



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Oberstown Children Detention Campus

Opinion on financial statements

I have audited the financial statements of Oberstown Children Detention Campus for the year ending 31 December 2017 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 2017 and of its income and expenditure for 2017 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.

Review of internal control

The statement on internal control discloses that the Board did not carry out a review of the effectiveness of the system of internal control for the period in the manner required by the Code of Practice for the Governance of State Bodies.

Seamus McCarthy
Comptroller and Auditor General

24 December 2018

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities. 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 there are 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 there is 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 2017**

Oberstown Children Detention Campus
For the year ended 31 December 2017

Contents

Information Page	3
Governance Statement and Board Members' Report	4 - 6
Statement on Internal Control	7 - 9
Statement of Income and Expenditures and Retained Revenue Reserves	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 28

Oberstown Children Detention Campus
For the year ended 31 December 2017

Information page

Board Members

Professor Ursula Kilkelly (Chairperson)
Mr Jim Gibson
Ms Laoise Manners
Ms Sinead O'Herlihy
Mr Liam Walsh
Mr Pat Rooney
Ms Elizabeth Howard
Mr Tadgh Delaney
Mr Charles Irwin
Mr Diego Gallagher
Ms Emer Woodfull
Ms Fiona Murphy (Resigned 30th June 2017)
Mr Michael Farrell
Mr Don O'Leary (Appointed 17th July 2017)

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 2017

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 & 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. The regular day-to-day management, control and direction of Oberstown Children Detention Campus are the responsibility of the Director and the senior management team. The Director and the senior management team must follow the broad 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 management of Oberstown Children Detention Campus.

Board Responsibilities

The work and responsibilities of the Board are set out in Part 10 of the 2001 Act, which also contains the matters specifically reserved for the Board. Standing items considered by the Board include:

- Reports from committees
- Financial reports/management accounts (by the Finance, Audit and Risk Sub-Committee on behalf of the Board)
- Performance reports.

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 and Youth Affairs 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 Justice-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 operates in accordance with best practice corporate governance principles in line with the Children Act 2001 and The Code of Practice for the Governance of State Bodies (2016).

Based on the information provided by the Department of Justice, financial shared services and the Department of Children and Youth Affairs, 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 2017.

Oberstown Children Detention Campus
For the year ended 31 December 2017

Governance Statement and Board Members' Report (continued)

Board Structure

The Board of Management consists of a Chairperson and 12 members, all of whom are appointed by the Minister for Children and Youth Affairs. The members of the Board were appointed from 1 June 2016 for a term not exceeding 3 years and all co-terminating on 31 May 2019. There is provision in the Children's 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.

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 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.

	12 months ended 31 December 2017 €	7 Months ended 31 December 2016 €
Legal Advice	56,567	2,214
Financial Advice	78,070	28,263
Public Relations	61,416	57,720
Human Resources	64,325	230,910
Business Improvement	159,811	66,070
Other	116,636	254,724
Total Consultancy Costs	536,825	639,900

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.

	12 months ended 31 December 2017 €	7 Months ended 31 December 2016 €
Legal Fees - Legal Proceedings	25,845	-
Settlements	167,430	69,830
Total	193,275	69,830

Oberstown Children Detention Campus

For the year ended 31 December 2017

Governance Statement and Board Members' Report (continued)

Travel and Subsistence Expenditure

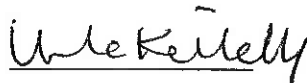
Travel and Subsistence expenditure is categorised as follows:

	12 months ended 31 December 2017 €	7 Months ended 31 December 2016 €
Board	20,310	11,323
Employees	37,950	25,927
Total	58,260	37,250

Statement of compliance

While significant work has been undertaken in relation to the requirements of the Code of Practice for the Governance of State Bodies further work is necessary in order to enhance and embed the Code in Oberstown Children Detention Campus.

Oberstown Children Detention Campus Board of Management considers that it is in substantial compliance. In 2017 the Oberstown Children Detention Campus Board and DCYA have undertaken to develop a governance handbook in line with the Code of Practice for the Governance of State Bodies.



Professor Ursula Kilkelly
Chairperson



Pat Bergin
Director

Date: 20th December 2018

Oberstown Children Detention Campus

For the year ended 31 December 2017

Statement on Internal Control

1. 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 best practice corporate governance principles in line with the Children Act 2001 and The Code of Practice for the Governance of State Bodies (2016).

