



# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### Oberstown Children Detention Campus

#### Opinion on the financial statements

I have audited the financial statements of Oberstown Children Detention Campus for the year ended 31 December 2019 as required under the provisions of section 173 of the Children Act 2001. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of Oberstown Children Detention Campus at 31 December 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements 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 Oberstown Children Detention Campus 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 information other than the financial statements, and on other matters

Oberstown Children Detention Campus has presented certain other information together with the financial statements. This comprises the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, 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

22 December 2020

## Appendix to the report

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 173 of the Children Act 2001
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 173 of the Children Act 2001 to audit the financial statements of Oberstown Children Detention Campus and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are 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 financial statements.

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 financial statements 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 conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Oberstown Children Detention Campus's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Oberstown Children Detention Campus to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance 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.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 other 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 I identify 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 I identify 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 financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

**Oberstown Children Detention Campus  
Annual Report and Financial Statements  
For the year ended 31 December 2019**

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

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## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Information page**

#### **Board Members**

(1<sup>st</sup> January 2019 to 31<sup>st</sup> May 2019)

Professor Ursula Kilkelly (Chairperson)  
Ms Laoise Manners  
Ms Sinead O’Herlihy  
Mr Pat Rooney  
Ms Elizabeth Howard  
Mr Tadgh Delaney  
Mr Charles Irwin  
Mr Diego Gallagher  
Ms Emer Woodfull  
Mr Michael Farrell  
Mr Don O’Leary  
Ms Linda Creamer  
Mr Eamon Clavin (appointed 5<sup>th</sup> February 2019)

#### **Board Members**

(4<sup>th</sup> July 2019 to 31<sup>st</sup> December 2019)

Professor Ursula Kilkelly (Chairperson) (appointed 1<sup>st</sup> June 2019)  
Ms Linda Creamer  
Ms Bernadette Costello  
Mr Eamon Clavin  
Mr Tadgh Delaney  
Ms Jennifer Gargan  
Ms Elizabeth Howard  
Mr John McDaid  
Ms Laoise Manners  
Mr Craig Mulligan  
Mr Don O’Leary  
Mr Pat Rooney  
Ms Emer Woodfull

#### **Address**

Oberstown  
Lusk  
Co. Dublin

#### **Bankers**

Bank of Ireland  
Balbriggan  
Co. Dublin

#### **Auditors**

Office of Comptroller & Auditor General  
3A Mayor Street Upper  
Dublin 1  
DO1 PF72

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Governance Statement and Board Members' Report**

#### **Governance**

The Board of Management of Oberstown Children Detention Campus was established under the Children Act, 2001. The functions of the Board are set out in section 165 of this Act. The Board is accountable to the Minister for Children, Equality, Disability, Integration & Youth (formerly Minister for Children & Youth Affairs) and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues within its competence. The regular day-to-day management, control and direction of Oberstown Children Detention Campus are the responsibility of the Director. The Director follows the strategic direction set by the Board of Management and must ensure the Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Director acts as a direct liaison between the Board of Management and the management of Oberstown Children Detention Campus.

#### **Board Responsibilities**

The Board has responsibility for the good governance of Oberstown Children Detention Campus and operates according to legislation and guidance to ensure effective controls are in place, which also contains the matters specifically reserved for the Board. Standing items considered by the Board include:

- Reports from committees
- Financial reports/management accounts (via the Audit & Risk Committee on behalf of the Board)
- Performance reports
- Declaration of interests.

Section 173 of the Children Act, 2001 requires the Board of Management of Oberstown Children Detention Campus to keep, in such form as may be approved by the Minister for Children, Equality, Disability, Integration & Youth with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of Management of Oberstown Children Detention Campus 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 presume that it will continue in operation, and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board of Management is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with section 173 of the Children Act, 2001. The maintenance and integrity of the corporate and financial information on Oberstown Children Detention Campus is the responsibility of the Board.

The Board places reliance on the established, Department of Children, Equality, Disability, Integration & Youth (formerly the Department of Children and Youth Affairs) and, Department of Justice and Equality, managed processes and regulations to underpin its internal controls across these areas. The Board is responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Governance Statement and Board Members' Report (continued)**

Oberstown operates in accordance with the principles of good governance in line with the Children Act 2001 and The Code of Practice for the Governance of State Bodies (2016).

Part 10 of the Children Act 2001 outlines the roles and responsibilities of the Minister for Children, Equality, Disability, Integration & Youth, the Board of Management and the Director of Oberstown Children Detention Campus. In the case of any conflict between the Code of Practice and the legislation, the legislation takes precedence.

Based on the information provided by the Department of Children, Equality, Disability, Integration & Youth (DCEDIY) (formerly the Department of Children and Youth Affairs (DCYA)) and Payroll Shared Services Centre (PSSC), the Board considers that the financial statements of Oberstown give a true and fair view of the financial performance and the financial position of Oberstown Children Detention Campus at 31 December 2019.

### **Board Structure**

The Board of Management consists of a Chairperson and 12 members, all of whom are appointed by the Minister for Children, Equality, Disability, Integration & Youth. The previous Board terminated on 31 May 2019 and a new Board was established. The Chair was appointed on 1<sup>st</sup> June 2019 and the members of the Board were appointed from 4 July 2019 under the terms of section 164 and 167 of the Children Act 2001. There is provision in the Children Act allowing for the re-appointment of Board members for a second term. Board members' emoluments are disclosed in Note 3(c) to the Financial Statements.

In 2019, the Board had the following committees:

Finance Subcommittee: (January 2019 – May 2019) the role of the Committee is to support the Board in relation to its responsibilities for issues of financial risk and governance and associated assurance. Terms of reference were approved by the Board of Management on 30 December 2018.

Establishment of an Audit & Risk Subcommittee (ARC Oct 2019 to date); comprising of three Board members. The purpose of the ARC is to assist the Board in its assessment of the effectiveness of the systems established by the Management of Oberstown including reviewing the comprehensiveness and reliability of Internal Controls and assurances on risk management, the control environment and accuracy and completeness of the financial statements. Terms of reference were approved by the Board of Management for 2019.

