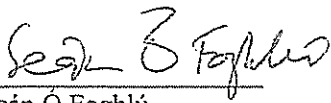


**Residential Institutions Redress Special Account for the year ended 31st
December 2020**

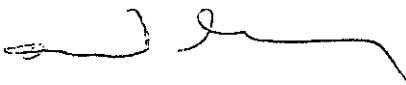
Account of Receipts and Payments

2019		2020
€		€
0.0	Balance at 1 January	€ 0.00
€ 0.00	Income into Account	€ 1,000,000.00
€ 0.00	Expenditure from Special Account (advances to the Department of Education)	€ 1,000,000.00
0.00	Closing balance on the Account	0.00

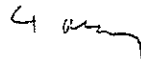
Notes 1 to 6 form part of this Account.


Seán Ó Foghlú
Secretary General
Department of Education

31 March 2021


David Moloney
Acting Secretary General
Department of Public Expenditure and Reform

March 2021



Notes to the Account

1. Residential Institutions Redress Act 2002 – Special Account

Section 23 of the Residential Institutions Redress Act 2002 provided for the establishment of a Special Account with the Paymaster General to be funded from:

“moneys provided by the Oireachtas”
and
“a person, with the consent of the Minister (for Education and Skills) and the Minister for Finance”

Moneys from the Special Account are used to pay awards made by the Residential Institutions Redress Board and the associated legal and application costs.

Following the establishment of the Department of Public Expenditure and Reform during 2011, control of the Special Account Fund now falls under the remit of the Department of Public Expenditure and Reform under the terms of the Ministers and Secretaries (Amendment) Act, 2011.

2. Moneys provided by the Oireachtas

Moneys provided by the Oireachtas are paid from the Vote of Department of Education. In 2020, a total of € 1,000,000 was paid from the Vote into the Special Account.

3. Moneys provided under the Indemnity Agreement

The other source of funding for the Special Account comes from moneys contributed under the terms of the Indemnity Agreement between the State and the contributing congregations. The First Schedule of this Agreement contains a list of the contributing congregations. Cash contributions are as follows:

2003	€ 30,978,641
2004	€ 2,987,500
2005	€ 3,250,000
2006	€ 2,528,660
2007	€ NIL
2008	€ 101,600
2009	€ 2,000,000
2010	€ 412,665
2011	€ NIL
2012	€ NIL
2013	€ NIL
2014	€ NIL
2015	€ NIL
2016	€ NIL
2017	€ NIL
2018	€ 650,000.00
2019	€ NIL
2020	€ NIL

4. Administrative arrangements

The Special Account was administered by the Department of Finance from 2003 to early 2011. Following the establishment of the Department of Public Expenditure and Reform during 2011, control of the Redress Special Account now falls under the remit of that Department. The Department of Education acts as paying agent for the Redress Board. Based on anticipated expenditure, the Department of Education transfers moneys on a regular basis from the relevant subhead to the Special Account. The Department of Public Expenditure and Reform then transfers the moneys from the Special Account to the Residential Institutions Redress Board Suspense Account, which is managed by the Department of Education, in order to facilitate the continued payment of awards and associated legal and application costs.

5. Cumulative Position – Residential Redress Suspense Account

Contributions to Suspense Account	Cumulative	Current	Cumulative
	1 st January 2020	2020	31 st December 2020
Moneys provided by the Religious Congregations	€ 42,909,066	€ NIL	€42,909,066
Moneys provided by the Oireachtas	<u>€1.126,742,000</u>	<u>€ 1,000,000</u>	<u>€1.127,742,000</u>
TOTAL	<u>€1.169,651,066</u>	<u>€ 1,000,000</u>	<u>€1.170,651,066</u>
Cumulative Expenditure			
Redress Board Awards Paid	€969,398,242	€ 290,037	€969,688,279
Legal and Application Costs (includes associated litigation costs)	€193,573,466	€ 470,942	€ 194,044,408
Other Application Costs	<u>€6,967,891</u>	<u>NIL</u>	<u>€6,967,891</u>
TOTAL	<u>€1.169,939,599</u>	<u>€ 760,979</u>	<u>€ 1,170,700,578</u>
Surplus +/-deficit - in Departmental Redress Board Suspense Account	- €288,533	€239,021	- €49,512