Oberstown Children Detention Campus was established on 1st June 2016 and comes under the remit of the Department of Children and Youth Affairs.

2. Purpose of the System of Internal Control

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 authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely manner.

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 2017 and up to the date of approval of the financial statements except for the control issues outlined below.

3. 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.

The Board of Management of Oberstown has an Audit, Risk and Finance Committee which was established in January 2017 and comprising of three Board members. The Chair of the committee has financial and audit expertise. The Audit, Risk and Finance Committee met four times in 2017.

The Audit, Risk and Finance Committee has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The Board of Management approved the policy in October 2017. 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.

4. 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 risk register is in place which identifies the key risks facing Oberstown and these have been identified, evaluated and graded according to their significance. The register is reviewed by the Audit, Risk and Finance Committee. The SCA provides specialist advice and risk management to Oberstown which is supported by the electronic national incident management reporting system NIMS.

Oberstown Children Detention Campus
For the year ended 31 December 2017

Statement on Internal Control (continued)

The risk register details the controls and actions needed to mitigate risks and sets out responsibility for operation of controls assigned to specific staff. I 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,
- From 2018 there will be an appropriate budgeting system with an annual budget which is kept under review by senior management,
- There are systems in place that ensure security of the information and communication technology systems.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I 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 senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts,
- DCYA Internal audit provides assurance on the risk management, control, and governance processes in operation at the Oberstown. A report by the internal audit function in December 2017 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 DCYA and Oberstown management. The action plan was rolled out in 2018 with two areas – procurement and fixed asset tagging due for completion in mid-2019.

The Finance committee have formalised the procedures and policies for the safeguarding of assets in the Internal Control Manual rolled out in 2018, with the policies being followed in 2019.

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 Financial Shared Services in relation to all payroll calculations and payment is governed through a Memorandum of Understanding and relevant Service Level Agreements between the organisations. The Board places reliance on the established Department of Justice-managed processes and regulations to underpin its internal controls across these areas.

Procurement

We confirm that Oberstown has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below. There were two instances of non-compliant procurement in the year in respect of accountancy services of €71k and psychology services of €101k. These services were obtained without proper procurement procedures taking place. The Campus intends to procure these services in 18/19.

Oberstown Children Detention Campus

For the year ended 31 December 2017

Statement on Internal Control (continued)

Conclusion

While significant work has been undertaken since June 2016 to develop the internal control environment within Oberstown, the Board fully recognises that further work is necessary in order to enhance and embed the associated policies and procedures. Any recommendations for improvement by Internal Audit and the Comptroller and Auditor General will be afforded careful consideration by the Board and its committees with a view to improving the system of internal control during the coming year.

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 external auditors, the audit and risk committee which oversees their work, and the senior management within Oberstown are responsible for the development and maintenance of the internal control framework.

We confirm that the Board will reviewed the effectiveness of the internal controls for future reporting periods, taking into consideration,

- Audit, Risk and Finance Committee minutes
- Recommendations from audit reports
- Status of the recommendations of previous years' reports of the effectiveness of the systems of internal control
- Recommendation of management letters of the Comptroller and Auditor General
- The 2017 audit programme of the Comptroller and Auditor General and in particular, the audit risks identified therein.
- The regular review of the programme being rolled out to implement recommendations from the above reviews.

The Board did not conduct a review of the effectiveness of internal controls for the period in the manner required by the Code of Practice for the Governance of State Bodies. The Board is committed to conducting such a review for future reporting periods and has already such action underway.

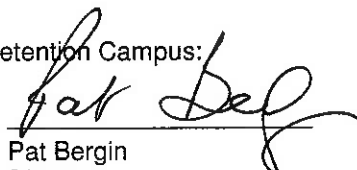
Internal Control Issues

In order to adhere to procurement regulations issued by the Department of Public Expenditure and Reform on procurement excellence, certain procurement improvement activities 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 and to increase the usage of contracts awarded by the Office of Government Procurement (OGP). A full formal procurement policy is currently being developed and this is expected to be finalised and rolled out before the end of 2018.

