



ÚDARÁS UCHTÁLA na hÉIREANN  
THE ADOPTION AUTHORITY of IRELAND

**THE ADOPTION AUTHORITY OF IRELAND**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2016**

## THE ADOPTION AUTHORITY OF IRELAND

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# THE ADOPTION AUTHORITY OF IRELAND

## AUTHORITY INFORMATION

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Composition of the Authority:	Dr. Geoffrey Shannon, Chairperson Dr. Imelda Ryan Ms. Anne O'Flaherty Ms. Orlaith Traynor Mr. Paul Harrison Mr. Patrick McMahon Dr. Helen Buckley
Chief Executive Officer:	Patricia Carey
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Telephone Number:	01 230 9300
Fax Number:	01 667 1438
Website:	<a href="http://aai.gov.ie">aai.gov.ie</a>
Email:	<a href="mailto:info@aai.gov.ie">info@aai.gov.ie</a>
Bank:	Ulster Bank College Green PO Box 145 33 College Green Dublin 2
Auditors:	Comptroller & Auditor General 3A Mayor Street Upper Dublin 1



## Comptroller and Auditor General

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

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#### Adoption Authority of Ireland

I have audited the financial statements of the Adoption Authority of Ireland for the year ended 31 December 2016 under the Adoption Act 2010. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 112 of the Act, and in accordance with generally accepted accounting practice.

#### Responsibilities of the Members of the Board

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

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

#### Opinion on the financial statements

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the Adoption Authority as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

#### Matters on which I report by exception

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

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

**Patricia Sheehan**  
For and on behalf of the  
Comptroller and Auditor General  
22 December 2017

**THE ADOPTION AUTHORITY OF IRELAND**  
**STATEMENT OF BOARD'S RESPONSIBILITIES**

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The Adoption Authority of Ireland is required under Section 112 of the Adoption Act 2010 to prepare financial statements for the financial period.

In preparing these statements, the Authority is required to:

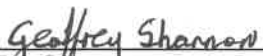
- select appropriate accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Adoption Authority of Ireland will continue in operation;
- disclose and explain any material departures from applicable accounting standards.

The Authority is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Adoption Authority of Ireland.

The Authority is also responsible for safeguarding the assets of the Adoption Authority of Ireland and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority considers these financial statements to be a true and fair view of the Adoption Authority's financial performance and its financial position at the end of the year.

Signed on behalf of the Board of the Adoption Authority of Ireland:

  
Dr. Geoffrey Shannon  
Chairperson

  
Patricia Carey  
Chief Executive Officer

**Date 22 December 2017**

**THE ADOPTION AUTHORITY OF IRELAND**  
**STATEMENT ON INTERNAL FINANCIAL CONTROL**

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**Responsibility for system of Internal Financial Control**

I as Chairman of the Board make this statement in accordance with the requirement set out in the Department of Public Expenditure and Reform's Code of Practice for the Governance of state Bodies (2009) and I acknowledge the Authority is responsible for the system of internal financial control. The Authority has delegated responsibility to the Chief Executive to deal with management and operational issues and to report to the Authority regularly. The system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material error or irregularities are either prevented or would be detected on a timely basis.

The Adoption Authority of Ireland was established with effect from 1<sup>st</sup> November 2010 in accordance with The Adoption Act 2010. From 1<sup>st</sup> November 2010 the Authority did not have its own accounting system. An interim arrangement was in place whereby all income and expenditure was processed on its behalf by the Department of Health. This arrangement with the Department of Health terminated on the 1<sup>st</sup> January 2015 at which point the Authority had its own accounting system and processes all of its own income and expenditure apart from the payroll. The payroll function remained with the Department of Health who continue to process the payroll on the Authority's behalf.

In November 2015, responsibility for the Authority's payroll administration, processing and payment was transferred to the Payroll Shared Services Centre ("PSSC"). A Service Management Agreement is in place with PSSC which outlines the roles and responsibilities of each party in relation to payroll processing.

