

**HUMAN RIGHTS COMMISSION**

**FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31 DECEMBER 2012**

## **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:

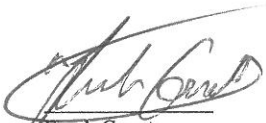
- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- disclose and explain any material departures from applicable accounting standards
- prepare financial statements on a going concern basis unless it is inappropriate to presume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

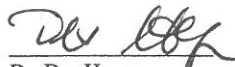
It is also responsible for safeguarding the assets of the Human Rights Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

An interim Commission comprising of four members (the President and three other members) was appointed on 22 December 2011. The term of Office for the three members of the interim Commission expired on 31 May 2012 and the fourth member (the President) on 31 July 2012. There were no members of the Commission from 1 August 2012 until the current fourteen members were appointed on 16 April 2013. While the current members were not in office during the reporting year to 31 December 2012 on the basis that nothing has been brought to their attention that would have given them reason not to sign, the Commission approved the signing of this statement and the financial statements for the year ended 31 December 2012 on 28/5/2014.

On behalf of the Commission,

  
Frank Conaty  
Commissioner

28/5/2014  
Date

  
Dr. Des Hogan  
Acting Chief Executive

28/5/14  
Date

## 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. There was no internal audit function in 2012.

#### 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.

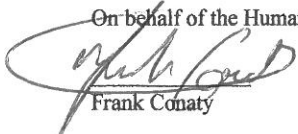
While there was no Commission in place between the expiry of the term of the interim Commission on 31 May 2012 and appointment of new Commission on 16 April 2013, the Finance, Risk, Audit and General Purposes Committee (which comprised the Acting Chair and the 3 interim Commissioners) continued to meet throughout 2012

The fourteen Commissioners currently in office were appointed on 16 April 2013 and were not consequently in office during the reporting year to 31 December 2012. The Commission have approved the signing of this statement for and on behalf of the Commission members who were in office during the reporting year ended 31 December 2012 on the basis that nothing has been brought to their attention that would have given them reason not to sign.

#### Annual Review of Controls:

The Human Rights Commission conducted a review of the effectiveness of the system of internal financial controls in respect of 2012.

On behalf of the Human Rights Commission,

  
Frank Conaty

28/5/2014  
Date



## Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

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#### Human Rights Commission

I have audited the financial statements of the Human Rights Commission for the year ended 31 December 2012 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. The financial statements have been prepared under Section 16 of the Act, and in accordance with generally accepted accounting practice in Ireland.

#### Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Human Rights Commission's affairs and of its income and expenditure, 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 Commission'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.

#### Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Commission's affairs at 31 December 2012 and of its income and expenditure for 2012.

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

#### 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
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- I find 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.

**Patricia Sheehan**  
For and on behalf of  
Comptroller and Auditor General

30 June 2014

# **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 2012 to 31 December 2012.

### **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 and Equality and in accordance with generally accepted accounting practice.

### **Oireachtas Grants**

Grant-in-aid from the Department of Justice and Equality is shown on a cash receipts basis except for grants for specific purposes.

### **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.

Leasehold Improvements:	4% (over the term of the lease)
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 and Equality(DJE). 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 Public Expenditure and Reform 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 DJE. 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 DJE.

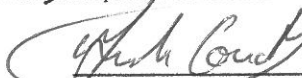
## Human Rights Commission

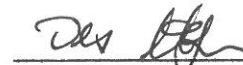
### Income & Expenditure Account for the year ended 31 December 2012