6. Other expenditure

Apart from expenditure funded from the Special Account, the following expenditure, funded from moneys provided by the Oireachtas, was also incurred:

Administration Costs

The administration costs include:

- costs directly incurred by the Residential Institutions Redress Board including the fees of Board members and all professional staff as well as the salaries of administrative staff employed by the Board and the Committee
- costs incurred by the Residential Institutions Review Committee and
- other costs paid directly by the Department

Costs of the Residential Institutions Redress Board and the Residential Institutions Redress Review Committee are outlined as follows:

	€
2002	- 1,378,026
2003	- 4,314,844
2004	- 5,083,770
2005	- 6,181,599
2006	- 6,057,395
2007	- 7,675,732
2008	- 7,554,985
2009	- 6,425,939
2010	- 5,367,771
2011	- 4,438,764
2012	- 4,076,263
2013	- 4,577,116
2014	- 3,740,663
2015	- 2,289,164
2016	- 1,128,583
2017	- 879,881
2018	- 751,313
2019	- 853,707
2020	- 1,018,894
Total expenditure	<u>73,794,409</u>

Legal and Settlement payments, cases to which Indemnity Agreement applies

Under the Indemnity Agreement between the State and 18 Religious Congregations, the State has agreed to indemnify the congregations involved in respect of court awards, settlements and costs relating to child abuse in residential institutions, which would have been eligible for consideration under the Redress Scheme. Up to the end of 2020, a total of €10,282,254 was expended pursuant to this indemnity.

**Statement by Accounting Officer on Internal Financial Controls to
be included with the 2020 Residential Institution Redress
Special Account.**

Responsibility for system of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department of Education. This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only 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 manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an audit committee to advise me in discharging my responsibilities for the internal financial control system

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

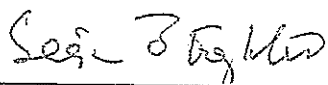
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Department is compliant with all the relevant guidelines regarding procurement except in some cases where, for a number of reasons, it extended contracts or did not undertake a competitive process. Details of these cases were provided to the Comptroller and Auditor General and the Department of Public Expenditure and Reform in the Circular 40/02 Return. Additionally, the Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks, where appropriate.

Internal Audit

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Impacts of Covid-19

As a result of COVID-19 my Department's staff were required to mainly work from home since mid-March 2020. Internal Audit has conducted an assessment of the impact of COVID-19 on internal financial controls and mobile security and has provided me with adequate assurance that the financial control risks are being managed. Furthermore, the move to remote working has accelerated the use of electronic documentation for audit trail and work efficiency purposes. The results of these assessments were presented to the Audit Committee on March 24th 2021.



Seán Ó Foghlú
Accounting Officer

31 March 2021



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas Residential Institutions Redress Special Account

Opinion on account

I have audited the Residential Institutions Redress Special Account prepared by the Departments of Education and of Public Expenditure and Reform for the year ending 31 December 2020 in accordance with Section 23 of the Residential Institutions Redress Act 2002. The account comprises a receipts and payments account and related notes.

In my opinion, the account properly presents

- the transactions for 2020, and
- the balance at 31 December 2020.

Basis of opinion

I conducted my audit of the account 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 Departments of Education and of Public Expenditure and Reform 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 statement on internal financial control and on other matters

The Department of Education has presented a statement on internal financial control together with the account. My responsibilities to report in relation to the information in the statement, 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.

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

4 August 2021

Appendix to the report

Responsibilities of the Departments of Education and of Public Expenditure and Reform

The responsibilities of the Departments in relation to the account are

- the preparation of the account in accordance with the Section 23 of the Residential Institutions Redress Act 2002
- ensuring that the account properly presents the balance at year end and the transactions in the year
- ensuring the regularity of transactions and
- such internal controls as they determine are necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 23 of 2002 Act to audit the financial statements of the Residential Institutions Redress Special Account and report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the account as a whole is 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 accounts.

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 account 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 communicate with the Departments 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.

Statement on Internal Financial Control

My opinion on the account does not cover the statement on internal financial control presented with the account, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the account, I am required under the ISAs to read the statement on internal financial control presented and, in doing so, consider whether the information therein is materially inconsistent with the account 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 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 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 account to be readily and properly audited, or
- the account is not in agreement with the accounting records.