

**Oifig Choimisinéir na dTeangacha
Oifigiúla**

FINANCIAL STATEMENTS

for the year ended

31 December 2015

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Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Oifig Choimisinéir na dTeangacha Oifigiúla

I have audited the financial statements of Oifig Choimisinéir na dTeangacha Oifigiúla for the year ended 31 December 2015 under the Official Languages Act 2003. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed in the Second Schedule of the Act and in accordance with generally accepted accounting practice.

Responsibilities of the Commissioner

The Commissioner is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and 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 circumstances of Oifig Choimisinéir na dTeangacha Oifigiúla, 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 the financial transactions in the course of audit.

Opinion on the Financial Statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of Oifig Choimisinéir na dTeangacha Oifigiúla at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice

In my opinion, the accounting records of Oifig Choimisinéir na dTeangacha Oifigiúla were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on Which I am Required to Report by Exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- 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 Oifig Choimisinéir na dTeangacha Oifigiúla was in compliance with the Code of Practice for the Governance of State Bodies, or
- 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 the
Comptroller and Auditor General**

November 2016

Oifig Choimisinéir na dTeangacha Oifigiúla

Statement on Internal Financial Controls

Responsibility for the System of Internal Financial Controls

Oifig Choimisinéir na dTeangacha Oifigiúla is a small office in one unit. Oifig Choimisinéir na dTeangacha Oifigiúla has sanction for seven staff – An Coimisinéir Teanga and six civil servants. As An Coimisinéir Teanga I have responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide 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 period.

The Office's salaries are administered by the Payroll Shared Service Centre (PSSC) and I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Office.

The staff of this Office and I have taken steps to ensure that an effective system is in place, by implementing a system of internal control based on information being supplied to management, administrative procedures including segregation of duties, and a system of delegation and responsibility.

This includes:

- Annual and quarterly estimates which specify the supply needed for the coming period.
- Regular reporting to the Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs including reports on expenditure when a drawdown of funds to our current account is required. Comparisons are made at this time between estimated and actual expenditure.

Internal audit services are provided on a contract basis by a qualified accountant. An internal audit took place during 2015. This Office has also put in place an Audit Committee, consisting of a member of staff and two external members.

I confirm that the Office's system of internal financial controls were reviewed during the year 2015.

Rónán Ó Domhnaill
An Coimisinéir Teanga

Oifig Choimisinéir na dTeangacha Oifigiúla

Statement of Responsibilities of An Coimisinéir Teanga

Oifig Choimisinéir na dTeangacha Oifigiúla was established under the Official Languages Act 2003.

Under paragraph 8(1) of the Second Schedule of the Official Languages Act 2003, An Coimisinéir Teanga is obliged to keep, in such form as may be approved of by the Minister for Arts, Heritage, Regional, Rural & Gaeltacht Affairs, all proper and usual accounts of all moneys received or expended by him or her and all such special accounts (if any) as the Minister may direct.

In preparing those financial statements, An Coimisinéir Teanga is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to do so;
- Disclose and explain any material departures from applicable accounting standards.

An Coimisinéir Teanga is responsible for the keeping of adequate accounting records which disclose with reasonable accuracy the financial position of the Office. An Coimisinéir Teanga is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Rónán Ó Domhnaill
An Coimisinéir Teanga

Date

Oifig Choimisinéir na dTeangacha Oifigiúla

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

For the year ended 31 December 2015

	Note	2015	2014
		€	€
Income			
Oireachtas Grant	2	669,048	566,389
Other Income	7	33,826	0
Transfer from/(to) the Capital Account		<u>(1,036)</u>	<u>1,366</u>
		701,838	567,755
Expenditure			
Salaries and Allowances	5	480,072	386,459
Travel Expenses		27,653	19,674
Depreciation	3	9,782	10,603
Stationery		5,683	3,183
Postage & Phone		7,864	7,425
Heat, Light & Rent	6	88,202	89,987
Legal & Professional		12,779	28,140
Audit Fee		2,500	1,840
Accounting Fees		4,529	841
Advertising		4,532	3,437
Publications, Publicity & Events		16,846	9,456
Miscellaneous		<u>16,295</u>	<u>4,614</u>
		676,737	565,659
Surplus / (Deficit) for the year		25,101	2,096
Balance Brought Forward at 1 January		23,133	21,037
Balance Carried Forward at 31 December		<u>48,234</u>	<u>23,133</u>

All income and expenditure for the year relates to continuing activities at 31 December 2015. The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and Notes 1 to 8 form part of these financial statements.

