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RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

CONTENTS

	PAGE
GENERAL INFORMATION	1
STATEMENT OF RESPONSIBILITES OF THE BOARD	2
STATEMENT ON INTERNAL FINANCIAL CONTROL	3-6
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	7
FUND ACCOUNT	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11-21

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

GENERAL INFORMATION

Address	4th Floor Frederick Court 24/27 North Frederick Street Dublin 1	
Members of the Board	Mr David O'Callaghan, Chairperson	(Term ended 24 March 2017 and was reappointed in 2017)
	Mr. Damian Casey	(Reappointed on 25/05/2017)
	Mr. Tom Daly	(Reappointed on 25/05/2017)
	Ms. Katherine Finn BL	(Reappointed on 25/05/2017)
	Ms. Frances Harrington	(Reappointed on 25/05/2017)
	Mr. Francis W. Treanor	(Appointed on 25/05/2017)
	Dr. Mary T. Lodato	(Appointed on 25/05/2017) (Resigned on 01/02/2018)
	Ms. Patricia Carey	(Appointed on 25/05/2017)
	Mr. Thomas Cronin	(Appointed on 25/05/2017) (Resigned on 16/02/2018)
	Ms. Rosemary Adaser	(Term ended 24/03/2017)
	Ms. Phyllis Morgan	(Term ended 24/03/2017)
	Mr. Austin Currie	(Term ended 24/03/2017)
	Mr. David Lane	(Term ended 24/03/2017)
Senior Executive	Ms. Mary Higgins	Chief Executive Officer
	Ms. Rachel Downes	Director of Services
	Mr. David Yeomans	Director of Finance and Corporate Affairs
Accountants	Crowleys DFK 16/17 College Green Dublin 2	
Auditor	Comptroller and Auditor General 3a Mayor Street Upper Dublin 1	

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT OF RESPONSIBILITIES OF THE BOARD

Responsibilities of the Residential Institutions Statutory Fund Board (RISFB)

The Residential Institutions Statutory Fund Board was established on 25 March 2013 under the provisions of the Residential Institutions Statutory Fund Act 2012 "the Act".

The principal functions of the RISFB as laid down in Section 7 of the 2012 Act, are

a) Utilise the resources that are available to it in the investment account to make arrangements with persons for the provision of approved services to support the needs of former residents and pay grants to former residents in order that they may avail of approved services;

b) To determine whether a service is an approved service and criteria by reference to which the Board shall make a decision on an application to the Board for an arrangement or grant;

c) To promote understanding, among persons involved in the provision of approved services and publicly available services to former residents, of the effects of abuse on former residents.

Section 31 of the Act requires the chief executive to prepare accounts for approval by the Board for each financial year in such form as may be approved by the Minister for Education and Skills, with the consent of the Minister for Public Expenditure and Reform.

In preparing those financial statements, the Board is required to select suitable accounting policies and then apply them consistently.

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time its financial position and to enable it to ensure that the financial statements comply with Irish accounting standards and applicable law. The Board is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

David O'Callaghan
Chairperson

Date: 24 May 2018

Rachel Downes
Acting Chief Executive Officer

Date: 24/05/2018

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT ON INTERNAL FINANCIAL CONTROL

RESPONSIBILITY FOR THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is made in accordance with the requirement set out in the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies (2009). On behalf of the Residential Institutions Statutory Fund Board, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable but not absolute, assurance that the assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

KEY CONTROL PROCEDURES

In accordance with the provisions of the Residential Institutions Statutory Fund Act 2012, an account was established at the Central Bank for the purposes of receiving cash contributions. Section 29(3) of the Residential Institutions Statutory Fund Act 2012 provides that the Statutory Fund shall establish an investment account into which the amount paid under section 29(1) & (2) shall be deposited. Periodically, the Board draws down funds from this account to meet its liabilities as they fall due.

The Board has taken steps to ensure an appropriate control environment by implementing a system of clearly defined management responsibilities and has developed a procedures manual for the awarding of grants and for the processing and approval of other payments.