	Notes	2012 €	2011 €
<b>INCOME</b>			
Department of Justice & Equality (Vote 24. Subhead B4)		1,425,000	1,462,748
Department of Foreign Affairs (Irish Aid)		100,000	100,000
World Bank Project		22,464	0
IHRC Education & Training Project	9	152,284	144,582
IHRC Universal Periodic Review Project	10	6,779	36,222
Transfer to Capital Account		0	0
Amortisation of Grants in year		40,170	42,394
Net Deferred Funding for Pension	11 (d)	113,800	100,100
Refunded E'ee Conts. to the Dept. of Public Exp. & Reform		(31,800)	(32,500)
Rent Received		27,665	30,180
Bank Interest Receivable		0	146
<b>Total Income for year</b>		<b>1,856,362</b>	<b>1,883,872</b>
<b>EXPENDITURE</b>			
Staff Salaries	3	662,276	914,464
Commissioner Fees and Expenses	4	6,229	146,584
IHRC Education & Training Project	9	152,284	144,582
IHRC Universal Periodic Review Project	10	6,779	36,222
Support for the European Group		0	(540)
Joint Committee		0	201
Pension Costs	11 (a)	82,000	67,600
Irish Aid Project		75,917	34,280
World Bank Project		13,485	0
Conferences		7,092	8,299
Media & Consultancy		2,299	1,815
Heat and Light		11,811	17,527
Office Requirements		29,950	28,905
Cleaning		5,162	4,794
Premises	6	135,365	363,542
Printing and Publishing		9,113	9,136
IT & Support		12,328	12,949
Library		2,097	68
Telephone		11,316	11,364
Post and Packing		1,507	1,647
Bank Charges		568	663
Insurance		21,167	17,313
General Expenses		4,838	5,332
Training		5,546	6,685
Subsistence		12,606	18,340
Advertising		0	1,200
Legal Fees	13	(5,925)	4,774
Audit Fee		7,000	7,000
Accountant's Fees		9,124	11,547
Depreciation Charge		40,170	42,394
<b>Total Expenditure</b>		<b>1,322,103</b>	<b>1,918,687</b>
Surplus / (Deficit) for the year		534,259	(34,815)
Balance brought forward from prior year		(137,312)	(102,497)
<b>Balance carried forward at the end of the year</b>		<b>396,947</b>	<b>(137,312)</b>
<b>Statement of Total Recognised Gains and Losses</b>			
(Deficit) / Surplus for the year		534,259	(34,815)
Actuarial Loss/(gain) on Pension Liabilities		309,800	50,600
Adjustment to Deferred Pension Funding		(309,800)	(50,600)
<b>Total Recognised (Loss) / Gain for the year</b>		<b>534,259</b>	<b>(34,815)</b>

The Statement of Accounting policies and principles and notes 1 to 13 form part of these accounts.

Signed:

  
 Frank Conaty  
 Commissioner

  
 Dr. Des Hogan  
 Acting Chief Executive

Date: 29/12/2014

**Human Rights Commission**  
**Balance Sheet as at 31 December 2012**

		2012 €	2011 €
		<hr/>	<hr/>
<b>Fixed Assets</b>	<b>5</b>	557,136	597,306
 <b>Current Assets</b>			
Cash at Bank and on Hand		880,879	447,482
Debtors	7	13,593	8,960
		<hr/>	<hr/>
		894,472	456,442
 <b>Current Liabilities</b>			
Creditors & Accruals	8	(497,524)	(593,753)
		<hr/>	<hr/>
<b>Net Current Assets/(Liabilities)</b>		396,948	(137,311)
<b>Net Assets Before Pensions</b>		<hr/> <hr/>	<hr/> <hr/>
		954,084	459,995
Deferred Funding Asset for Pensions	11 (c)	1,045,000	621,400
Pension Liabilities	11 (b)	(1,045,000)	(621,400)
		<hr/>	<hr/>
<b>Net Assets</b>		<hr/> <hr/>	<hr/> <hr/>
		954,084	459,995
 <b>Represented by</b>			
Capital Account	12	557,136	597,306
Income & Expenditure Surplus/(Deficit)		396,947	(137,311)
		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>
		954,083	459,995

The fourteen Commissioners currently in office were appointed on 16 April 2013 and were not consequently in office during the reporting year to 31 December 2012. The Commission have approved the signing of this Balance Sheet for and on behalf of the Commission members who were in office during the reporting year ended 31 December 2012 on the basis that nothing has been brought to their attention that would have given them reason not to sign.

The statement of accounting policies and principles and notes 1 to 15 form part of these accounts.

Signed:

  
**Frank Conaty**  
 Commissioner

  
**Dr. Des Hogan**  
 Acting Chief Executive

Date: 29/12 2014



## Human Rights Commission

### Notes to the Financial Statements for the Year Ended 31 December 2012

#### 1 Merger

On 9 September 2011, the Government announced an agreement in principle to merge the Irish Human Rights Commission and the Equality Authority into a new Human Rights and Equality Commission.

As it is anticipated that the assets, liabilities and functions of the Commission will transfer into the new agency, it is considered appropriate to continue to prepare accounts on a going concern basis.

In April 2013, the Minister appointed 14 members designate to the Irish Human Rights and Equality Commission.

#### 2 Going Concern

Please see note 1 above. The IHRC assumes that all existing activities will continue to be carried out by the new Commission with its assets and liabilities likely to be transferred to it. In the circumstances, it does not believe that any adjustment is needed to the financial statements to reflect any possible restructuring and it has prepared these accounts on a going concern basis.