An Coimisinéir Teanga:

Rónán Ó Domhnaill

Date:

Oifig Choimisinéir na dTeangacha Oifigiúla

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2015

	Note	2015	2014
		€	€
Fixed Assets			
Property, plant & equipment	3	20,286	19,250
Current Assets			
Cash and cash equivalents		10,468	8,630
Debtors		33,826	0
Prepayments		<u>16,041</u>	<u>22,977</u>
		60,335	31,607
Current Liabilities (amounts falling due within one year)			
Accruals		(8,976)	(4,379)
Deferred Income	8	(2,000)	0
Payables		<u>(1,125)</u>	<u>(4,095)</u>
		(12,101)	(8,474)
Net Current Assets		48,234	23,133
Total Net Assets		<u>68,520</u>	<u>42,383</u>
Representing			
Capital Account	4	20,286	19,250
Retained revenue reserves		<u>48,234</u>	<u>23,133</u>
		<u>68,520</u>	<u>42,383</u>

The Statement of Cash Flows and Notes 1 to 8 form part of these financial statements.

An Coimisinéir Teanga:

Rónán Ó Domhnaill

Date:

Oifig Choimisinéir na dTeangacha Oifigiúla

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	2015	2014
	€	€
Cash Flows from Operating Activities		
Excess Income over expenditure	25,101	2,096
Transfer from / (to) the Capital Account	1,036	(1,366)
Depreciation	9,782	10,603
(Increase) / decrease in prepayments	6,935	(5,833)
(Increase) / decrease in debtors	(33,826)	0
Increase / (decrease) in payables	(2,970)	3,483
Increase / (decrease) in deferred income	2,000	0
Increase / (decrease) in accruals	4,597	(1,195)
Net Cash Inflow from Operating Activities	<u>12,655</u>	<u>7,788</u>
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	<u>(10,817)</u>	<u>(9,237)</u>
Net Cash Flows from Investing Activities	<u>(10,817)</u>	<u>(9,237)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>1,838</u>	<u>(1,449)</u>
Cash and cash equivalents at 1 January	<u>8,630</u>	<u>10,079</u>
Cash and cash equivalents at 31 December	<u>10,468</u>	<u>8,630</u>

Oifig Choimisinéir na dTeangacha Oifigiúla

Notes to the Financial Statements

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by Oifig Choimisinéir na dTeangacha Oifigiúla are set out below. They have all been applied consistently throughout the year and for the preceding year.

a) General Information

Oifig Choimisinéir na dTeangacha Oifigiúla was established under the Official Languages Act 2003 with a head office at An Spidéal, Gaillimh. Rónán Ó Domhnaill was appointed as the second Coimisinéir Teanga on 12 March 2014 succeeding Seán Ó Cuirreáin who stepped down from the position on 23 February 2014.

The functions of An Coimisinéir Teanga are set out in Section 21 of the Act and include

- monitoring compliance with the Act
- carrying out investigations into any failure by a public body to comply with the provisions of the Act
- providing advice to the public regarding their rights under the Act
- providing advice to public bodies regarding their obligations under the Act
- carrying out investigations to ascertain whether any provision of any other enactment relating to the status or use of an official language was not complied with

b) Statement of Compliance

The financial statements of Oifig Choimisinéir na dTeangacha Oifigiúla for the year ended 31 December 2015 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. These are Oifig Choimisinéir na dTeangacha Oifigiúla's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014

The transition to FRS 102 has not affected its reported financial position or financial performance

c) Basis of Preparation

The financial statements have been prepared under the historical cost convention. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Oifig Choimisinéir na dTeangacha Oifigiúla's financial statements.

d) Revenue

Oireachtas Grants

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis.

Other Revenue

Other revenue is recognised on an accruals basis.

e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

- (i) Furniture, Fixtures and Fittings 10% per annum
- (ii) Computers and Office Equipment 20% 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.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

f) Pensions

The current Coimisinéir Teanga is a member of the Single Public Service Pension Scheme. The relevant pension contributions are remitted to the Department of Public Expenditure and Reform. The staff of the Office of An Coimisinéir Teanga are civil servants. Their payroll is administered by the Department and liability in relation to their pensions rests with the Department.