The Board also established an Audit and Risk Committee. The Committee meets at least four times a year. The Committee's terms of reference include ensuring systems that guarantee internal financial control.

While expenditure in respect of grant payments is demand-led and therefore not amenable to annual budgeting, the Board through its procedures, including in particular the consideration and review by the Audit and Risk Committee of the management accounts, carefully monitors on a regular basis expenditure patterns and any issues arising.

The Board has engaged the services of a firm of accountants to prepare the annual financial statements. These services are used also to produce quarterly management accounts and to provide further advice on financial and control matters as required.

The Board's internal audit function is provided by an outside service provider. The programme of work is agreed with the Audit and Risk Committee and is set out in their three-year audit plan.

The Board's system of internal financial controls is based on a framework of regular management information, a system of delegation and accountability, a set of financial procedures, administrative procedures including segregation of duties and rigorous ongoing checks by the finance function. In particular it includes:

- A budgeting system on operational expenditure
- Setting authorisation limits for the disbursement of the Residential Institutions Statutory Fund Boards' funds
- Regular reviews by the Audit and Risk Committee and senior management of periodic and annual financial information and reports including management.

CONTROL INITIATIVES

The audits of the 2014 and 2015 financial statements identified weaknesses in internal control where the Board's procedures were not always followed in respect of grant payments. The Board has taken a number of steps to address the control weaknesses identified.

Organisational review

The Board did not have sanction to fill posts on a permanent capacity and had relied almost exclusively on seconded and agency staff to deliver the required services. An external firm was commissioned to conduct a review of its structures, systems and operations and to make recommendations for ways to make them more effective and efficient. The report was delivered on 7 September 2015 and recommended that a staff complement of 24.6 FTE staff would be required. On 31 May 2016, the Board received sanction from the Department of Education and Skills to recruit these staff

The Board is of the opinion that a full-time staff complement, comprising CEO, Director of Services, Director of Finance & Corporate Affairs, Head of Communications & Outreach and Head of Administration, Application Advisors, Quality, Compliance & Information Officers and Administrative Support staff has contributed to more effective case management processes and improved compliance with policies and procedures.

Internal audit reviews

The outsourced internal audit provider completed all audit assignments as part of the 2016 Internal Audit Plan with all reports having been issued. The work undertaken during the year covered the following areas of Human Resource Management, Review of the Claims and Payments Process and ICT Systems.

- **ICT Review** – The report provided limited assurance on the governance framework in place and highlighted eight significant issues with associated control recommendations. These included upgrading infrastructure and security controls. These recommendations were accepted in full with responsibility assigned for their implementation. User access control improvements have been implemented. Upgrading of infrastructure and other initiatives will be actioned in early 2018.

- **Human Resources** – The report provided limited assurance over the system in place and highlighted two significant issues with associated control recommendations. It recommended that management should ensure that all staff members have received the most recent version of the Staff Handbook. It also recommended that management should ensure that all staff members are provided with a copy of the Confidentiality Agreement and that receipt of same is evidenced. These recommendations were accepted in full with responsibility assigned for their implementation including the acquisition of a dedicated Human Resources software system that provides the functionality of secure distribution of essential documents with digital sign-off of receipt.

- **Claims and Payments Process** – The report provided limited assurance over the system in place and highlighted eight significant issues with associated control recommendations. These issues focused on access, control, and processing issues within "Salesforce", the Caranua case management system. These recommendations were accepted in full with responsibility assigned for their implementation. A review of user access rights was undertaken with additional licences being acquired to ensure the appropriateness of individual staff members use of the system. A project to implement software enhancements to the approval and reporting processes was undertaken successfully during the first half of 2017. A full suite of policies and procedures have been developed and incorporated into an overarching Quality Standards Framework during 2017. A formal letter of acceptance with associated terms & conditions has been implemented for approvals for Advance Payment of Funeral Expenses during 2017.

CONTROL WEAKNESSES IN 2016

Control weaknesses over the processing of grants were identified as part of the audit of the financial statements in 2016 and in previous years as follows

- In cases where invoices and receipts were required to be presented to the Board, the audit found evidence that such documentation had been presented for around 60% of such cases in 2016.