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



Prof Ursula Kilkelly
Chairperson



Pat Bergin
Director

Date: 20th December 2018

Oberstown Children Detention Campus
For the year ended 31 December 2017

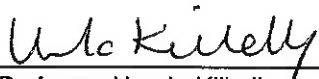
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

For the year ended 31 December 2017

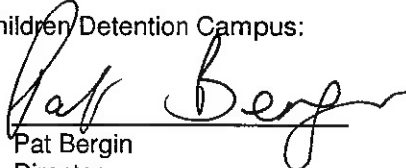
	Note	12 months ended 31 December 2017	7 months ended 31 December 2016
		€	€
Income			
Oireachtas Grants	2	22,159,204	12,377,894
Transfer ((to)/from Capital Account)		(817,133)	(302,234)
Other Income		31,744	11,790
Net Deferred Pension Funding	4(c)	3,605,000	2,027,000
Total Income		24,978,815	14,114,450
Expenditure			
Administration and Operations	3	21,332,833	11,895,221
Retirement benefit costs	4(a)	4,304,124	2,699,000
Reduction in Value of Fixed Assets		330,805	60,562
Total Expenditure		25,967,762	14,654,783
Surplus / (Deficit) for the Year after Appropriations		(988,947)	(540,333)
Balance brought forward at 1 January		(540,333)	-
Balance Carried Forward at 31 December		(1,529,280)	(540,333)

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board of Oberstown Children Detention Campus:



Professor Ursula Kilkelly
Chairperson



Pat Bergin
Director

Date: 20th December 2018

Date: 20th December 2018


Oberstown Children Detention Campus
 For the year ended 31 December 2017

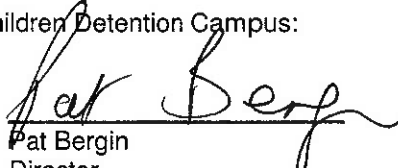
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Note	12 months ended 31 December 2017	7 months ended 31 December 2016
		€	€
Surplus /(Deficit) for the year after appropriations		(988,947)	(540,333)
Total Actuarial gain/(loss) in the year	4 (b)	6,601,000	(4,585,000)
Adjustment to deferred retirement benefits funding		(6,601,000)	4,585,000
Total Comprehensive Income for the Year		<u>(988,947)</u>	<u>(540,333)</u>

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board of Oberstown Children Detention Campus:


 Professor Ursula Kilkelly
 Chairperson


 Pat Bergin
 Director

Date: 20th December 2018

Date: 20th December 2018


Oberstown Children Detention Campus
For the year ended 31 December 2017

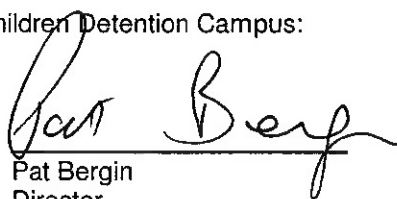
STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2017

	Note	As At 31 December 2017	As At 31 December 2016
		€	€
Fixed Assets			
Property, plant & equipment	5	1,262,653	445,520
Total Fixed Assets		<u>1,262,653</u>	<u>445,520</u>
Current Assets			
Inventory	6	86,579	65,989
Receivables	7	66,606	62,803
Cash and cash equivalents		296,668	34,953
		<u>449,853</u>	<u>163,745</u>
Current Liabilities (amounts falling due within one year)			
Payables	8	(1,276,999)	(1,201,944)
Net Current Assets		<u>(827,146)</u>	<u>(1,038,199)</u>
Provisions	9	(4,116,000)	(2,916,000)
Retirement Benefits			
Retirement benefit obligations	4(b)	(92,045,000)	(95,041,000)
Deferred retirement benefit funding asset	4(b)	92,045,000	95,041,000
Total Net Assets/(Liabilities)		<u>(3,680,493)</u>	<u>(3,508,679)</u>
Representing			
Establishment reserve	1(a)	(3,413,866)	(3,413,866)
Retained revenue reserves		(1,529,280)	(540,333)
Capital account	10	1,262,653	445,520
		<u>(3,680,493)</u>	<u>(3,508,679)</u>

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board of Oberstown Children Detention Campus:


Professor Ursula Kilkelly
Chairperson


Pat Bergin
Director

Date: 20th December 2018

Date: 20th December 2018

Oberstown Children Detention Campus

For the year ended 31 December 2017

STATEMENT OF CASH FLOWS*For the year ended 31 December 2017*

	12 months ended 31 December 2017	7 months ended 31 December 2016
	€	€
Net Cash Flows from Operating Activities		
Excess Income over expenditure/(expenditure over income)	(988,947)	(540,333)
Depreciation and impairment of fixed assets	330,805	60,562
(Increase)/decrease in receivables	(3,803)	(62,803)
Increase /(Decrease) in provisions	1,200,000	978,000
Increase/(decrease) in payables	75,055	(508,342)
(Increase)/decrease in inventory	(20,590)	(65,989)
Net Cash Inflow from Operating Activities	592,520	(138,905)
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	(1,147,938)	(362,796)
Net Cash Flows from Investing Activities	(1,147,938)	(362,796)
Cash Flows from Financing Activities		
Capital account	817,133	302,234
Net Cash Flows from Financing Activities	871,133	302,234
Net Increase/(Decrease) in Cash and Cash Equivalents	261,715	(199,467)
Cash and Cash Equivalents at beginning of period	34,953	234,420
Cash and Cash Equivalents at 31 December 2017	296,668	34,953

Oberstown Children Detention Campus

For the year ended 31 December 2017

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 273/2017). 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 second set of financial statements for the Oberstown Children Detention Campus and cover the year ended 31 December 2017, with comparatives covering the period from 1 June 2016 to 31 December 2016. 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.

	Opening balance at 1 June 2016
	€
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>(3,413,866)</u>

Oberstown Children Detention Campus

For the year ended 31 December 2017

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 and Youth affairs. 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 Department of Education and Skills and are not reflected in the financial statements of the Campus. In 2017, 25.6 (2016: 27.5) 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 and Youth Affairs 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 2017 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.

c) Revenue

Oireachtas Grants

Oireachtas grants are recognised on a cash basis. This includes, grants received directly by Oberstown which are recognised on a cash receipts basis, amounts paid to Financial Shared Services by the Department of Children and Youth Affairs to reimburse FSS in respect of payments made on behalf of Oberstown Children Detention Campus and amounts paid by the Department of Children and Youth Affairs on behalf of Oberstown Children Detention Campus. (See note 2).

Refunds of grants paid

Grants paid become refundable in certain circumstances, or if the conditions of the grant, if any, 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.

d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. The cost of the buildings from which the campus operates was borne by the Office of Public Works and as such are not recorded in the financial statements of Oberstown Children Detention Campus.

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

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
(vi) Electrical 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.

e) Inventory

Oberstown Children Detention Campus holds stock in respect of food, medical, cleaning and clothing supplies. Following an impairment review at the reporting date there were no write-offs required. 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 and Youth Affairs and from contributions deducted from staff and 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 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 and Youth Affairs. 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.

Notes to the Financial Statements (continued)

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 and Youth Affairs.

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 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 State Claims Agency 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 and healthcare cost trend rates) 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 2017

Notes to the Financial Statements (continued)

h) Financial Shared Services expenditure "FSS"

All expenses settled by FSS 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.

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 3 staff members included in the employee costs which are seconded to other government departments or government funded entities. The cost of these basic salaries to the Campus are €171,483 (2016: €166,679) plus associated pension and employer PRSI costs.

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 and Youth Affairs (DCYA) as shown in the financial statements consist of:

	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Grants for current expenditure – Vote 40 - DCYA - Subhead A4	21,562,142	12,402,098
Employee superannuation contributions	(550,876)	(387,000)
	<hr/> 21,011,266	<hr/> 12,015,098
Grants for capital expenditure – Vote 40 – DCYA - Subhead A4	1,147,938	362,796
	<hr/> 22,159,204	<hr/> 12,377,894
	Value	Value
	€	€
Type		
Oireachtas grant received from Department	5,568,479	2,650,000
Pay expenditure paid by FSS re-imbursed by the Department	15,822,916	9,623,562
Superannuation Deductions retained by Department	(550,876)	(387,000)
Non-pay expenditure paid by FSS re-imbursed by Department	1,318,685	491,332
Total Oireachtas grant income recognised in Oberstown Financial Statement	<hr/> 22,159,204	<hr/> 12,377,894

Oberstown Children Detention Campus
For the year ended 31 December 2017

Notes to the Financial Statements (continued)

3. Administration and Operations

	Note	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Remuneration and other pay costs	3(a)	16,024,248	8,871,194
Repairs, maintenance and leasing charges		726,725	324,807
Electricity, cleaning and utilities		452,375	246,552
Communications		150,383	44,040
Information Technology		454,458	425,099
Movement in provisions	9	1,397,359	978,000
Consumables		273,035	161,708
Recreational Support		295,081	140,005
Office expenses		70,542	32,730
Accounting		7,380	6,150
Audit		26,000	25,830
Professional fees		761,023	280,278
Advertising		53,993	90,253
Miscellaneous operating expenses		640,231	268,575
		21,332,833	11,895,221

