

HUMAN RIGHTS COMMISSION

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31 DECEMBER 2009

Human Rights Commission

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Human Rights Commission

Statement of the Responsibilities of the Human Rights Commission

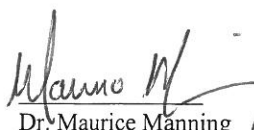
The Commission is required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Human Rights Commission and of the income and expenditure for that period.


In preparing those statements, the Commission is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- disclose and explain any material departures from applicable accounting standards
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the Human Rights Commission will continue in existence.

The Human Rights Commission is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Human Rights Commission and which enable it to ensure that the financial statements comply with the Order. It is also responsible for safeguarding the assets of the Human Rights Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Commission,


Dr. Maurice Manning Date 30/10/10
President


Eamonn Mac Aodha Date 29/10/10
Chief Executive

Human Rights Commission

Statement on Internal Financial Control

Responsibility for the Systems of Internal Financial Controls:

On behalf of the Human Rights Commission, I acknowledge our responsibility for reviewing and ensuring the effectiveness of the organisation's system of internal financial controls.

The Human Rights Commission through the Chief Executive is responsible for monitoring the systems of internal control and providing assurances to the Commission.

A system of internal control is designed to reduce rather than eliminate risk and such a system can provide only a reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

Key control Procedures:

The following is a description of the key procedures which have been put in place by the Human Rights Commission designed to provide effective internal financial control.

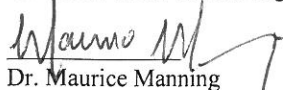
- (i) The Human Rights Commission has an established organisational structure with clearly defined lines of responsibility and reporting. Formal procedures for reporting significant control failures and ensuring corrective action are in place.
- (ii) The strength of the internal financial control systems is dependent on the quality and integrity of both management and staff.
- (iii) The Human Rights Commission operates a comprehensive Financial Management and Reporting process. A breakdown of expenditure is submitted to the Department of Justice Equality and Law Reform.
- (iv) The Human Rights Commission has defined authorisation procedures in respect of procurement and payment of creditors. These authorisation limits form part of the Human Rights Commission's statement on internal financial control.
- (v) The procedures for monitoring the effectiveness of the internal financial control system include:
 - A Finance, Risk, Audit and General Purposes Committee that meets regularly and reviews financial performance.
 - The Human Rights Commission's Financial Management System contains inbuilt authorisation controls to ensure that only authorised staff can carry out specific processes.

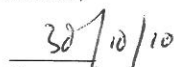
The Human Rights Commission's monitoring and review of the effectiveness of the system of internal control is informed by the work of the members of the Board, the Finance, Risk, Audit and General Purposes Committee and the comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls:

The Human Rights Commission conducted a review of the effectiveness of the system of internal financial controls during 2009.

On behalf of the Human Rights Commission,


Dr. Maurice Manning
President


Date

HUMAN RIGHTS COMMISSION

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements of the Human Rights Commission for the year ended 31 December 2009 under the Human Rights Commission Act 2000.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies and Principles, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes.

Respective Responsibilities of the Members of the Commission and the Comptroller and Auditor General

The Commission is responsible for preparing the financial statements, and for ensuring the regularity of transactions. The Commission prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Commission are set out in the Statement of the Responsibilities of the Human Rights Commission.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Commission's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Commission's affairs at 31 December 2009 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Human Rights Commission. The financial statements are in agreement with the books of account.



Andrew Harkness
For and on behalf of the
Comptroller and Auditor General
3 November 2010

Human Rights Commission

Statement of Accounting Policies and Principles

General

These accounts have been prepared in accordance with Section 16 of the Human Rights Commission Act 2000.

The Financial Statements cover the year from 1 January 2009 to 31 December 2009.

Basis of Accounting

The Financial Statements have been prepared on an accruals basis under the historical cost convention in the format approved by the Minister for Justice Equality and Law Reform, and in accordance with generally accepted accounting practice.