- For certain types of housing grant expenditure, proof of tenancy or ownership must be presented by the applicant. The audit examined a sample of payments where proof of tenancy or ownership was required and found in none of cases examined had such evidence been provided to the Board.

- The audit examined that required quotes had been presented to the Board for a sample of payments made in 2016 and did not find evidence in 86% of the cases examined that the required quotes had been presented.

The Board entered into a phased work agreement during 2017 with the Sustainable Energy Authority of Ireland, whereby SEAI would provide assessment services in relation to housing efficiency improvements for applicants wishing to avail of such services.

The Board commenced a process in early 2017 to establish panels of preferred suppliers to provide approved services for Survivors on an open competition basis using a specialist procurement consultancy firm. This process is expected to be concluded in early 2018.

In cases where the applicants have failed to provide receipts where grant payments had been made on foot of quotes, the Board have introduced a protocol where the supplier may be contacted directly to provide receipts that confirm the delivery of the service. This protocol provides for specific Board approval under S23(3)(a), following submission by the Executive on an individual case by case basis.

Section 26 of the 2012 Act states that a person, who for the purpose of an application for an arrangement or grant, knowingly or recklessly makes any statement or representation or furnishes any document or information, which is false or misleading shall be guilty of an offence. The Board at its meeting of 25 November 2015, approved an Anti-Fraud Policy that provides for internal investigation and decision by the CEO to refer the matter to An Garda Síochána, where warranted. The Board maintains a list of cases of suspected fraud. At 31 December 2016, a number of cases of suspected fraud had been referred to An Garda Siochána. A criminal investigation has commenced in one case.

CONCLUSION

The Board recognise that the funds available to it are finite and, consequently, the organisation will have a limited life, thus posing a challenge to embed controls and processes in a timely manner. The Board is fully committed to strengthening the control environment of Caranua and continues to take steps to ensure its development.

ANNUAL REVIEW OF CONTROLS FOR PERIOD ENDED 31 DECEMBER 2016

I confirm that the Board conducted a review of the effectiveness of the system of internal financial control in 2016.

On behalf of the Board

David O'Callaghan
Chairperson
Date: 24 May 2018

Rachel Downes
Acting Chief Executive Officer
Date: 24/05/2018

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

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Report for presentation to the Houses of the Oireachtas

Residential Institutions Statutory Fund Board (Caranua)

Opinion on financial statements

I have audited the financial statements of the Residential Institutions Statutory Fund Board for the year ending 31 December 2016 as required under the provisions of section 31 of the Residential Institutions Statutory Fund Act 2012. The financial statements comprise

- the fund account
- 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 Residential Institutions Statutory Fund Board at 31 December 2016 and of its income and expenditure for 2016 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 further described in the appendix to this report. I am independent of the Residential Institutions Statutory Fund Board 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 Residential Institutions Statutory Fund Board has presented a statement on internal control together with the financial statements. 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.

Inadequate control over grant payments

I draw attention to the statement on internal financial control which discloses that weaknesses in the Board's control over grant payments continued in 2016. This created a risk that in some cases grant expenditure might not have been used for the purposes intended. The statement also sets out the steps being taken by the Board to resolve the weaknesses identified.

Seamus McCarthy.

Seamus McCarthy
Comptroller and Auditor General

28 May 2018

Appendix to the report

Responsibilities of Board Members

As detailed in the statement of responsibilities of the Board, the board members are responsible for

- the preparation of financial statements in the form prescribed under section 31 of the Residential Institutions Statutory Fund Act 2012
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 31 of the Residential Institutions Statutory Fund Act 2012 to audit the financial statements of the Residential Institutions Statutory Fund Board 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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Residential Institutions Statutory Fund Board'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 Residential Institutions Statutory Fund Board 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 in 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 there are 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 there is any material instance where 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.