Governance Subcommittee; comprising three Board members. The role of the Governance Committee is to support the Board in meeting legal and statutory requirements of good governance, as well as promoting the adoption of good practice. Terms of reference were approved by the Board of Management for 2019.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Governance Statement and Board Members' Report (continued)

#### Board Structure (continued)

The table below covers the period from 1<sup>st</sup> January 2019 to 31<sup>st</sup> May 2019

	Board of Management Meetings attendance	Governance Subcommittee Meetings attendance	Finance Subcommittee Meetings attendance
Professor Ursula Kilkelly	5	1	
Laoise Manners	4		
Sinead O'Herlihy	5	3	
Pat Rooney	5		
Elizabeth Howard	4		
Tadgh Delaney	4		4
Charles Irwin	4		4
Diego Gallagher	4		4
Emer Woodfull	5		
Michael Farrell	4	3	
Don O'Leary	4		
Linda Creamer	3		
Eamon Clavin*	4	1	
*appointed 5 <sup>th</sup> February 2019			

The Board of Management met 5 times during the period covered, the Finance, Audit & Risk Subcommittee met 4 times during the period, and the Governance Subcommittee met 3 times during the period covered.

The table below covered the period from 4<sup>th</sup> July 2019 to 31<sup>st</sup> December 2019

	Board of Management Meetings attendance	Governance Subcommittee Meetings attendance	Audit & Risk Subcommittee Meetings attendance
Professor Ursula Kilkelly	4	1	
Linda Creamer	2		
Bernadette Costello	4		2
Eamon Clavin	4	1	
Tadgh Delaney	2		2
Jennifer Gargan	4	1	
Elizabeth Howard	3		
John McDaid	3		2
Laoise Manners	4		
Craig Mulligan	4		
Don O'Leary	4		
Pat Rooney	4		
Emer Woodfull	4		



## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Governance Statement and Board Members' Report (continued)

The Board of Management met 4 times during the period covered, the Audit & Risk Subcommittee met 2 times during the period covered, and the Governance Subcommittee met once during the period covered.

The Institute of Public Administration was commissioned by the Board of Management to undertake an external review of Board effectiveness in 2019. This review was undertaken in early 2019 and presented to the Board in May 2019. Implementation of the IPA recommendations is substantially completed in 2020 following the appointment of a new Board in July 2019.

### COVID-19 and Internal Controls

The COVID-19 emergency commenced in March 2020 and will continue for the foreseeable future. Arising from COVID-19, the Director activated the campus emergency planning procedures to deal with the unprecedented number of issues emerging in the matter of provision of services.

The Board of Management will provide a full and complete analysis of the impact of COVID-19 on the internal control environment in 2020 when it presents its annual financial statements and statement on internal control for the year ending 31 December 2020.

### Key Personnel Changes

The Director, Pat Bergin, tendered his resignation on 1 November 2020. Following an internal process, the Board of Management appointed an Interim Director on 2 November 2020 pending the permanent appointment of a Director in quarter 1 2021. There were no other changes to key personnel in 2019.

### Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that Oberstown Children Detention Campus has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform (DPER) in August 2016. The following disclosures are required by the Code:

### Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Legal Advice	10,590	56,500
Financial Advice	19,370	87,508
Public Relations	142,883	90,447
Human Resources	31,024	133,167
Business Improvement	1,865	123,604
Other	60,529	91,420
<b>Total Consultancy Costs</b>	<b>266,261</b>	<b>582,646</b>

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Governance Statement and Board Members' Report (continued)

#### *Legal Costs and Settlements*

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs and settlements relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by Oberstown Children Detention Campus which is disclosed in Consultancy costs above.

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Legal Fees - Legal Proceedings	12,932	540,736
Settlements	29,400	16,300
<b>Total</b>	<b>42,332</b>	<b>557,036</b>

Claims for personal injury dealt with by the State Claims Agency on behalf of Oberstown are detailed in note 9 Provisions.

#### *Travel and Subsistence Expenditure*

Travel and Subsistence expenditure is categorised as follows:

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Board	15,675	10,394
Employees	35,809	31,575
<b>Total</b>	<b>51,484</b>	<b>41,969</b>

In 2019 €5,440 of Employee expenditure related to International Travel. All Travel Expenditure related to Domestic Travel in 2018.

#### *Hospitality Expenditure*

Hospitality Expenditure relates to accommodation and entertainment.

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Hospitality Expenditure	1,121	1,100
<b>Total</b>	<b>1,121</b>	<b>1,100</b>

#### **Statement of Compliance**

Three reviews were completed

First an internal review of the compliance of Oberstown Children Detention Campus with the Code of Practice, was completed by the Board in July 2020 and corrective measures have been agreed for any gaps identified.

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Governance Statement and Board Members' Report (continued)**

#### **Statement of compliance (continued)**

Second a review of the system of internal control was commissioned by the Board and was undertaken by an outsourced internal audit provider in Q1 2020 and the findings are as follows:

The audit identified two high priority findings in relation to Procurement & Purchasing and IT Disaster Recovery & Business Continuity and 3 medium findings. Improvements were identified and actions for improving controls were set out for the coming 2020.

Third a review of compliance with the Code of Practice including governance arrangements with the Department of Children, Equality, Disability, Integration & Youth (DCEDIY) and Oberstown Children Detention Campus was undertaken by DCEDIY internal audit unit in early 2019. The first draft of the report was received in May 2019 and it identified no high priority findings, nine medium priority findings and four low priority findings. Among the medium priority findings the following were noted:

1. A written oversight agreement should be in place between DCEDIY and Oberstown.
2. A written Performance Delivery Agreement should be in place between DCEDIY and Oberstown and;
3. A lack of evidence of a systematic exercise having been undertaken by the Board to determine the state of the system of internal controls.

A response was submitted by Oberstown to DCEDIY in July 2019 and it's recommendations are now substantially completed. The Oversight Agreement between DCEDIY and Oberstown was approved by the Board in December 2019 and is in place, this was reviewed and re-signed in September 2020. The Performance Delivery Agreement is in place and was signed in September 2020.

Both DCEDIY and Oberstown are jointly responsible for ensuring there are good governance arrangements in place. In December 2018 the Oberstown Children Detention Campus Board of Management approved the first draft of its Governance handbook, in full compliance with the Code of Practice for the Governance of State Bodies.