(a) Remuneration and Other Pay Costs

	Note	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Staff salaries		13,314,397	7,275,345
Employer's contribution to social welfare		1,359,909	748,431
Staff training and development		169,582	118,193
Staff travel and subsistence costs		37,950	25,927
Agency staff		1,122,100	691,975
Board members' expenses	3(c)	20,310	11,323
		16,024,248	8,871,194

The total number of staff employed at the year-end was 245 (2016: 248)

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

(b) Staff salaries

	12 months ended 31 December 2017
	€
Basic pay	10,979,370
Overtime	291,064
Allowances	2,043,963
	<u>13,314,397</u>

There are 25.6 (2016: 27.5) teachers employed by "The Campus" to provide educational needs. It should be noted that these teachers are remunerated directly by the Department of Education and Skills 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 secondments are €1.15m. These costs are included in the financial accounts of the Dublin Dun Laoghaire Education & Training Board.

There are 3 seconded staff members currently included on the payroll as outlined at Note 1(i).

An amount (2016: €360,137) was deducted from staff by way of a pension related deductions and transferred to the Vote 40 Children and Youth Affairs.

Staff salaries include an amount of €100,377 in relation to 2017 salary costs for an Oberstown staff member seconded to a not-for-profit organisation that provides safe, secure and healing homes to young people who can't live with their own families. The organisation is a registered charity. Due to an oversight, 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 2017 is €401,940. Oberstown is providing every support to the DCYA in the recoupment of these costs. The amounts to be recouped, of €401,940, have not been recognised in these financial statements. The secondment arrangement concluded in November 2018 in line with the Agreement.

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

(c) Board Members' Emoluments

Board Member	Board Fees €	Vouched Expenses €	Meetings attended
Professor Ursula Kilkelly (Chairperson)		12,967	12
Mr Charles Irwin	5,985	2,979	9
Ms Emer Woodfull	5,985	579	10
Ms Fiona Murphy		136	3
Mr Michael Farrell		457	7
Mr Jim Gibson			4
Ms Sinead O'Herlihy		189	11
Ms Laoise Manners		189	11
Mr Pat Rooney	5,985		9
Ms Elizabeth Howard	5,985		9
Mr Tadgh Delaney			11
Mr Diego Gallagher			12
Mr Liam Walsh			9
Mr Don O'Leary		1,791	5
	23,940	19,287	

Employee Short-Term Benefits Breakdown

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

Range		Number of Employees	
From	To	2017	2016
€60,000	- €69,999	12	13
€70,000	- €79,999	2	1
€80,000	- €89,999	1	3
€90,000	- €99,999	2	-
€100,000	- €109,999	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 8 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 2017, twelve Board meetings were held.

- Mr Don O'Leary was appointed to the Board on 17th July 2017.
- Ms Fiona Murphy resigned her position on 30th June 2017 but attended 3 meetings prior to resignation.

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

(d) Key Management Personnel

Key Management personnel in Oberstown Children Detention Campus consists of the Board and the Campus Director. The Director's remuneration package for 2017 was as follows: annual basic salary €101,154 (for the period 1st June to 31st December 2016 €54,872), back pay €11,986 and standard public sector pension arrangements apply. The Director incurred €7,771 (2016: €4,522) in respect of travel and subsistence in the year. The Board Members' Emoluments and expenses are disclosed in Note 3 (c).

4. Retirement Benefit Costs

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

	12 months ended 31 December 2017 €'000	7 months ended 31 December 2016 €'000
Current service costs	3,045	1,908
Interest on retirement benefit scheme liabilities	1,810	1,178
Less: Employee Contributions	(551)	(387)
	4,304	2,699

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

	12 months ended 31 December 2017 €'000	7 months ended 31 December 2016 €'000
Net retirement benefit obligation at 1 January	95,041	88,429
Current service costs	3,045	1,908
Interest costs	1,810	1,178
Actuarial (gain)/loss	(6,601)	4,585
Benefits paid in the year	(1,250)	(1,059)
Net retirement benefit obligation at 31 December	92,045	95,041

(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.