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
INCOME			
Cash contributions received	2	11,194,081	4,606,081
INVESTMENT RETURN			
Interest (charged)/earned		(41,102)	30,128
Transfer (to)/from capital account	7	(36,569)	7,211
		(77,671)	**37,339**
EXPENDITURE			
Grants	4	13,197,864	28,901,854
Administration Costs	5	2,199,973	1,786,159
		15,397,837	**30,688,013**
DECREASE IN FUND DURING THE PERIOD		**(4,281,427)**	**(26,044,593)**
FUND VALUE BROUGHT FORWARD		**43,275,759**	**69,320,352**
TOTAL FUND VALUE AT YEAR END		**38,994,332**	**43,275,759**

All income and expenditure for the year relates to continuing activities at the reporting date.
The Fund Account includes all gains and losses recognised in the year.

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board

David O'Callaghan
Chairperson

Date: 24 May 2018

Rachel Downes
Acting Chief Executive Officer

Date: 24/05/2018

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	As at 31 December 2016 €	As at 31 December 2015 €
FIXED ASSETS			
Property, plant and equipment	6	71,333	34,764
CURRENT ASSETS			
Exchequer notes held	3	28,004,563	38,000,000
NTMA Investment Accounts	3	8,760,151	5,119,723
Bank	3	2,770,022	408,217
Debtors and prepayments	8	198,140	521,396
		39,732,876	44,049,336
CURRENT LIABILITIES (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Creditors and accruals	9	(738,544)	(773,577)
		(738,544)	(773,577)
NET CURRENT ASSETS		38,994,332	43,275,759
TOTAL NET ASSETS		**39,065,665**	**43,310,523**
REPRESENTING			
Capital Account	7	71,333	34,764
Fund account		38,994,332	43,275,759
		39,065,665	**43,310,523**

The Statement of Cash Flows and Notes 1 to 13 form part of these financial statements.

On behalf of the Board

David O'Callaghan
Chairperson
Date: 24 May 2018

Rachel Downes
Acting Chief Executive Officer
Date: 24/05/2018

RESIDENTIAL INSTITUTIONS STATUTORY FUND BOARD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Net cash flows from Operating Activities			
Decrease in Fund for the period		(4,281,427)	(26,044,593)
Depreciation of fixed assets	6	23,786	16,599
Decrease in debtors		323,256	84,932
Decrease in creditors		(35,033)	(902,700)
Capital account movement		36,569	(7,211)
Net cash outflow from operating activities		**(3,932,849)**	**(26,852,973)**
Cash flow from Investing Activities			
Payments to acquire property, plant & equipment		(60,355)	(9,388)
Net Decrease in cash and cash equivalents		**(3,993,204)**	**(26,862,361)**
Cash and cash equivalents at 1 January		43,527,940	70,390,301
Cash and cash equivalents at 31 December		39,534,736	43,527,940

1. ACCOUNTING POLICIES

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

GENERAL INFORMATION

The Residential Institutions Statutory Fund Board (RISFB) was established on 25 March 2013 under the provisions of the Residential Institutions Statutory Fund Act 2012, with a head office at 4th Floor, Fredrick Court, 24/27 North Fredrick Street, Dublin 1. It oversees the use of the cash contributions of up to €110 million pledged by religious congregations to support the needs of survivors of residential institutional child abuse. The key functions of the RISFB as defined in the Act include the payment of grants to former residents in order that they may avail of approved services, which include; mental health services, health and personal social services, educational services and a housing support service.

Pending the establishment of the RISFB, a special interest-bearing account was established in the Central Bank under the dual control of the Department of Public Expenditure and Reform and the Department of Education and Skills to receive cash contributions from religious congregations. In March 2013, the total funds in this account totalling €41,314,845 including interest of €270,529 were transferred to the RISFB investment account held in the National Treasury Management Agency (NTMA) and the special account was closed. In April 2013 a further €12,376 in accrued interest was paid into the investment account.

Section 29(2) of the Act provides for the receipt of further funds from religious congregations to the RISFB investment account on foot of instructions from the Department of Education and Skills with the consent of the Department of Public Expenditure and Reform.

The Act also provides that the amounts paid into the investment account will not exceed €110 million and that monies not required for the time being shall be invested. The cumulative amount received into the investment account to 31 December 2016 is €96,438,379.