Oberstown Children Detention Campus Board of Management considers that it is in substantial compliance with the code, although further steps are necessary to enhance and embed the relevant sections of the Code in Oberstown. This work has been further accelerated with the appointment of the new Board in 2019.



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Professor Ursula Kilkelly  
Chairperson



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Damien Hernon  
Interim Director

Date: 21/12/2020

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Statement on Internal Control**

#### **Responsibility for the System of Internal Control**

On behalf of Oberstown Children Detention Campus (Oberstown), we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. Oberstown operates in accordance with the principles of good governance principles in line with the Children Act 2001 and the Code of Practice for the Governance of State Bodies (2016).

#### **Purpose of the System of Internal Control**

The Director, Senior Management team and the management structure at all levels in Oberstown Children Detention Campus are responsible to the Board for the implementation and maintenance of internal controls over their respective functions. This embedding of the system of internal control is designed to ensure that Oberstown Children Detention Campus is capable of responding to operational risks and that significant control issues, should they arise, are escalated promptly to an appropriate level of management. The system of internal control is designed to manage and reduce risk to a tolerable level rather than to eliminate risk and as such the system of internal control is designed to provide reasonable but not absolute assurance that assets are safeguarded, transactions are documented, authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely manner.

The risk register and corporate risk register details the controls and actions needed to mitigate risks and sets out responsibility for operation of controls assigned to specific staff. We confirm that a control environment containing the following elements is in place:

- A regular management reporting process and a framework of administrative procedures which includes segregation of duties, and system procedures for all key business processes,
- Financial responsibilities have been assigned at management level with corresponding accountability,
- There is an appropriate budgeting system with an annual budget that was agreed with DCEDIY and the Children Detention Schools Unit (CDSU) (formerly Irish Youth Justice Services (IYJS)) which is kept under review by the Board of Management, the Director and Department Officials,
- There are systems in place that ensure security of the information and communication technology systems.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in Oberstown for the year ended 31 December 2019 and up to the date of approval of the financial statements except for the control issues outlined below.

#### **Capacity to Handle Risk**

The Board of Management of Oberstown Children Detention Campus has overall responsibility for the system of internal control and risk management. The Board of Management may establish committees to provide assistance and advice in relation to the performance of its duties and functions.

Oberstown Children Detention Campus has developed a risk management policy approved by the Board of Management which sets the risk management processes detailing the roles and responsibilities of staff in relation to risk and is currently defining a risk appetite. The Board of Management approved the policy and it is kept under continuous review. The policy has been issued to all staff who are expected to work within Oberstown risk management policies and to alert management on emerging risks and control.

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Statement on Internal Control**

#### **1. Risk and Control Framework**

The Board of Management of Oberstown Children Detention Campus has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A Corporate (Strategic) and Campus (Operational) Risk Registers are in place which identify the key risks facing Oberstown and have been identified, evaluated and graded according to their significance. The register is reviewed by the Executive Team, Audit and Risk Committee and the Board of Management. The State Claims Agency (SCA) provides specialist advice and risk management to Oberstown which is supported by the electronic national incident management reporting system NIMS.

#### **2. Ongoing Monitoring and Review**

We confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- There are regular reviews by the Board, Audit and Risk Committee, the Director, DCEDIY and CDSU of periodic and annual performance and financial reports which indicate performance against budgets/forecasts,
- DCEDIY Internal Audit provides assurance on the risk management, control, and governance processes in operation at the Oberstown. A report by DCEDIY Internal Audit Function in 2017 and a follow up report in 2019, in relation to a review of funding drawdown and the control of expenditure process at Oberstown highlighted a number of weaknesses requiring immediate action. An action plan was agreed with DCEDIY and Oberstown Management. The action plan was rolled out in 2019.
- The Board have formalised the procedures and policies for the safeguarding of assets in the Internal Control Manual approved by the Board.
- A regular management reporting process and a framework of administrative procedures which includes segregation of duties, a system of delegation and accountability and a system for the authorisation of expenditure has been established. In addition, the service provided by PSSC, in relation to all payroll calculations and payment is governed through established procedures and PSSC are currently drafting a Memorandum of Agreement, Employee Services Management (ESMA) for Oberstown. The Board places reliance on the established DCEDIY managed processes and regulations to underpin its internal controls across these areas.

In early 2020, the Board, following a competitive tendering process, appointed an outsourced internal audit provider to undertake an internal audit work programme.

During 2019 Oberstown discharged all tax liabilities where applicable on or before the dates prescribed by Revenue. Oberstown is committed to full compliance with taxation laws.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Statement on Internal Control (continued)

#### Procurement

We confirm that Oberstown has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement amount €325k are highlighted under internal control issues below.

#### Review of Effectiveness

We confirm that Oberstown has procedures in place to monitor the effectiveness of its risk management and control procedures. Oberstown monitors and reviews the effectiveness of the system of internal control informed by the work of internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within Oberstown who are responsible for the development and maintenance of the internal control framework.

The Board undertook a review of the effectiveness of internal controls for 2019 in March 2020, in the manner required by the Code of Practice for the Governance of State Bodies.

#### Internal Control Issues

In order to adhere to procurement regulations issued by the DPER on procurement excellence, certain improvement in activities and procedures have been carried out by Oberstown in tandem with other public sector bodies. Oberstown is progressing a reform of its procurement function to improve compliance with public procurement regulations, value for money and to increase the usage of contracts awarded by the Office of Government Procurement (OGP).

In 2019 payments were made to the following Suppliers without proper procurement procedures in place:

Supplier	Value €	Circumstances giving rise to using the supplier	Steps taken to rectify the breach
Recreational Support to young people	€ 196,289	Suppliers were in place prior to the establishment of Oberstown Children Detention Campus as a legal entity on 1 June 2016.	RFT published and tenders evaluated
Security equipment	€ 33,350	3 quotes were received from reputable suppliers. Due to the urgency of getting the required equipment it was not put through e-tenders.	The campus will ensure procurement guidelines are followed going forward.
Agency Staff	€63,365	Supplier was in place prior to the establishment of Oberstown Children Detention Campus as a legal entity on 1 June 2016	The campus will ensure procurement guidelines are followed going forward.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Statement on Internal Control (continued)

#### Internal Control Issues

In 2019 payments were made to the following Suppliers without proper procurement procedures in place (continued):

Supplier	Value €	Circumstances giving rise to using the supplier	Steps taken to rectify the breach
Staff Mental Health Services	€32,039	Staff Mental Health Service providers were explored via a desk research project. They were measured against specific marking criteria for the purposes of awarding the contract. The tender was not put through e-tenders.	The campus will ensure procurement guidelines are followed going forward.

