

Education Finance Board  
An Bord Airgeadais Oideachais



**EDUCATION**  
(FORMER RESIDENTS OF CERTAIN INSTITUTIONS FOR CHILDREN)  
**FINANCE BOARD**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

EDUCATION (FORMER RESIDENTS OF CERTAIN INSTITUTIONS FOR CHILDREN)  
FINANCE BOARD

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

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FINANCE BOARD

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

INFORMATION

<b>Address</b>	3rd Floor Frederick Court 24/27 North Frederick Street Dublin 1
<b>Members of the Board</b>	Richard Langford (Chairperson) Michael O'Brien (Deputy Chairperson from 17 June 2009) Brian Mooney (Deputy Chairperson until 17 June 2009) John Brennan Jacinta Stewart Chris Heaphy Bernadette Fahy Peter Ormond Patrick Walsh
<b>Accountants</b>	Crowleys DFK 16/17 College Green Dublin 2
<b>Auditors</b>	Comptroller and Auditor General Treasury Block Dublin Castle Dublin 2

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STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Education (Former Residents of Certain Institutions for Children) Finance Board was established on 17 February 2006 under Section 23 of the Commission to inquire into Child Abuse (Amendment) Act 2005.

The principal functions of the Board laid down in the 2005 Act are

- a) To pay grants to former residents in institutions and their relatives to assist the former residents or relatives to avail of such educational services as the Board may determine.
- b) To determine and publish the criteria by reference to which it will make decisions on applications to the Board for the payment of such grants.
- c) To make available to former residents and their relatives information in relation to the educational services in respect of which such grants are payable.

Section 31(1) of the Act requires the Board to prepare financial statements 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 Finance.

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

The Board is responsible for the keeping of 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



Chairperson

Date: 18/11/2010



Board Member

Date: 18/11/10

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STATEMENT ON INTERNAL FINANCIAL CONTROL

**Responsibility for the system of Internal Financial Control**

On behalf of the Education Finance 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 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**

Prior to the establishment of the Board on 17 February 2006, an ad hoc scheme had been in place for the payments of grants to former residents. On establishment and for the period to 31 December 2006, the Board continued with arrangements already in place whereby the processing of approved payments was carried out under an agency agreement with the City of Dublin Vocational Educational Committee (CDVEC). This arrangement has been further refined and formalised in the Service Agreement of 30 May 2007 between the Board and CDVEC.

In accordance with the provisions of the Commission to Inquire into Child Abuse (Amendment) Act, 2005 an investment account was established by the National Treasury Management Agency. 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. In addition the Board has established a Finance Committee.

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


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 Finance Committee of the management accounts, carefully monitors on a regular basis expenditure patterns and any issues arising.

Following on the 2009 review of the system of internal financial control the Board has decided that the Finance Committee will incorporate in its role that of an Audit Committee. The composition and operation of that Committee complies with the relevant provisions of the 2009 Code of Practice for the Governance of State Bodies.

**Annual Review of Controls**

There was a review of the effectiveness of the system of internal financial control carried out in 2009.

On behalf of the Board

  
\_\_\_\_\_  
Chairperson

Date: 18/11/2010

**EDUCATION (FORMER RESIDENTS OF CERTAIN INSTITUTIONS FOR CHILDREN)  
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**Report of the Comptroller and Auditor General for presentation to the  
Houses of the Oireachtas**

I have audited the financial statements of the Education (Former Residents of Certain Institutions for Children) Finance Board for the year ended 31 December 2009 under the Commission to Inquire into Child Abuse (Amendment) Act 2005.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Fund Account, the Balance Sheet and the related notes.

**Respective Responsibilities of the Board and the Comptroller and Auditor General**

The Board is responsible for preparing the financial statements in accordance with the Commission to Inquire into Child Abuse (Amendment) Act 2005 and for ensuring the regularity of transactions. The Board prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Board are set out in the Statement of Responsibilities of the Board.

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 Board'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.

## **Basis of Audit Opinion**

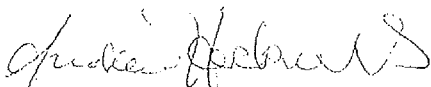
In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies 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 Board'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 Board's affairs at 31 December 2009 and the transactions of the Board for the year then ended.

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



**Andrew Harkness**

**For and on behalf of the**

**Comptroller and Auditor General**

**23 November 2010**

EDUCATION (FORMER RESIDENTS OF CERTAIN INSTITUTIONS FOR CHILDREN)  
FINANCE BOARD

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

ACCOUNTING POLICIES

**Basis of accounting**

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

**Grant expenditure**

Grants to enable former residents or their relatives to avail of educational services are charged in the year in which the claims have been approved for payment by the Board.

**Fixed assets**

All capital purchases are expensed in the year of acquisition rather than depreciated over their useful life as the resulting difference between the accounting treatments is not considered to be material.

**Foreign currencies**

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

**Pensions**

In the case of any staff seconded from City of Dublin Vocational Education Committee (CDVEC), the cost of their employment, including charges for employer's PRSI and pension costs, is recouped by the Education Finance Board to CDVEC. All pension entitlements of such staff are conferred under a defined benefit scheme established under the Local Government (Superannuation) Act 1980.

The Education Finance Board does not operate any superannuation schemes and therefore has no obligation in respect of pension entitlements beyond the amounts recouped to CDVEC.