STATEMENT OF COMPLIANCE

The financial statements of the RISFB for the year ended 31 December 2016 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

BASIS OF PREPARATION

The financial statements are prepared under the accrual method of accounting and in accordance with generally accepted accounting principles under the historical cost convention, except as indicated below.

The financial statements are in a form approved by the Minister for Education and Skills with the concurrence of the Minister for Public Expenditure and Reform.

INCOME

Income is recognised in the financial statements when cash received from religious congregations is deposited in the RISFB investment account on the direction of the Minister for Education and Skills with the consent of the Minister for Public Expenditure and Reform as provided for under Section 29 (1) and (2) of the Residential Institutions Statutory Fund Act 2012.

GRANT PAYMENTS

Commitments made by the Education Finance Board transferred into the RISFB are recognised in these financial statements when approved by the Board.

Grants made by the RISFB are recognised in the year in which the claims have been approved for payment by the Board.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Income and Expenditure Account on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, over their expected useful lives as follows:-

Computer Equipment and Software	25% per annum
Office Furniture	10% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

FEXCO CANCELLED PAYMENTS

RISFB pay grants through a third-party arrangement with Fexco for confidentiality purposes. Payment of grants approved by the Board are paid to Fexco who in turn issue cheques to grantees and suppliers of grantees. Cancelled cheques are recorded in the period to which they relate and amounts shown as Fexco cancelled payments represent cheques for the current period which were cancelled after the year end date to the date the financial statements are prepared.

CAPITAL ACCOUNT

The Capital Account balance represents the unamortised value of income applied for capital expenditure purposes.

GOING CONCERN

Section 29(4) of the Act provides that amounts paid into the investment account will not exceed €110 million. At 31 December 2016, the cumulative value of cash contributions received from religious congregations was €96.44 million and the cumulative value of funds expended was €57.36 million. The balance on the fund at 31 December 2016 was €39.06 million. Based on the average level of grants disbursed over the last three years and the receipt of outstanding cash contributions from a religious order, the Board estimates that the fund will be sufficient to continue operations until 2019. On this basis, the Board considers it appropriate to prepare the financial statements for 2016 on the going concern basis. Accordingly, these financial statements do not include any adjustment to the carrying amounts and classification of assets and liabilities that may arise if the Board was unable to continue as a going concern.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into euro and recorded at the rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date or forward purchase contract rates where such contracts exist.

PENSIONS

New entrant public service staff employed by the Residential Institutions Statutory Fund Board after 1 January 2013, are members of the Single Public Service Pension Scheme (the Scheme) in accordance with the Public Services Pensions (Single Scheme and Other Provisions) Act 2012. The Residential Institutions Statutory Fund Board makes the necessary deductions from salaries for staff who are part of the Scheme and employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the provisions of the Scheme.

There is no charge in these financial statements for any liabilities which may arise in respect of the retirement benefits of staff of the Residential Institutions Statutory Fund Board.

In the case of seconded staff from other public bodies the cost of their employment, including charges for employer's PRSI and pension costs is recouped by their employers.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There were no judgements required that had a significant effect on amounts recognised in the financial statements for 2016.

2. INCOME

	2016 €	2015 €
Amounts lodged to investment account under Section 29 (2) of 2012 Act	11,194,081	4,606,081
	11,194,081	**4,606,081**

CUMULATIVE AMOUNTS	Cumulative to 31 December 2016 €	Cumulative to 31 December 2015 €
Cash contributions received	96,164,561	84,970,480
Interest earned	273,818	314,920
Transferred from Education Finance Board	29,490	29,490
Transfer to capital account	(71,333)	(34,764)
Grant payments	(51,967,083)	(38,769,219)
Administration costs	(5,435,121)	(3,235,148)
Fund value at 31 December 2016	**38,994,332**	**43,275,759**
Cash contributions due to be received	13,835,439	25,029,520

3. CASH AND BANK

As provided for under Section 29 (1) & (2) of the Act, receipts from the religious congregations are paid into the RISFB investment account on the direction of the Minister for Education and Skills with the consent of the Minister for Public Expenditure.