The following table provides an update in relation to 2018 payments that were made without proper procurement procedures in place:

Supplier	Value €	Circumstances giving rise to using the supplier	Update on steps taken to rectify the breach
Recreational Support to young people	€118,951	Suppliers were in place prior to the establishment of Oberstown Children Detention Campus as a legal entity on 1 June 2016. A review of procurement procedures did not take place until 2019.	RFT has been published and tenders evaluated.
Financial Advice	€68,673	This supplier's unique knowledge of Oberstown was invaluable for the service required at the time. The opinion was that no alternative provider could be used in the circumstances	Provider no longer engaged by Oberstown. Any additional financial services will go to market under Government Procurement guidelines.
Occupational Health	€33,987	Supplier was in place prior to the establishment of Oberstown Children Detention Campus as a legal entity on 1 June 2016. A review of procurement procedures did not take place until 2019.	In 2019 Oberstown with the OGP procured for and appointed a new occupational health provider under government procurement guidelines.

On behalf of the Board of Management of Oberstown Children Detention Campus:



Prof Ursula Kilkelly  
Chairperson



Damien Hernon  
Interim Director

Date: 21/12/2020

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

*For the year ended 31 December 2019*

	Note	Year ended 31 December 2019	Year ended 31 December 2018
		€	€
<b>Income</b>			
Oireachtas Grants	2	21,706,628	22,686,063
Transfer (from/(to) Capital Account)		290,617	310,731
Other Income		18,482	33,717
Net Deferred Pension Funding	4(c)	3,702,079	3,314,000
<b>Total Income</b>		<b>25,717,806</b>	<b>26,344,511</b>
<b>Expenditure</b>			
Administration and Operations	3	20,857,960	21,756,328
Retirement benefit costs	4(a)	4,936,730	4,859,367
Depreciation		346,813	335,822
<b>Total Expenditure</b>		<b>26,141,503</b>	<b>26,951,517</b>
<b>(Deficit) for the Year after Appropriations</b>		<b>(423,697)</b>	<b>(607,006)</b>
<b>Balance brought forward at 1 January</b>		<b>(2,136,286)</b>	<b>(1,529,280)</b>
<b>Balance Carried Forward at 31 December</b>		<b>(2,559,983)</b>	<b>(2,136,286)</b>

The Statement of Cash Flows on page 17 and notes 1 to 15 on pages 18 to 32 form part of these financial statements.

On behalf of the Board of Oberstown Children Detention Campus:



\_\_\_\_\_  
Professor Ursula Kilkelly  
Chairperson

Date: 21/12/2020



\_\_\_\_\_  
Damien Hernon  
Interim Director

Date: 21/12/2020



## Oberstown Children Detention Campus

For the year ended 31 December 2019

### STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2019*

	Note	Year ended 31 December 2019	Year ended 31 December 2018
		€	€
<b>(Deficit) for the year after appropriations</b>		<b>(423,697)</b>	<b>(607,006)</b>
<b>Total Actuarial gain/(loss) in the year</b>	<b>4 (b)</b>	<b>(21,967,000)</b>	<b>(1,782,000)</b>
Adjustment to deferred retirement benefits funding		21,967,000	1,782,000
<b>Total Comprehensive Income for the Year</b>		<b><u>(423,697)</u></b>	<b><u>(607,006)</u></b>

The Statement of Cash Flows on page 17 and notes 1 to 15 on pages 18 to 32 form part of these financial statements.

On behalf of the Board of Oberstown Children Detention Campus:



\_\_\_\_\_  
Professor Ursula Kilkelly  
Chairperson

Date: 21/12/2020



\_\_\_\_\_  
Damien Herson  
Interim Director

Date: 21/12/2020

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### STATEMENT OF FINANCIAL POSITION

*As at 31 December 2019*

	Note	31 December 2019	31 December 2018
		€	€
<b>Fixed Assets</b>			
Property, plant & equipment	5	661,306	951,922
<b>Current Assets</b>			
Inventory	6	87,010	76,064
Receivables	7	77,366	45,650
Cash and cash equivalents		257,279	284,246
		<b>421,655</b>	<b>405,960</b>
<b>Current Liabilities (amounts falling due within one year)</b>			
Payables	8	(1,165,504)	(1,166,112)
<b>Net Current Assets</b>		<b>(743,849)</b>	<b>(760,152)</b>
<b>Provisions</b>	9	(5,230,000)	(4,790,000)
<b>Retirement Benefits</b>			
Retirement benefit obligations	4(b)	(122,811,000)	(97,141,000)
Deferred retirement benefit funding asset	4(b)	122,811,000	97,141,000
<b>Total Net Assets/(Liabilities)</b>		<b>(5,312,543)</b>	<b>(4,598,230)</b>
<b>Representing</b>			
Establishment reserve	1(a)	(3,413,866)	(3,413,866)
Retained revenue reserves		(2,559,983)	(2,136,286)
Capital account	10	661,306	951,922
		<b>(5,312,543)</b>	<b>(4,598,230)</b>

The Statement of Cash Flows on page 17 and notes 1 to 15 on pages 18 to 32 form part of these financial statements.