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

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

	12 months ended 31 December 2017 €'000	7 months ended 31 December 2016 €'000
Funding recoverable in respect of current year retirement benefit costs	4,855	3,086
State grant applied to pay retirement benefits	(1,250)	(1,059)
	3,605	2,027

The deferred funding asset for retirement benefits at 31st December 2017 amounts to €92,045,000 (2016: €95,041,000).

(d) History of defined benefit obligations

	12 months ended 31 December 2017 €'000	7 months ended 31 December 2016 €'000
Defined benefit obligations	92,045	95,041

(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 1st 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).

The principal actuarial assumptions were as follows:

Year of attaining age 65	2017	2016
Rate of increase in salaries	2.50%	2.50%
Rate of increase in retirement benefits in payment	2.50%	2.50%
Discount rate	1.85%	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).

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

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 2017 and 2037.

Year of attaining age 65	2017	2016
Life expectancy male	21.2 years	21.1 years
Life expectancy female	23.7 years	23.6 years

Notes to the Financial Statements (continued)

5. Property, Plant & Equipment

	Sports & Activities Equipment	Security Installations	Furniture & Fixtures	Office Equipment	Plant & Machinery	Total
	€	€	€	€	€	€
Cost/Valuation						
At 1 January	33,295	218,594	235,274	18,919	-	506,082
Additions	5,441	114,539	928,244	4,961	94,753	1,147,938
Disposals	-	-	-	-	-	-
At 31 December	38,736	333,133	1,163,518	23,880	94,753	1,654,020
Depreciation						
At 1 January	(3,884)	(26,293)	(28,178)	(2,207)	-	(60,562)
Charge for the year	(7,747)	(66,627)	(232,704)	(4,776)	(18,951)	(330,805)
Disposals	-	-	-	-	-	-
At 31 December	(11,631)	(92,920)	(260,882)	(6,983)	(18,951)	(391,367)
Net Book Value						
At 1 January	29,411	192,301	207,096	16,712	-	445,520
Net movement for the year	(2,306)	47,912	695,540	185	75,802	817,133
At 31 December	27,105	240,213	902,636	16,897	75,802	1,262,653

In order to establish the fixed asset register of the three schools that form Oberstown Children Detention Campus, independent asset valuers were brought in to review all the assets held and to put current valuation on these assets.

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.

Oberstown Children Detention Campus
For the year ended 31 December 2017

Notes to the Financial Statements (continued)

6. Inventory

	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Inventory	86,579	65,989
	<u>86,579</u>	<u>65,989</u>

Oberstown Children Detention Campus holds stock in respect of food, medical, cleaning and clothing supplies. Following an impairment review at the reporting date there were no write-offs required.

7. Receivables

	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Prepayments	66,606	62,803
	<u>66,606</u>	<u>62,803</u>

8. Payables

Amounts falling due within one year

	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Trade Creditors	240,357	340,326
Accruals	1,016,839	846,953
Other creditors	19,803	1,165
Deferred Income	-	13,500
	<u>1,276,999</u>	<u>1,201,944</u>

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

9. Provisions

	Provision for claims managed by SCA €'000	Total €'000
Balance at 1 January 2017	2,916	2,916
Increase in provision	1,397	1,356
Utilisation of provision	(197)	(156)
Movement in provision in year	1,200	1,200
Provision at 31 December 2017	<u>4,116</u>	<u>4,116</u>

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. €4.116 million was provided for at the year-end (2016: €2.916 million).

10. Capital Account

	12 months ended 31 December 2017 €	7 months ended 31 December 2016 €
Opening Balance	445,520	143,286
Transfer (to) from Statement of Income and Expenditure and Retained Revenue Reserves		
Funding to acquire assets	1,147,938	362,796
Amortisation in line with asset depreciation	(330,805)	(60,562)
Closing Balance at 31 st December	<u>1,262,653</u>	<u>445,520</u>

11. Related Party Disclosures

Key management personnel in Oberstown Children Detention Campus consist of the Campus Director and members of the Board. Total compensation paid to key management personnel, including Board members' fees and expenses and total Campus Director Remuneration, amounted to 2017: €164,138 (2016: €100,710).

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to 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.

Oberstown Children Detention Campus

For the year ended 31 December 2017

Notes to the Financial Statements (continued)

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.

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. Approval of the financial statements

The financial statements were approved by the Board of Oberstown Children Detention Campus on 20th December 2018.