In April 2013, the Minister for Justice and Equality appointed 14 members to the board (designate) of the Irish Human Rights and Equality Commission (IHREC) who would also serve as members of the IHRC in the period prior to the establishment of the IHREC.

#### 3 Staff 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 DJE may give to the Commission with the consent of the Minister for Finance.

€34,964 was deducted from staff by way of pension levy during 2012 and was paid over to the Department of Justice and Equality.

#### 4 Commissioners Fees and Expenses

The Presidents term of office ended on 31 July 2012 and he received salary payments of € 119,754.11 in 2012. The President received recoupment of travel and subsistence expenses of €144.85 in 2012. The President is not a member of the Human Rights Commission superannuation scheme.

The previous Chief Executive of the IHRC left on 30 January 2012 and received total remuneration of €16,701 for the period and did not receive any bonus. A current IHRC staff member at Principal Officer level was appointed Acting Chief Executive, for which he did not receive any additional allowance for the Acting Chief Executive position. The Acting Chief Executive did not receive any bonus payments.

The previous Chief Executive was on secondment from the Department of Foreign Affairs and a member of DFA superannuation scheme. The Acting Chief Executive is a member of the Irish Human Rights Commission superannuation scheme.

The previous Chief Executive recouped €29.15 in expenses during the year. The Acting Chief Executive recouped €4,958.04. This figure includes travel bookings made for other staff and interns/placements.

The following fees were paid to Commission members in 2012:

Conleth Bradley	-
Roger Sweetman	€3,462
Helen O'Neill	€3,462

No expenses were paid to Commission members in 2012.

5 Fixed Assets	Leasehold	Equipment	Fixtures	Total
	Improvements SL Over 25 Yrs	20% RB	20% RB	
Cost	€	€	€	€
Balance 1st January	736,555	105,809	138,589	980,953
Additions	-	-	-	0
Disposals	-	-	-	0
<b>Balance 31 December</b>	<b>736,555</b>	<b>105,809</b>	<b>138,589</b>	<b>980,953</b>
Accumulated Depreciation				
Balance 1st January	190,978	86,294	106,375	383,647
Charge for the year	29,822	2,212	8,136	40,170
Acc Depr on Disposal	-	-	-	0
<b>As at 31 December</b>	<b>220,800</b>	<b>88,506</b>	<b>114,511</b>	<b>423,817</b>
Net Book Value				
Balance 31 December 2012	515,755	17,303	24,078	557,136
Balance 31 December 2011	545,577	19,515	32,214	597,306

## Human Rights Commission

### Notes to the Financial Statements for the Year Ended 31 December 2012

#### 6 Premises

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 to the period 2012, officials from the Department of Justice, Equality and Law Reform met with the landlord and negotiated a 25% deferral of payments to 2012 on an interest free basis. A full and final settlement was agreed with the landlord in November 2013 on all outstanding rental liabilities and an amount of €189,993 is included in the accruals figures.

7 Debtors	2012	2011
	€	€
Prepayments	13,593	8,960
	<u>13,593</u>	<u>8,960</u>

8 Creditors & Accruals within one year	2012	2011
	€	€
Trade Creditors	6,327	14,041
IHRC HR Education & Training Project	211,740	189,024
IHRC Universal Periodic Review Project	8,874	15,652
PAYE/PRSI	10,290	25,909
Pension Levy	2,158	4,091
Fees owing to Commission Members	0	695
Professional Withholding Tax payable	5,073	2,894
Accruals	223,062	311,447
Deferred income	30,000	30,000
	<u>497,524</u>	<u>593,753</u>

9 IHRC Education & Training Project	2012	2011
	€	€
Opening Balance	189,024	133,606
Funds Received	175,000	200,000
Expenses	(152,284)	(144,582)
Balance	<u>211,740</u>	<u>189,024</u>

The IHRC Human Rights Education & Training project is an IHRC project which Atlantic Philanthropy has agreed to support. €250,000 has been designated by Atlantic Philanthropy for the completion of Phase I of this project. This project is now in Phase II which is due to run until the end of 2013.