On behalf of the Board of Oberstown Children Detention Campus:



\_\_\_\_\_  
Professor Ursula Kilkelly  
Chairperson

Date: 21/12/2020



\_\_\_\_\_  
Damien Herson  
Interim Director

Date: 21/12/2020

**Oberstown Children Detention Campus**

For the year ended 31 December 2019

**STATEMENT OF CASH FLOWS***For the year ended 31 December 2019*

	Year ended 31 December 2019	Year ended 31 December 2018
	€	€
<b>Net Cash Flows from Operating Activities</b>		
Excess of expenditure over income	(423,697)	(607,006)
Depreciation of fixed assets	346,813	335,822
(Increase)/Decrease in receivables	(31,716)	20,956
Increase in provisions	440,000	674,000
(Decrease) in payables	(608)	(110,887)
(Increase)/Decrease in stock	(10,946)	10,515
<b>Net Cash Inflow from Operating Activities</b>	<b>319,846</b>	<b>323,400</b>
<b>Cash Flows from Investing Activities</b>		
Payments to acquire property, plant & equipment	(56,196)	(25,091)
<b>Net Cash Flows from Investing Activities</b>	<b>(56,196)</b>	<b>(25,091)</b>
<b>Cash Flows from Financing Activities</b>		
Capital account	(290,617)	(310,731)
<b>Net Cash Flows from Financing Activities</b>	<b>(290,617)</b>	<b>(310,731)</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(26,967)</b>	<b>(12,422)</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>284,246</b>	<b>296,668</b>
<b>Cash and Cash Equivalents at 31 December</b>	<b>257,279</b>	<b>284,246</b>

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements

#### 1. Accounting Policies

The basis of accounting and significant accounting policies adopted by Oberstown Children Detention Campus are set out below. They have all been applied consistently throughout the year.

##### a) General Information

Oberstown Children Detention Campus was established as a legal entity from 1 June 2016. (SI 273/2016). The objectives of Oberstown Children Detention Campus are set out in the Children Act 2001 and include the provision of appropriate residential care, education and training programmes and facilities for young people referred to it by a court having regard to their health, safety, welfare and interests including their physical, psychological and emotional well-being.

The campus was formed by the amalgamation of three detention schools situated within the Oberstown campus and included

- Oberstown boys school (established 1991)
- Oberstown girls school (established 1991)
- Trinity House school (established 1983)

This is only the fourth set of financial statements for the Oberstown Children Detention Campus and covers the year ended 31 December 2019, with comparatives covering the period from 1 January 2018 to 31 December 2018. The following should be noted in relation to these financial statements:

##### **Opening balances - 2016**

Financial statements for the three detention schools had been prepared on a receipts and payments basis and did not include a balance sheet setting out related assets and liabilities. The opening balances at 1 June 2016 were calculated. The cumulative position resulted in a net liabilities position of €3.413 million as set out below. An establishment reserve of an equivalent amount has been recognised in the financial statements.

	<b>Opening balance at 1 June 2016</b>
	€
Provision for claims with State Claim Agency	(1,938,000)
Payables	(1,710,286)
Bank and cash at hand	234,420
Fixed assets	143,286
Capital account	(143,286)
Net liabilities on establishment 1 June 2016	<u><u>(3,413,866)</u></u>

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Notes to the Financial Statements (continued)**

#### ***Financial transactions not recognised in financial statements***

Ownership of the site and buildings from which the Oberstown Children Detention Campus operates is vested in the Minister for Children, Equality, Disability, Integration & Youth. The relevant assets are recognised in the Appropriation Account of that department. These financial statements reflect the value of operational assets purchased by the Campus including office equipment, furniture and fixtures, sports and activities and security equipment.

Teachers employed to provide educational needs on the campus are paid by the Dublin Dun Laoghaire Education & Training Board (DDLETB) and are not reflected in the financial statements of the Campus. In 2019, 25.2 Whole Time Equivalent (WTE) (2018: 25.25 WTE) teachers were employed on the Campus.

#### **b) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Children, Equality, Disability, Integration & Youth with the concurrence of the Minister for Public Expenditure and Reform under the Children's Act 2001. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Oberstown Children Detention Campus's financial statements.

The financial statements of Oberstown Children Detention Campus for the year ended 31 December 2019 have been prepared in accordance with FRS 102 *Financial Reporting Standard Applicable in the UK and Republic of Ireland*, issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

#### **c) Revenue**

##### Oireachtas Grants

Oireachtas grants are recognised on a cash receipts basis. This includes;

- grants received directly by Oberstown Children Detention Campus which are recognised on a cash receipts basis,
- amounts paid to Financial Shared Services by the DCEDIY to reimburse FSS in respect of payments made on behalf of Oberstown Children Detention Campus,
- amounts paid by the DCEDIY on behalf of Oberstown Children Detention Campus,
- amounts paid by DCEDIY through the Department of Health on behalf of Oberstown Children Detention Campus. (See note 2).

##### Refunds of grants paid

Grants paid may become refundable in certain circumstances, or if the conditions of the grant are not met. Grant refunds are recognised when it is probable that the money will be refunded by Oberstown Children Detention Campus and the amount can be estimated reliably; therefore they are accounted for on an accruals basis. All other income is accounted for on an accruals basis.

#### **d) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

The cost of the buildings from which the campus operates was borne by DCEDIY and as such are not recorded in the financial statements of Oberstown Children Detention Campus.

Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis. A full years depreciation is charged in the year of acquisition over their estimated useful lives, as follows:

(i) Office Equipment	20% per annum
(ii) Furniture and Fixtures	20% per annum
(iii) Sports and Activities Equipment	20% per annum
(iv) Security Equipment	20% per annum
(v) Plant and Machinery	20% per annum

Residual value represents the estimated amount which would 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 in which it arises.

#### e) Inventory

Oberstown Children Detention Campus holds stock in respect of food, medical, cleaning and clothing supplies. Inventories are not pledged as securities.

#### f) Employee Benefits

##### Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

##### Retirement Benefits

Oberstown Children Detention Campus staff contribute to the Special Superannuation Scheme which is its own defined benefit pension scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Children, Equality, Disability, Integration & Youth and from contributions deducted from staff members' salaries.

Oberstown Children Detention Campus also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants initially appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

Pension costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are remitted to the Department of Children, Equality, Disability, Integration & Youth and the Department of Public Expenditure and Reform.

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Notes to the Financial Statements (continued)**

#### **f) Employee Benefits (continued)**

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 Comprehensive Income, and a corresponding adjustment is recognised in the amount recoverable from the Department of Children, Equality, Disability, Integration & Youth.

The financial statements reflect, at fair value, the assets and liabilities arising from Oberstown Children Detention Campus's pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting years in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

#### **g) Critical Accounting Judgements and Estimates**

The preparation of the financial statements requires the board and management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting 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 Board have reviewed 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, and have concluded that asset lives and residual values are appropriate.