Since August 2013, amounts required to make payments are transferred to a commercial bank account. The balance on that account at 31 December 2016 was €2,770,022 (2015: €408,217). Prior to August 2013, amounts were transferred to City of Dublin ETB who made payments on behalf of the Board on an agency basis (Note 9).

Funds not required to make payments may be invested. At 31 December 2016, €28,004,563 (2015: €38,000,000) had been converted to Exchequer notes with the balance remaining in the NTMA investment account of €8,760,151 (2015: €5,119,723).

4. GRANT PAYMENTS

	2016 €	2015 €
Housing Support	8,928,752	21,109,979
Health	3,679,370	6,588,888
Socially Active and Connected	352,372	572,316
Education, Learning and Development	179,812	591,821
Exceptional Needs	57,558	38,850
	13,197,864	**28,901,854**

5.	ADMINISTRATION COSTS	2016 €	2015 €
	Salaries and Wages	1,493,025	1,301,672
	Telephone, postage, stationery	97,252	105,517
	Transport and couriers	1,179	3,358
	Travel and Subsistence – Staff (National)	17,319	10,270
	Travel and Subsistence – Staff (International)	6,805	12,867
	Travel and Subsistence – Board (National)	6,831	13,903
	Travel and Subsistence – Board (International)	11,395	12,155
	Rent	61,833	-
	Prompt Payment Interest	-	109
	Information Technology	81,809	43,481
	Maintenance	14,354	18,192
	Relocation Costs	-	923
	Insurance	9,565	9,290
	Meeting and Conference Costs	3,941	9,684
	Legal Costs	80,719	10,502
	Accounting Services	12,226	36,503
	Audit Fee	19,400	8,600
	Internal Audit	31,102	24,666
	Housing Assessment	-	45,702
	Organisational Review	14,027	-
	Other Consultancy	11,152	19,948
	General Expenses	8,711	3,880
	Communications and Promotions	45,090	27,091
	Subscriptions	8,661	8,793
	Printing and Publications	13,055	12,243
	Bank Charges	400	439
	Staff Training and Development	21,582	14,572
	Recruitment Costs	82,354	-
	Appeals Officer	22,400	15,200
	Depreciation	23,786	16,599
		2,199,973	**1,786,159**

Included in Administration Costs is an amount of €22,400 (2015: €15,200) representing amounts that the Minister has requested to be drawn down from the Investment Account to make payments to the Appeals Officer under Section 31(3) of the Act.

Included in Travel & Subsistence for Staff in 2015 is €1,697 of expenditure relating to a staff team building event for 16 staff at Carlingford Adventure Centre.

Legal costs include payments of €39,957 in relation to a Judicial Review case of which €17,500 were in respect of the claimant costs.

5(a)	STAFF COSTS	2016 €	2015 €
	Salaries and Wages	1,493,025	1,301,672
	Travel and Subsistence	24,124	23,137
		1,517,149	**1,324,809**

A pension levy of €14,602 was deducted from the salaries during the year.

Average staff members during the period	2016	2015
Seconded Staff	0.25	2
Temporary Agency Staff	6.8	13.8
Fixed term / Purpose Contract Staff	18	4
	25.05	**19.8**

5(b) EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits			Number of Employees	
From		**To**	**2016**	**2015**
€60,000	-	€69,999	2	-
€70,000	-	€79,999	-	-
€80,000	-	€89,999	1	1
Total			**3**	**1**

5(c) BOARD EXPENSES	2016 €	2015 €
Travel	6,805	14,555
Subsistence / Meals	4,319	2,545
Accommodation	7,102	8,958
TOTAL	**18,226**	**26,058**

BOARD MEMBERS' EMOLUMENTS

Board members are not remunerated and therefore none of the Board members received a fee during the year.

Board Member	Vouched Expenses	Meetings attended
David O'Callaghan (Chairman)	1,268	6
Austin Currie	145	6
Phyllis Morgan	2,297	5
Rosemary Adaser	3,561	6
Damian Casey	130	5
Tom Daly	489	6
Katherine Finn BL	851	6
Frances Harrington	2,587	6
David Lane	4,384	6
TOTAL	**15,713**	

In addition to the Board expenditure noted above, a total of €2,514 was incurred in respect of catering, room hire and other expenses for Board meetings.