A defined benefit scheme was established in 2009 for the first Coimisinéir Teanga in accordance with the Official Languages Act 2003. Liabilities under the scheme fall to be paid by the Department.

g) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position 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. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation and Residual Values

The asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings have been reviewed, and it has been concluded that asset lives and residual values are appropriate.

Provisions

Oifig Choimisinéir na dTeangacha Oifigiúla makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

2. Oireachtas Grant

The Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs made the following funds available to Oifig Choimisinéir na dTeangacha Oifigiúla in the period

	2015	2014
	€	€
Grant to Oifig Choimisinéir na dTeangacha Oifigiúla	166,500	160,800
Payments made on behalf of Oifig Choimisinéir na dTeangacha Oifigiúla	<u>502,548</u>	<u>405,589</u>
	669,048	566,389

3. Fixed Assets

	Fixtures & Fittings	Computer & Office Equipment	Total
	€	€	€
Cost			
Opening Balance 1 January 2015	158,560	115,333	273,893
Additions in 2015	0	10,818	10,818
Disposals in 2015	<u>0</u>	<u>(12,470)</u>	<u>(12,470)</u>
Closing Balance 31 December 2015	158,560	113,681	272,241
Depreciation			
Opening Balance 1 January 2015	149,366	105,277	254,643
Charge 2015	4,452	5,330	9,782
Disposals 2015	<u>0</u>	<u>(12,470)</u>	<u>(12,470)</u>
Closing Balance 31 December 2015	153,818	98,137	251,955
Net Book Value			
Net book value 31 December 2015	<u>4,742</u>	<u>15,544</u>	<u>20,286</u>
Net book value 31 December 2014	<u>9,194</u>	<u>10,056</u>	<u>19,250</u>

4. Capital Account

	2015	2014
	€	€
Transfer to Income and Expenditure Account		
Funds applied for the purchase of Fixed Assets	10,818	9,237
Amortisation in line with asset depreciation	<u>(9,782)</u>	<u>(10,603)</u>
	1,036	(1,366)
Opening balance at 1 January	19,250	20,616
Closing balance at 31 December	20,286	19,250

5. Salaries and Allowances

Payroll costs are made up of

	2015 €	2014 €
Salary of An Coimisinéir	119,607	110,802
Staff salaries	322,743	249,736
Employer's PRSI	33,941	25,921
Holiday pay charge	<u>3,781</u>	<u>0</u>
	480,072	386,459

A defined benefit scheme was established in respect of the previous Coimisinéir Teanga. The entitlements did not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme. The current Coimisinéir Teanga is a member of the new Single Public Service Pension Scheme. The pension liability in relation to the current Commissioner has not been included in the financial statements as any pension rights will not accrue until he has served 2 years. In addition, a final decision is awaited from the Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs on where liability for the pension will lie.

An amount of €31,553 (2014 - €24,970) was deducted from staff by way of the pension levy and paid to the Exchequer.

(b) Employee benefits breakdown

Range of total employee benefits		Number of Employees	
From	To	2015	2014*
€60,000	- €69,999	1	2
€70,000	- €79,999	1	-
€80,000	- €89,999	1	1
€90,000	- €99,999	-	-
€100,000	- €109,999	-	-
€110,000	- €119,999	1	-

* The employee benefits for 2014 reflect amounts paid (€89,231) to An Coimisinéir Teanga from the date of his appointment, 12 March 2014.

6. Heat, Light and Rent

Oifig Choimisinéir na dTeangacha Oifigiúla is located in An Spidéal in a premises provided by the Office of Public Works at an annual rental cost of €56,697.

7. Other Income

In 2013 the Office of the Revenue Commissioners appealed the findings of an investigation to the High Court on a point of law as provided for by section 28 of the Act.

The High Court found that the Revenue Commissioners should bear the costs associated with the case. The total costs associated with the case recoverable from the Revenue Commissioners total €33,826 and are recognised as income and as a debtor in these financial statements. Oifig Choimisinéir na dTeangacha Oifigiúla recognised legal costs of €25,000 in the 2014 financial statements with the balance €8,826 recognised in its 2015 financial statements.

8. Deferred Income

A grant of €4,000 was approved by the Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs for Oifig Choimisinéir na dTeangacha Oifigiúla under the 2016 Centenary Commemorative Programme – An Teanga Bheo. The grant was in respect of an international conference organised by the Office in March 2016.

During 2015 an amount of €2,000 was paid by the Department under this programme. The costs associated with the conference relate to 2016 and accordingly the recognition of the income has been deferred.