 Property, Plant and Equipment

	IT €	Office Equipment €	Furniture €	Total €
At 1 January 2016	13,683	9,406	122,188	145,277
Additions ¹	-	1,464	129,469	130,933
Disposals	(2,572)	(660)	-	(3,232)
At 31 December 2016	11,111	10,210	251,657	272,978
At 1 January 2016	8,658	7,276	2,323	18,257
Charged in the year	1,282	1,378	112,271	114,931
Disposals	(2,063)	(659)	-	(2,722)
At 31 December 2016	7,877	7,995	114,594	130,466
Net Book Value				
At 31 December 2016	3,234	2,215	137,063	142,512
At 31 December 2015	5,025	2,130	119,865	127,020

¹ Additions relate to fit out costs.

7 Capital Account

	2016 €	October 2014 - December 2015 €
Assets at start of year/ period	127,020	-
Assets transferred at 17 October 2014	-	9,822
Amortisation in line with depreciation	(114,931)	(4,990)
Disposal of Assets	(510)	-
Additions	130,933	122,188
	142,512	127,020

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

8 Inventory

	2016	2015
	€	€
Stationery	1,190	1,258
	<u>1,190</u>	<u>1,258</u>

9 Debtors

	2016	2015
	€	€
Prepayments	5,102	-
	<u>5,102</u>	<u>-</u>

10 Payables and accruals

	2016	2015
	€	€
Payables	114,742	50,295
Accruals	97,774	173,628
	<u>212,516</u>	<u>223,923</u>

11 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.

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, with the move taking place in December 2016.

13 Future Lease Payments

	2016	2015
	€	€
Within one year	199,578	
One to five years	1,064,416	
After five years	1,263,994	
	<u>2,527,988</u>	

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 Chief Executive's Remuneration

The Chief Executives remuneration was €95,027 in 2016 (2015: €98,055, and €18,196 for the period 17 October 2014 to 31 December 2014)). The Chief Executive's remuneration was made up of a basic salary of €95,027. The Chief Executive's were paid expenses of €2,107 in 2016(2015: €1,642). All expenses were incurred and paid in the 2016 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 2016.

16 Board Fees and Expenses

There were nine Board meetings in the period January 2016 to 31 December 2016 and the related Board fees were €68,828 (2015: €117,821) and the expenses were €6,959 (2015: €7,016). Details of attendance and amounts paid to the board members are outlined below. Fees were paid to Board members and the Chairman at the approved standard rate set by the Department of Public Expenditure and Reform during the period.

Board Members	Board Fee 2016	Travel & Subsistence 2016	# of Board Meetings 2016
Brady, David	5,985	-	9
Cadden, Katie	5,985	373	4
Chambers, Sandra	5,985	173	9
Clampett, Cynthia	5,985	-	7
Classon, Anna	5,985	-	4
Costello, Tom	5,985	-	7
Cronin, Patricia	5,985	-	8
Finlay, Fergus ³	-	-	9
FitzGerald, Ann	5,985	5,610 ²	7
Hopkins, Patrick (Chairperson)	8,978	314	9
Maddock, Hugh	5,985	489	7
O'Connell, Barbara ¹ (resigned 11 November 2016)	-	-	3
Richards, Graham ¹	-	-	9
Turnbull, Senan ¹	-	-	8
Wardick, Noel	5,985	-	9
	<u>68,828</u>	<u>6,959</u>	

¹Board members of the Board waived their Board Fees in 2016.

²Board Member - The above figure includes €2,209 Consultative Panel travel & subsistence.

³One person One Salary Principle 2016.

17 Approval of financial statements

These accounts were approved by the Authority on 13/12/2017



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Charities Regulatory Authority

I have audited the financial statements of the Charities Regulatory Authority for the year ended 31 December 2016 under 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. The financial statements have been prepared in the form prescribed under Section 30 of the Act, and in accordance with generally accepted accounting practice.

Responsibilities of the Members of the Authority

The Authority 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 Authority'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.

In addition, I read the Charities Regulatory Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

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 Authority 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 Authority 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 public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Charities Regulatory Authority's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Authority'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.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

19 December 2017