Oireachtas Grants

Grant-in-aid from the Department of Justice, Equality and Law Reform is shown on a cash receipts basis.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives as follows.

Buildings:	4%
Office Furniture:	20%
Fixtures & Fittings	20%

Capital Account

The Capital Account represents the unamortised value of income used to purchase fixed assets.

Pensions

The Commission operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the Department of Justice Equality and Law Reform (DJELR). Pension scheme liabilities are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are refunded to the Department of Finance in accordance with agency financing arrangements. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from DJELR. Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from DJELR.

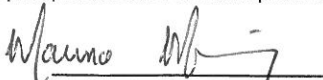
Human Rights Commission

Income & Expenditure Account for the year ended 31 December 2009

	Notes	2009 €	2008 €
INCOME			
Oireachtas Grant Received		1,596,000	2,342,000
Transfer to Capital Account	(9,814)		(25,497)
Amortisation of Grants in year	49,817	40,003	54,514
Net Deferred Funding for Pensions	8 (d)	75,100	57,000
Refunded Employee Contributions to the Dept. of Finance		(36,800)	(35,800)
Rent Received		21,200	7,067
Contribution		0	31,292
Bank Interest Receivable		242	4,312
Total Income for year		1,695,745	2,434,888
EXPENDITURE			
Staff Salaries	1	1,124,986	1,193,551
Commissioner Fees	2	221,563	236,148
Support for the European Group		0	30,749
Joint Committee		1,102	12,486
Pension Costs	8 (a)	38,300	21,200
Research		0	69,195
Conferences		2,712	45,370
Media & Consultancy		0	42,698
Heat and Light		11,068	16,680
Office Requirements		16,421	33,938
Cleaning		4,624	7,213
Premises	3	213,612	343,325
Printing and Publishing		6,083	27,578
IT & Support		28,517	15,748
Library		0	16,125
Telephone		11,161	13,041
Post and Packing		2,147	5,875
Bank Charges		623	576
Insurance		20,289	5,283
General Expenses		4,439	1,786
Training		3,491	7,185
Subsistence		11,161	15,642
Advertising		0	14,072
Legal Fees	10	(11,171)	148,638
Audit Fee		7,849	8,350
Accountant's Fees		10,564	14,981
Depreciation Charge		49,817	54,514
Total Expenditure		1,779,357	2,401,947
Surplus / (Deficit) for the year		(83,613)	32,941
Balance brought forward from prior year		51,357	18,416
Balance carried forward at the end of the year		(32,256)	51,357
Statement of Total Recognised Gains and Losses			
(Deficit) / Surplus for the year		(83,613)	32,941
Actuarial (loss)/gain on Pension Liabilities		(41,900)	18,100
Adjustment to Deferred Pension Funding		41,900	(18,100)
Total Recognised (Loss) / Gain for the year		(83,613)	32,941

The Statement of Accounting policies and principles and notes 1 to 11 form part of these accounts.

Signed:


Dr. Maurice Manning
 President


Eamonn Mac Aodha
 Chief Executive

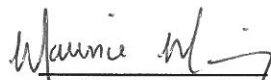
Date: 29, 10/2010


Human Rights Commission
Balance Sheet as at 31 December 2009

		2009 €	2008 €
		_____	_____
Fixed Assets	4	685,923	725,926
 Current Assets			
Cash at Bank and on Hand		411,799	339,564
Debtors	5	1,767	0
		_____	_____
		413,566	339,564
 Current Liabilities			
Creditors & Accruals	6	(445,822)	(288,207)
		_____	_____
Net Current Assets		(32,256)	51,357
Net Assets Before Pensions		_____	_____
		653,667	777,283
Deferred Funding Asset for Pensions	8 (c)	502,000	348,200
Pension Liabilities	8 (b)	(502,000)	(348,200)
		_____	_____
Net Assets		653,667	777,283
 Represented by			
Capital Account	9	685,923	725,926
Income & Expenditure Surplus/(Deficit)		(32,256)	51,357
		_____	_____
		653,667	777,283

The statement of accounting policies and principles and notes 1 to 11 form part of these accounts.