**Control Environment**

The following steps have been taken to ensure an appropriate control environment:

- The Authority has a regular schedule of meetings at which it is provided with regular updated reports of expenditure.
- A Risk and Audit Committee of the Authority has been established. Its terms of reference include ensuring systems that guarantee internal financial control.
- Management responsibilities are clearly assigned, with corresponding accountability.

**Risk Management**

The Adoption Authority of Ireland has established processes to identify and evaluate financial and business risks by:

- Identifying the nature and extent of financial risks and business risks facing the Authority.
- Assessing the likelihood of identified risks occurring.
- Assessing the Authority's ability to manage and mitigate the risks that do occur.

**THE ADOPTION AUTHORITY OF IRELAND**  
**STATEMENT ON INTERNAL FINANCIAL CONTROL**

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**Control Mechanism**

The system of internal financial control is based on a frame work of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Appropriate budgeting system with an annual budget which is reviewed regularly by senior management.
- Regular review by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- Regular senior management team meetings.
- Service Management Agreements are in place for areas which are administered on behalf of the Authority.

Mechanisms for ensuring the adequacy of the security of the Information and Communication Technology (ICT) systems that include the establishment of appropriate policies and control procedures have been established.

The Adoption Authority of Ireland has a properly constituted internal audit function which reports to the Risk and Audit Committee of the Authority. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies (2009). The Authority's monitoring and review of effectiveness of the systems of internal financial control is informed by the work of the outsourced internal auditor and the Audit Committee. The following internal audits were carried out in 2016:

- Internal financial control;
- Risk management;
- Core business processes.

A review of internal financial controls in 2016 was carried out by an external firm and signed off by the Board of the Authority in 2017.

The Authority is reasonably assured that effective systems of internal financial control are instituted and implemented in the Adoption Authority of Ireland for the financial year ended 31<sup>st</sup> December 2016.

Signed   
**Dr. Geoffrey Shannon**  
**Chairperson**

**Date 22 December 2017**

THE ADOPTION AUTHORITY OF IRELAND

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2016 €	Year ended 31 December 2015 €
<b>INCOME</b>			
Oireachtas Grants	2	3,401,748	3,144,299
Other Income	3	9,256	9,566
Secondment Income	4	-	95,834
		<b>3,411,004</b>	<b>3,249,699</b>
<b>EXPENDITURE</b>			
Staff Costs	5	1,581,881	1,528,171
Board Costs	6	103,595	105,443
Office Expenses	7	199,141	189,726
Legal and Professional Fees	8	1,253,051	1,250,110
Travel Expenses	9	49,043	30,558
Depreciation	10	20,983	17,661
		<b>3,207,694</b>	<b>3,121,669</b>
<b>Surplus / (deficit) for the year before appropriations</b>		203,310	128,030
Transfer from / (to) capital account	14	(17,410)	(22,321)
		<b>185,900</b>	<b>105,709</b>
Balance brought forward at 1 January		(903,966)	(1,009,675)
<b>BALANCE CARRIED FORWARD AT 31 DECEMBER</b>		<b>(718,066)</b>	<b>(903,966)</b>

The Statement of Cash Flows on page 10 and Notes 1 to 20 form part of these financial statements.

Signed Geoffrey Shannon  
Dr. Geoffrey Shannon  
Chairperson

Signed Patricia Carey  
Patricia Carey  
Chief Executive Officer

Date 22 December 2017



THE ADOPTION AUTHORITY OF IRELAND

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 2016

	Notes	2016 €	2015 €
<b>FIXED ASSETS</b>			
Property, Plant and Equipment	10	69,554	52,144
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		11,587	32,892
Receivables	11	14,806	31,933
		<u>26,393</u>	<u>64,825</u>
<b>CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b>			
Payables	12	<u>(208,209)</u>	<u>(220,791)</u>
<b>NET CURRENT LIABILITIES</b>		(181,816)	(155,966)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(112,262)</u>	<u>(103,822)</u>
Provision for Liabilities and Charges	13	(536,250)	(748,000)
<b>NET LIABILITIES</b>		<u><u>(648,512)</u></u>	<u><u>(851,822)</u></u>
<b>REPRESENTING</b>			
Retained Revenue Reserves		(718,066)	(903,966)
Capital Account	14	69,554	52,144
		<u>(648,512)</u>	<u>(851,822)</u>