##### Provisions

Oberstown Children Detention Campus makes provisions for legal and constructive obligations, which it knows to be outstanding at the year-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. Claims for personal injury are dealt with by the SCA on behalf of Oberstown. An estimate of the amount required to settle the claims is provided by the Agency at year end, and this amount is provided for in full.

##### Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates from healthcare cost trend rates) and are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### h) Expenditure

All expenses settled by FSS, PSSC, DCEDIY and SDSU on behalf of Oberstown Children Detention Campus are included in the financial statements on being notified of same. The expenditure is categorised based on the information received from FSS, PSSC, DCEDIY and SDSU.

#### i) Employee costs

The employee costs included in the financial statements are inclusive of all overtime, shift pay, premium and security pay and are included as notified by FSS.

There are 2 staff members (2018: 4 staff members) included in the employee costs who are seconded to other government departments or government funded entities (1 staff member terminated on 12<sup>th</sup> February 2019). The cost of these basic salaries to the Campus are €38,608 (2018: €189,285) plus associated pension and employer PRSI costs.

Salaries are re-couped as provided for in the secondment agreements.

#### j) Capital Account

The Capital Account represents the unamortised value of income used to purchase Property, Plant and Equipment.

## 2. Oireachtas Grants

The Oireachtas Grants voted to Oberstown Children Detention Campus from Department of Children, Equality, Disability, Integration & Youth (DCEDIY) as shown in the financial statements consist of:

	Year ended 31 December 2019	Year ended 31 December 2018
	€	€
Grants for current expenditure – Vote 40 - DCEDIY - Subhead A4	22,233,702	23,246,605
Employee superannuation contributions	(583,270)	(585,633)
	<hr/> 21,650,432	<hr/> 22,660,972
Grants for capital expenditure – Vote 40 – DCEDIY - Subhead A4	56,196	25,091
	<hr/> <b>21,706,628</b>	<hr/> <b>22,686,063</b>

  

	Value	Value
Type	€	€
Oireachtas grant received from Department	5,244,677	4,888,877
Pay expenditure paid by FSS re-imbursed by the Department	16,746,201	16,842,373
Superannuation Deductions retained by Department	(583,270)	(585,633)
Non-pay expenditure paid by FSS re-imbursed by Department	299,020	1,540,446
Total Oireachtas grant income recognised in Oberstown Financial Statement	<hr/> <b>21,706,628</b>	<hr/> <b>22,686,063</b>



## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### 3. Administration and Operations

	Note	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Remuneration and other pay costs	3(a)	16,795,441	16,439,427
Repairs, maintenance and leasing charges		171,970	243,886
Electricity, cleaning and utilities		378,253	469,340
Communications		42,544	156,992
Information Technology		855,895	803,629
Movement in provisions	9	743,595	975,697
Consumables		282,304	331,488
Recreational Support		339,451	343,758
Office expenses		65,077	97,084
Accounting		15,065	6,150
Audit		31,000	28,000
Professional fees		400,503	1,113,000
Advertising		31,383	41,003
Miscellaneous operating expenses		705,479	706,874
		<b>20,857,960</b>	<b>21,756,328</b>

#### (a) Remuneration and Other Pay Costs

	Note	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Staff salaries		13,452,970	13,367,727
Employer's contribution to social welfare		1,406,507	1,372,892
Staff training and development		209,135	77,918
Staff travel and subsistence costs		35,809	31,575
Agency staff		1,675,345	1,578,921
Board members' expenses	3(c)	15,675	10,394
		<b>16,795,441</b>	<b>16,439,427</b>

The total number of staff employed at the year-end was 248 (2018: 239)

#### (b) Staff salaries

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Basic pay	11,090,935	10,843,086
Overtime	349,140	462,637
Allowances	2,012,895	2,062,004
	<b>13,452,970</b>	<b>13,367,727</b>

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

There are 25.2 WTE (2018: 25.25 WTE) teachers employed by Dublin & Dun Laoghaire Education & Training Board (DDLETB), to provide educational needs. It should be noted that these teachers are remunerated directly by the DDLETB and as such their remuneration and pension costs are not included herein. All other costs associated with running the schools are included in these financial statements. Payroll costs associated with the costs are included in the financial accounts of the DDLETB.

With effect from 1st January 2019, Additional Superannuation Contribution (ASC) was introduced which replaced the pension related deduction (PRD). An amount was deducted from staff by way of an additional superannuation contribution and transferred to the Vote 40 Children and Youth Affairs. The additional superannuation contribution deduction for 2019 was €462,244 (2018 PRD: 529,447).

There are 2 seconded staff members currently included on the payroll as outlined at Note 1(i).

In 2018 Staff salaries included an amount of €89,100 in relation to salary costs for an Oberstown staff member seconded to a not-for-profit organisation up to the end of 2018. The organisation is a registered charity. These salary costs have not yet been recouped as provided for in the secondment agreement. The total value of salary costs to be recouped under the agreement in the period to end 2019 is €491,040 and will be paid over to DCEDIY. DCEDIY and the registered charity have agreed in a methodology to recoup the monies through private fundraising by the charity. The agreement is now in place and has been signed by both parties. The secondment arrangement concluded in November 2018 in line with the Agreement.