Signed:


Dr. Maurice Manning
 President


Eamonn Mac Aodha
 Chief Executive

Date: 29/10/2010

Human Rights Commission

Notes to the Financial Statements for the Year Ended 31 December 2009

1 Salaries

Under Section 18 of the Human Rights Commission Act 2000 the Commission in determining the remuneration or other allowances shall have regard to Government or nationally agreed guidelines. The Commission shall comply with any directives with regard to such remuneration, allowances, terms or conditions which the Minister may give to the Commission with the consent of the Minister for Finance.

€35,161.69 was deducted from staff by way of pension levy and was paid over to the Department of Justice, Equality and Law Reform.

2 Commissioners Fees

Fees of €17,500 are payable to each of the 14 Commissioners.
A number of Commissioners undertook a voluntary reduction in fees during the year.

The President received salary payments of € 205,433 in 2009. No bonus payments were made to the President. The President received recoupment of travel and subsistence expenses of €1,780.56 in 2009.

The President is not a member of the Human Rights Commission superannuation scheme.

3 Operating Lease

The Human Rights Commission holds a 25 year lease from 8 October 2003, in respect of office accommodation in Jervis House. The annual cost of the lease is €301,383. Following a substantial reduction in the grant-in-aid available to the Commission in 2009, officials from the Department of Justice, Equality and Law Reform met with the landlord and negotiated a deferral of payments to 2012 on an interest free basis. After this meeting the Department made a contribution of circa 142K towards Commission rent and agreed that 25% of the rent for the years 2009, 2010 and 2011 be deferred until 2012 on an interest free basis.

The 2009 deferred amount is included in the accruals figure.

4 Fixed Assets

	Buildings SL Over 25 Yrs	Equipment 20% RB	Fixtures 20% RB	Total
<u>Cost</u>	€	€	€	€
Balance 1st January	726,741	114,848	138,589	980,178
Additions	9,814	0	0	9,814
Disposals	-	-	-	-
Balance 31 December	736,555	114,848	138,589	989,992
<u>Accumulated Depreciation</u>				
Balance 1st January	102,592	71,853	79,807	254,252
Charge for the year	29,462	8,599	11,756	49,817
As at 31 December	132,054	80,452	91,563	304,069
<u>Net Book Value</u>				
Balance 31 December 2009	604,501	34,396	47,026	685,923
Balance 31 December 2008	624,149	42,995	58,782	725,926

Human Rights Commission

Notes to the Financial Statements for the Year Ended 31 December 2009

<u>5</u>	Debtors	<u>2009</u>	<u>2008</u>
		€	€
	Debtors	0	0
	Prepayments	1,767	0
		<u>1,767</u>	<u>0</u>

<u>6</u>	Creditors & Accruals within one year	<u>2009</u>	<u>2008</u>
		€	€
	Trade Creditors - (Purchases due at year end)	3,440	81,952
	IHRC HR Education Project	164,369	0
	PAYE/PRSI	57,343	52,770
	Pension Levy	323	0
	Fees owing to Commission Members	31,712	33,229
	Professional Withholding Tax payable	-	2,104
	Accruals	188,634	118,151
		<u>445,822</u>	<u>288,207</u>

<u>7</u>	IHRC Education Project	<u>2009</u>	<u>2008</u>
		€	€
	Funds Received	175,000	-
	Expenses		
	-Advertising	(10,631)	-
	Balance	<u>164,369</u>	<u>-</u>

The IHRC Human Rights Education project is an IHRC project which Atlantic Philanthropy has agreed to support. €250,000 has been designated by Atlantic Philanthropy for the completion of this project which is due to run until mid 2011.