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FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 €	2008 €
Opening Balance	1	7,352,915	8,883,629
<b>Expenditure</b>			
Grants	4	1,811,352	1,600,564
Administration costs	5	237,919	240,256
		2,049,271	1,840,820
<b>Investment Return</b>			
Interest Earned		45,146	310,106
<b>Decrease in fund during the period</b>		2,004,125	1,530,714
<b>Closing balance</b>		5,348,790	7,352,915

The Board had no gains or losses other than dealt with in the Fund Account account.


The Statement of Accounting Policies and Notes 1 to 9 form part of these Financial Statements.

On behalf of the Board

  
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Chairperson

Date: 2/11/2010

  
\_\_\_\_\_

Board Member

Date: 16/11/10


EDUCATION (FORMER RESIDENTS OF CERTAIN INSTITUTIONS FOR CHILDREN)  
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BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009		2008	
		€	€	€	€
<b>Current Assets</b>					
NTMA Investment Account	3	4,951,142		6,855,421	
Debtors and prepayments	6	<u>475,821</u>	5,426,963	<u>576,794</u>	7,432,215
<b>Creditors (amounts due within one year)</b>					
Grants			60,188		66,500
Administrative expenditure			17,985		12,800
<b>Net Assets</b>			<u><u>5,348,790</u></u>		<u><u>7,352,915</u></u>
<b>Represented by</b>					
Fund account			<u>5,348,790</u>		<u>7,352,915</u>
			<u><u>5,348,790</u></u>		<u><u>7,352,915</u></u>

The Statement of Accounting Policies and Notes 1 to 9 form part of these Financial Statements.

On behalf of the Board

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Board Member

Date: 18/11/2010

Date:

**EDUCATION (FORMER RESIDENTS OF CERTAIN INSTITUTIONS FOR CHILDREN)  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**1 Investment Fund**

Section 26 of the Commission to Enquire into Child Abuse (Amendment) Act 2005 provides for the payment of a specified amount into an investment account managed by the National Treasury Management Agency (NTMA). Amounts were transferred by the Minister for Finance to the NTMA prior to the establishment of the board. At 17 February 2006 (the establishment date) the Fund had an opening balance of € 11,091,063. This comprised the original contribution from the Religious Congregations of € 12,700,000 together with accrued interest of € 876,055 less expenditure of € 2,484,992 incurred under an ad hoc scheme which operated from 2003 prior to the establishment of the board. The balance available at 31 December 2009 arose as follows.

	2009 €	2008 €
Fund opening balance at 1 January	7,352,915	8,883,629
Total expenditure for the year	(2,049,271)	(1,840,820)
Interest earned for the year	45,146	310,106
Fund closing balance at 31 December	<u>5,348,790</u>	<u>7,352,915</u>

**2 Drawdown from Investment Account**

The NTMA transfers funds from the Investment Account to City of Dublin VEC (CDVEC) on the instructions of the Board when amounts are due for payment. The payments are processed by CDVEC, who do not charge a fee for this service. Any balances with CDVEC (note 6) represent unspent drawdowns from the investment account.

**3 NTMA Investment Account**

Section 26(3) of the Commission to Inquire into Child Abuse (Amendment) Act 2005 provides that the NTMA shall establish an investment account into which the amount paid under section 26(1) shall be deposited. The balance represents the amount held on deposit, including interest accrued to 31 December 2009.

**4 Grants payments**

	2009 €	2008 €
Tuition Fees	1,128,838	1,021,554
Course assistance	682,514	579,010
	<u>1,811,352</u>	<u>1,600,564</u>

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<b>5 Administration costs</b>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Salaries and wages	177,209	173,204
Telephone, printing, postage and stationery	18,105	17,551
Travel and subsistence - Staff	71	179
Travel and subsistence - Board members	4,644	12,752
Reprographics	2,055	1,671
Prompt payment interest	7	29
Information technology	2,180	1,096
Conference costs	2,728	617
Professional fees	-	705
Maintenance	4,215	3,016
Promotion material	2,399	3,659
Accounting services	18,299	14,302
Audit fee	5,170	5,500
Other expenses	588	270
Office equipment purchases		
Office furniture	249	700
Office computer equipment	-	745
IT network and systems	-	4,260
	<b>237,919</b>	<b>240,256</b>

The average number of persons employed by the Board during the period was 4 (2008:4).

<b>6 Debtors and prepayments</b>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Amount due from Department of Education and Science	13,010	13,010
Amounts held with City of Dublin VEC (Note 2)	459,747	563,784
Prepayments	3,064	-
	<b>475,821</b>	<b>576,794</b>

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7 **Commitments**

The Board has set overall limits in its current criteria on the amounts it may pay to a former resident and/or their relatives. Grants approved by the Board are in respect of the tuition fees and educational assistance of the current academic year, provided they are within these limits. While grants are approved in each case only for the current year, where a person has embarked on a course of study which will take place over a number of years, it is the Board's policy to estimate the costs to completion to the course and to reserve the amount of these future costs or the balance of the person's overall grant limit, whichever is the lower. Under this approach the estimated amount to be reserved in respect of tuition fees and educational assistance is as follows:

**Grants**

Educational Assistance	€
Tuition Fees	680,162
	553,147
	<u>1,233,309</u>

8 **Board Members - Disclosure of Transactions**

The Board have adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by board members and these procedures have been adhered to during the year.

9 **Approval of financial statements**

The financial statements were approved by the Board at its meeting on 18/4/2010