#### (c) Board Members' Emoluments

<b>Board Members (1<sup>st</sup> January to 31<sup>st</sup> May)</b>	<b>Board Fees</b>	<b>Vouched Expenses</b>	<b>Meetings attended</b>
	<b>€</b>	<b>€</b>	
Professor Ursula Kilkelly (Chairperson)		3,378	5
Ms Laoise Manners			4
Ms Sinead O'Herlihy			5
Mr Pat Rooney	2,993		5
Ms Elizabeth Howard	2,993		4
Mr Tadgh Delaney			4
Mr Charles Irwin	2,993	3,418	4
Mr Diego Gallagher			4
Ms Emer Woodfull	2,993	445	5
Mr Michael Farrell		323	4
Mr Don O'Leary	2,993		4
Ms Linda Creamer			3
Mr Eamon Clavin (Appointed 5 <sup>th</sup> February 2019)			4
	<b>14,965</b>	<b>7,564</b>	

The vouched expenses do not include accommodation costs paid directly by Oberstown.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

<b>Board Members (4<sup>th</sup> July to 31<sup>st</sup> December)</b>	<b>Board Fees</b>	<b>Vouched Expenses</b>	<b>Meetings attended</b>
	<b>€</b>	<b>€</b>	
Professor Ursula Kilkelly (Chairperson)		2,169	4
Ms Linda Creamer			2
Ms Bernadette Costello	2,968	1,275	4
Mr Eamon Clavin			4
Ms Tadhg Delaney			2
Ms Jennifer Gargan	2,968	224	4
Ms Elizabeth Howard	2,968		4
Mr John McDaid			3
Ms Laoise Manners			4
Mr Craig Mulligan			4
Mr Don O'Leary	2,968		4
Mr Pat Rooney	2,968		4
Mr Emer Woodfull	2,968	209	4
	<b>17,808</b>	<b>3,877</b>	

The vouched expenses do not include accommodation costs paid directly by Oberstown.

#### **Employee Short-Term Benefits Breakdown**

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

<b>Range</b>		<b>Number of Employees</b>	
<b>From</b>	<b>To</b>	<b>2019</b>	<b>2018</b>
€60,000	- €69,999	55	47
€70,000	- €79,999	22	20
€80,000	- €89,999	10	4
€90,000	- €99,999	2	7
€100,000	- €109,999	2	1

*For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime, allowances and other payments made on behalf of the employee, but exclude employer's PRSI.*

There were 7 members (2018: 7 members) of the Board who did not receive a Board fee under the One Person One Salary (OPOS) principle.

Another member of the Board (Diego Gallagher) waived his fees for the year.

During the year covered by these accounts to December 2019, nine Board meetings were held due to the appointment of the new Board.

- The board for the period 2016 to 2019 expired on 31<sup>st</sup> May 2019.
- The board for the period 2019 to 2023 was appointed on 4<sup>th</sup> July 2019.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### (d) Key Management Personnel

Key Management personnel in Oberstown Children Detention Campus consists of the Board, the Director, the Deputy Directors and the Senior Management Team. The total value of employee benefits for the Deputy Directors and the Senior Management team is set out below:

	Year Ended 31 December 2019	Year Ended 31 December 2018
	€	€
Salary	531,146	615,800
Allowances	28,614	105,285
	<u>559,760</u>	<u>721,085</u>

This does not include the value of retirement benefits earned in the period. Standard Public Sector Pension arrangements apply. The Board emoluments and expenses are disclosed in note 3 (c).

#### (e) Directors Salary and Benefits

The Directors remuneration package for the period was as follows:

	Year Ended 31 December 2019	Year Ended 31 December 2018
	€	€
Salary	111,668	106,424
Travel & Subsistence expenses	5,430	5,860
	<u>117,098</u>	<u>112,284</u>

This does not include the value of retirement benefits earned in the period. Standard Public Sector Pension arrangements apply.

## 4. Retirement Benefit Costs

#### (a) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	Year ended 31 December 2019	Year ended 31 December 2018
	€'000	€'000
Current service costs	3,660	3,675
Interest on retirement benefit scheme liabilities	1,860	1,770
Less: Employee Contributions	(583)	(586)
	<u>4,937</u>	<u>4,859</u>

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### *(b) Movement in net retirement benefit obligations during the financial year*

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Net retirement benefit obligation at 1 January	97,141	92,045
Current service costs	3,660	3,675
Interest costs	1,861	1,770
Actuarial (gain)/loss	21,967	1,782
Benefits paid in the year	(1,818)	(2,131)
<b>Net retirement benefit obligation at 31 December</b>	<b>122,811</b>	<b>97,141</b>

#### *(c) Deferred funding for retirement benefits*

The Board recognises these amounts as an asset corresponding to the unfunded deferred liability for retirement benefits 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 retirement benefit 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. The Board has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Funding recoverable in respect of current year retirement benefit costs	5,520	5,445
State grant applied to pay retirement benefits	(1,818)	(2,131)
	<b>3,702</b>	<b>3,314</b>

The deferred funding asset for retirement benefits at 31 December 2019 amounts to €122,811,000 (2018: €97,141,000).

#### *(d) History of defined benefit obligations*

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Defined benefit obligations	122,811	97,141

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### (e) General description of the scheme

The retirement benefit scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (being 1/80 per year of service), a gratuity or lump sum (being 3/80 per year of service) and spouses and children's pensions. Normal retirement age is a member's 65th birthday, and pre-2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

With effect from 1<sup>st</sup> January 2013, new entrants become members of the Single Public Service Pension Scheme. This provides career-average revalued earnings related benefits revalued in line with increase in the Consumer Price Index. The Scheme's minimum retirement age will be linked to the State Pension Age (currently 66, increasing to age 67 in 2021 and 68 from 2028).

#### (f) General description of the scheme (continued)

In 2019 €212,597 in SPSPS contributions were paid to DPER (2018: €179,204).

The principal actuarial assumptions were as follows:

<b>Year of attaining age 65</b>	<b>2019</b>	<b>2018</b>
Rate of increase in salaries	2.50%	2.50%
Rate of increase in retirement benefits in payment	2.50%	2.50%
Discount rate	1.00%	1.85%
Inflation rate	1.75%	1.75%

#### Mortality

58% of ILT15 for males with improvements (see below).

62% of ILT15 for females with improvements (see below).

Annuity factors increase by:

0.36% p.a. (Males with no spouse's pension)

0.30% p.a. (Females with no spouse's pension)

0.30% p.a. (Males with spouse's pension)

0.25% p.a. (Females with spouse's pension)

The mortality basis explicitly allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age. The table below shows the life expectancy for members attaining age 65 in 2019 and 2039.