8 Superannuation

(a) Analysis of total pension costs charged to Expenditure

	<u>2009</u>	<u>2008</u>
	€	€
Current service cost	56,000	41,900
Interest on pension scheme liabilities	19,100	15,100
Settlement	-	-
Employee contribution	(36,800)	(35,800)
Total operating charge	<u>38,300</u>	<u>21,200</u>

(b) Movement in net pension liability during the financial year

	<u>2009</u>	<u>2008</u>
	€	€
Surplus / (Deficit) in Scheme liability at 1 January	(348,200)	(273,500)
Current service cost	(56,000)	(41,900)
Settlement	-	-
Interest cost	(19,100)	(15,100)
Actuarial (loss) / gain recognised in STRGL	(41,900)	18,100
Employee contributions	(36,800)	(35,800)
Net Pension Surplus at 31 December	<u>(502,000)</u>	<u>(348,200)</u>

(c) Deferred Funding for Pensions

The Human Rights Commission recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. While there is no formal agreement regarding these specific amounts with the Department of Finance, the Human Rights Commission has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2009 amounted to €502,000 (2008: €348,200).

Human Rights Commission

Notes to the Financial Statements for the Year Ended 31 December 2009

(d) The Net Deferred funding for Pensions recognised in the Income and Expenditure Account was as follows:

	<u>2009</u>	<u>2008</u>
	€	€
Funding recoverable in respect of current year pension costs	75,100	57,000
	<u>75,100</u>	<u>57,000</u>

(e) General description of the scheme

The Human Rights Commission operates its pension scheme as a 'Pay as You Go' pension arrangement and therefore holds no assets.

The membership as at the balance sheet date consisted of 11 active members and 8 deferred members. Membership and pensionable salary details have been provided by the Scheme administrators. The past service liability for the Scheme as at 31 December 2009 based on final projected salaries is given in the table below.

The main financial assumptions used were:	<u>2009</u>	<u>2008</u>
Discount rate	5.10%	5.50%
Rate of increases in salaries	4.00%	4.00%
Inflation	2.25%	2.00%
Mortality Table	62% of PNML00 70% of PNFL00	62% of PNML00 70% of PNFL00
Improvements	0.39% pa	0.39% pa
Life expectancy Male age 65	21.50	21.50
Life expectancy Female age 65	23.20	23.10

Projected Unit Method as prescribed under FRS17.

Note that the current service cost will rise under this method if the average age of the active members rises.

2 Capital Account	<u>2009</u>	<u>2008</u>
	€	€
Opening Balance	725,926	754,943
Transfer from/(to) Income and Expenditure		
Portion of grant awarded used for capital purposes	9,814	25,497
Amortised in the year in line with asset depreciation	<u>(49,817)</u>	<u>(54,514)</u>
Net movement in year	<u>(40,003)</u>	<u>(29,017)</u>
Closing balance	<u>685,923</u>	<u>725,926</u>

Human Rights Commission

Notes to the Financial Statements for the Year Ended 31 December 2009

<u>10</u>	<u>Legal Fees</u>	<u>2009</u>	<u>2008</u>
	Enquires	0	10,000
	Amicus Curiae	132	95,186
	Legal Assistance	(16,191)	109,805
	Legal Fees General	4,888	11,589
	Legal Fees Refunded	0	(77,942)
		<u>(11,171)</u>	<u>148,638</u>

11 **Going Concern**


The Commission receives most of its funding from moneys voted by Dáil Eireann. It has no evidence that the current funding policy will change.

Therefore, despite the accumulated deficit and its commitments in relation to rent, the Commission believes that it is appropriate to continue to prepare financial statements on a going concern basis.

12 **Approval**

The financial statements were approved by the Commission on 29/10/10 and signed on its behalf by:

Signed:


Dr. Maurice Manning
President


Eamonn Mac Aodha
Chief Executive