5(d) CHIEF EXECUTIVE OFFICER'S REMUNERATION	2016 €	2015 €
Chief Executive Officer basic salary	86,440	87,667
All in cost of the Chief Executive Officer total remuneration package	**86,440**	**87,667**

The Chief Executive Officer claimed travel and subsistence expenses amounting to €3,081 (2015: €12,732) during the period.

The Chief Executive Officer received no performance related pay scheme during the period. The Chief Executive Officer's pension entitlements do not extend beyond the standard entitlement in the model public sector defined benefit superannuation scheme.

The figure for 2015 includes payments of increments and associated arrears, awarded in line with government pay policy and performance.

6. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment and Software €	Office Furniture & Fittings €	Total €
Cost			
As at 1 January 2016	64,352	5,111	69,463
Additions	7,674	52,681	60,355
Disposals	-	-	-
As at 31 December 2016	72,026	57,792	129,818
Depreciation			
As at 1 January 2016	34,188	511	34,699
Charge for the period	18,007	5,779	23,786
Disposals	-	-	-
As at 31 December 2016	52,195	6,290	58,485
Net Book Value at 31 December 2016	**19,831**	**51,502**	**71,333**
Net Book Value at 31 December 2015	**30,164**	**4,600**	**34,764**

7. CAPITAL ACCOUNT

	Capital Account €	Fund Account €	Total €
As at 1 January 2016	34,764	43,275,759	43,310,523
Amounts applied for purchase of fixed assets	60,355	-	60,355
Amortisation in line with asset depreciation	(23,786)		(23,786)
Decrease in fund during the year	-	(4,281,427)	(4,281,427)
Balance at 31 December 2016	**71,333**	**38,994,332**	**39,065,665**

8. DEBTORS AND PREPAYMENTS

	As at 31 December 2016 €	As at 31 December 2015 €
Prepayments	66,162	41,940
Accrued Interest	(11,584)	2,827
Fexco cancelled payments	143,562	476,629
	198,140	**521,396**

9. CREDITORS AND ACCRUALS (amounts falling due within one year)	As at 31 December 2016 €	As at 31 December 2015 €
Due to City of Dublin Education and Training Board	-	4,421
Creditors	129,072	89,473
Grant Commitments	381,690	610,243
Other Accruals	224,917	66,085
PAYE/PRSI	10	10
Other Creditors	2,855	3,345
	738,544	**773,577**

10. OPERATING LEASE

The Board carries on its business from a premises in Frederick Street, Dublin 1. The building is leased by the Office of Public Works (OPW) for an annual rent of €106,000.

At 31st December 2016, the Board had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	€
Payable within one year	44,167
Payable within two to five years	-
Payable after five years	-
	44,167

The lease expired on Caranua's accommodation on 4th floor of Fredrick Court, Frederick Street, Dublin 1 in May 2017 and the OPW decided not to renew the lease.

On the 11th August 2017 Caranua entered into a State Occupant Agreement with the OPW for a premises (4th floor) in the Metropolitan Building on James Joyce Street, Dublin 1 which they now occupy for an annual rent and service charge of €272,000 per annum (inclusive of VAT at 23%).

11. RELATED PARTY DISCLOSURES

Key management personnel in the Residential Institutions Statutory Fund Board consist of the CEO and members of the Board of Directors. Total compensation paid to key management personnel, including board members expenses and total CEO remuneration, amount to €104,666 (2015: €113,725).

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 5.

The Residential Institutions Statutory Fund Board adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, the Residential Institutions Statutory Fund Board may enter into contractual arrangements with entities in which Residential Institutions Statutory Fund Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request in all such instances.

There were no transactions in the year in relation to the Board's activities in which the board members had any beneficial interest.

12. COMPARATIVE FIGURES

Some changes have been made to the presentation of items in the financial statements and the comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board at its meeting on 24 May 2018.