<b>Year of attaining age 65</b>	<b>2019</b>	<b>2039</b>
Life expectancy male	21.5 years	24.0 years
Life expectancy female	23.9 years	26.0 years

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### 5. Property, Plant & Equipment

	Sports & Activities Equipment €	Security Installations €	Furniture & Fixtures €	Office Equipment €	Plant & Machinery €	Total €
<b>Cost/Valuation</b>						
At 1 January	38,736	333,133	1,180,372	25,898	100,972	1,679,111
Additions	-	40,020	17,186	-	3,965	61,171
Disposals	-	-	-	-	(6,218)	(6,218)
<b>At 31 December</b>	<b>38,736</b>	<b>373,153</b>	<b>1,197,558</b>	<b>25,898</b>	<b>98,719</b>	<b>1,734,064</b>
<b>Depreciation</b>						
At 1 January	19,378	159,547	496,956	12,163	39,145	727,189
Charge for the year	7,746	74,631	239,511	5,180	19,745	346,813
Disposals	-	-	-	-	(1,243)	(1,243)
<b>At 31 December</b>	<b>27,124</b>	<b>234,178</b>	<b>736,467</b>	<b>17,343</b>	<b>57,647</b>	<b>1,072,759</b>
<b>Net Book Value</b>						
At 1 January	19,358	173,586	683,416	13,735	61,827	951,922
Net movement for the year	(7,746)	(34,611)	(222,325)	(5,180)	(20,754)	(290,616)
<b>At 31 December</b>	<b>11,612</b>	<b>138,975</b>	<b>461,091</b>	<b>8,555</b>	<b>41,073</b>	<b>661,306</b>

In order to establish the fixed asset register of the three schools that came together to form Oberstown Children Detention Campus on 1 June 2016, independent asset valuers were brought in to review all the assets held and to put current valuation on those assets as at that date. All assets acquired subsequent to that date are stated at cost. The ownership of the site and building from which the Oberstown Children Detention Campus operates is vested in the Minister for Children and Youth Affairs and are not shown in these financial statements.

## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### 6. Inventory

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Inventory	87,010	76,064
	<b>87,010</b>	<b>76,064</b>

Inventory comprises of stocks in respect of food, medical, cleaning and clothing supplies. Stocks are valued at the lower of cost and net realisable value.

#### 7. Receivables

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Prepayments	77,366	45,650
	<b>77,366</b>	<b>45,650</b>

#### 8. Payables

##### *Amounts falling due within one year*

	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Trade Creditors	310,083	237,845
Accruals	821,560	899,867
Other creditors	33,861	28,400
	<b>1,165,504</b>	<b>1,166,112</b>



## Oberstown Children Detention Campus

For the year ended 31 December 2019

### Notes to the Financial Statements (continued)

#### 9. Provisions

	<b>2019 Provision for claims managed by SCA €'000</b>	<b>2018 Provision for claims managed by SCA €'000</b>
Balance at 1 January	4,790	4,116
Increase in provision	744	976
Utilisation of provision	(304)	(302)
Movement in provision in year	440	674
Provision at 31 December	<b>5,230</b>	<b>4,790</b>

Claims for personal injury are dealt with by the State Claims Agency on behalf of Oberstown. An estimate of the amount required to settle the claims is provided by the Agency at the year end. €5.230 million was provided for at the year-end (2018: €4.790m).

#### 10. Capital Account

	<b>Year ended 31 December 2019 €</b>	<b>Year ended 31 December 2018 €</b>
<b>Opening Balance</b>	<b>951,922</b>	<b>1,262,653</b>
<b>Transfer (to) from Statement of Income and Expenditure and Retained Revenue Reserves</b>		
Funding to acquire assets	61,171	25,091
Disposal of assets	(4,974)	-
Amortisation in line with asset depreciation	(346,813)	(335,822)
<b>Closing Balance at 31<sup>st</sup> December</b>	<b>661,306</b>	<b>951,922</b>

#### 11. Related Party Disclosures

Key management personnel in Oberstown Children Detention Campus consist of the Board, the Director, Deputy Directors and the Senior Management Team. Total compensation paid to Key Management Personnel, including Board members' fees and expenses and total remuneration of Oberstown Director and the Deputy Directors and Senior Management Team, are disclosed in Note 3.

Oberstown Children Detention Campus adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, Oberstown Children Detention Campus may approve grants or enter into other contractual arrangements with entities in which Oberstown Children Detention Campus Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances. There were no instances of conflicts of interest in the year.

## **Oberstown Children Detention Campus**

For the year ended 31 December 2019

### **Notes to the Financial Statements (continued)**

#### **12. Contingent liabilities**

There are a number of legal cases currently ongoing against Oberstown Children Detention Campus. The Board have considered each of these and in accordance with the accounting policy in place have only made provisions in respect of uninsured probable future obligations with regard to these cases.

#### **13. Going Concern**

The Statement of Financial Position records net liabilities of €5.3m. The largest liability relates to the provision of €5.2m for legal claims. On an annual basis CDSU through DCEDIY on behalf of Oberstown allocate funds to cover the legal claims when they are settled.

Based on cash projections and the budget set with DCEDIY the Board believes it will have funds to continue for the next 12 months.

#### **14. Subsequent Events**

The exceptional outbreak of the COVID-19 pandemic presents significant challenges and uncertainties. The Board of Management and the Director are playing a major role in the response to the COVID-19 outbreak and are actively taking steps to limit campus exposure to the virus and to ensure resources are available for the provision of services. The Board of Management and the Director have worked with the Department of Children, Equality, Disability, Integration & Youth to ensure adequate funding for 2020. The Board of Management and Director will continue to monitor the situation and plan accordingly. There is no impact on the financial statements of Oberstown Children Detention Campus for 2019.

On the 27 June 2020 the new Minister for Children and Youth Affairs was appointed. On the 15 October 2020 The Department of Children and Youth Affairs name was altered to the Department of Children, Equality, Disability, Integration & Youth, and the Minister's title was changed to the Minister for Children, Equality, Disability, Integration & Youth. Oberstown Children Detention Campus falls under the Children Detention Schools Unit which has replaced the Irish Youth Justice Service within the Department of Children, Equality, Disability, Integration & Youth.

The Director, Pat Bergin, tendered his resignation on 1 November 2020. Following an internal process, the Board of Management appointed an Interim Director on 2 November 2020 pending the permanent appointment of a Director in quarter 1 2021. There were no other changes to key personnel in 2019.

#### **15. Approval of the financial statements**

The financial statements were approved by the Board of Oberstown Children Detention Campus on 21 December 2020.