10 IHRC Universal Periodic Review Project	2012	2011
	€	€
Opening Balance	15,652	51,874
Funds Received	-	-
Expenses	(6,779)	(36,222)
Balance	<u>8,873</u>	<u>15,652</u>

The IHRC Universal Periodic Review Project is an IHRC project which Atlantic Philanthropy has agreed to support. €68,000 has been designated by Atlantic Philanthropy in 2011. The majority of the project was due for completion in 2011 with some follow up reviews in 2012 and 2013.

## Human Rights Commission

### Notes to the Financial Statements for the Year Ended 31 December 2012

#### 11 Superannuation

##### (a) Analysis of total pension costs charged to Expenditure

	<u>2012</u>	<u>2011</u>
	€	€
Current service cost	85,800	77,100
Interest on pension scheme liabilities	28,000	23,000
Settlement	-	-
Employee pension contributions refunded to Department	(31,800)	(32,500)
Total operating charge	<u>82,000</u>	<u>67,600</u>

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

	<u>2012</u>	<u>2011</u>
	€	€
Surplus / (Deficit) in Scheme liability at 1 January	(621,400)	(470,700)
Current service cost	(85,800)	(77,100)
Settlement	-	-
Interest cost	(28,000)	(23,000)
Actuarial (loss) / gain recognised in STRGL	(309,800)	(50,600)
Net Pension Surplus/(Deficit) at 31 December	<u>(1,045,000)</u>	<u>(621,400)</u>

##### (c) General Description of the Scheme and 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 below 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 Public Expenditure and Reform, 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 2012 amounted to €1,045,000. (2011: €621,400).

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.

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

	<u>2012</u>	<u>2011</u>
	€	€
Funding recoverable in respect of current year pension costs	113,800	100,100
	<u>113,800</u>	<u>100,100</u>

**Human Rights Commission**  
**Notes to the Financial Statements for the Year Ended 31 December 2012**

(e) The main financial assumptions used were:

	2012	2011
Discount rate	3.50%	4.50%
Rate of increases in salaries	3.20%	3.10%
Inflation	2.20%	2.10%
State Pension Increases	2.20%	2.10%
Mortality Table	62% of PNM100 70% of PNF100	62% of PNM100 70% of PNF100
Improvements	0.39% pa	0.39% pa
Life expectancy Male age 65	21.80	21.70
Life expectancy Female age 65	23.50	23.40

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.

(f) Implications of merger on pension schemes.

Please see note 1 above. Human Rights Commission staff transferring to IHREC will become civil servants of the State and in this regard the Department of Justice provided assurances in 2014 that their pensions, as they arise for payment, will be paid from the Vote for Superannuation via the Pay Master General's office.

The Department of Justice also advised that confirmation had been received from the Department of Public Expenditure and Reform that service with the Human Rights Commission will reckon for civil service pension purposes and pensions due in the future to any former Human Rights Commission staff will also be paid from the Superannuation Vote.

A FRS17 report on pensions liability was available for 31 December 2013 which is summarised in the below table.

Balance sheet asset/(liability) at 31 December 2012	(€1,045,000)
Pension (cost)/gain in profit and loss	(€113,800)
Gain/(loss) recognised in the STRGL outside profit and loss	€251,100
Company contributions	€0
Balance sheet asset/(liability) at 31 December 2013	(€907,700)

	2012	2011
12 Capital Account		
	€	€
Opening Balance	597,306	639,700
Transfers from/(to) Income and Expenditure		
Portion of grant awarded used for capital purposes	0	0
Amortised in the year in line with asset depreciation	(40,170)	(42,394)
Net movement in year	(40,170)	(42,394)
Closing balance	557,136	597,306
13 Legal Fees		
	€	€
Legal Assistance	(9,000)	0
Legal Fees General	3,075	4,774
	(5,925)	4,774

14 Disclosure of Interests

The Human Rights Commission has adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interests by Board members and these procedures have been adhered to by the Board members of the Human Rights Commission during the year.

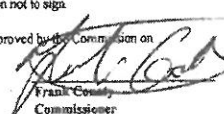
There were no transactions in the year in relation to the Commission's activities in which the Commissioners had any beneficial interest.


15 Approval

The fourteen Commissioners currently in office were appointed on 16 April 2013 and were not consequently in office during the reporting year to 31 December 2012. The Commission have approved the signing of these Financial Statements for and on behalf of the Commission members who were in office during the reporting year ended 31 December 2012 on the basis that nothing has been brought to their attention that would have given them reason not to sign.

The financial statements were approved by the Commission on

Signed:

 28/1/14  
 Frank Conboy  
 Commissioner

  
 Dr. Des Hegarty  
 Acting Chief Executive