The Statement of Cash Flows on Page 10 and notes 1 to 20 form part of these financial statements.

Signed Geoffrey Shannon  
Dr. Geoffrey Shannon  
Chairperson

Signed Patricia Carey  
Patricia Carey  
Chief Executive Officer

Date 22 December 2017

**THE ADOPTION AUTHORITY OF IRELAND**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 €	2015 €
<b>Reconciliation of Surplus to net cash inflow from operating activities</b>			
Surplus for the year		185,900	105,709
Depreciation	10	20,983	17,661
Decrease / (Increase) in debtors	11	17,127	(26,060)
(Decrease)/ Increase in creditors	12 & 13	(224,332)	(46,918)
Capital account movement	14	17,410	22,321
<b>Net cash inflow from operating activities</b>		<b>17,088</b>	<b>72,713</b>
 <b>STATEMENT OF CASHFLOWS</b>			
Net cash inflow from operating activities		17,088	72,713
 <b>Cash flows from investing activities</b>			
Payment to acquire fixed assets	10	(38,393)	(39,982)
<b>(Decrease) / Increase in cash in the year</b>		<b>(21,305)</b>	<b>32,731</b>
Cash and cash equivalents at the beginning of the year		32,892	161
Cash and cash equivalents at the end of the year		<b>11,587</b>	<b>32,892</b>

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **1 ACCOUNTING POLICIES**

The basis of accounting and significant accounting policies adopted by the Adoption Authority of Ireland are set out below. They have been applied consistently throughout the year and for the preceding year.

### **a) General Information**

The Adoption Authority of Ireland was set up under the Adoption Act, 2010 with a head office at Shelbourne House, Shelbourne Road, Dublin 4. The functions of the Adoption Authority of Ireland are set out in section 96 of the Adoption Act 2010. They include the following:

- performing in the State the role of a Central Authority under The Hague Convention;
- at the request of the Minister, providing general advice to him or her about adoption matters;
- undertaking or assisting in research projects and activities relating to adoption services;
- compiling statistical information and other records as to the proper planning, development and provision of those adoption services;
- maintaining the register of accredited bodies; and
- maintaining the register of intercountry adoptions.

The Adoption Authority of Ireland is a Public Benefit Entity (PBE).

### **b) Statement of Compliance**

The financial statements of the Authority for the year ended 31 December 2016 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) Basis of Preparation**

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Children and Youth Affairs with the concurrence of the Minister for Public Expenditure and Reform, in accordance with Section 112 of the Adoption Act 2010.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Authority's financial statements.

### **d) Revenue**

#### Oireachtas Grants

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis and also include amounts paid on behalf of the Authority by the Department of Children and Youth Affairs.

#### Capital Grants

Grant funding used to purchase property, plant and equipment is transferred to a Capital Account and released back to income in line with the depreciation of the related assets. The balance on the Capital Account represents the unamortised value of grant received for capital expenditure purpose.

#### Other Income

Income shown in the financial statements under Other Income represents amounts invoiced to third parties in the ordinary course of business.

## THE ADOPTION AUTHORITY OF IRELAND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, 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 over their estimated useful lives, as follows:

(i)	Fixtures and Fittings	10% per annum
(ii)	Office and IT Equipment	20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

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

#### f) Foreign Currencies

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

#### g) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Adoption Authority will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

#### h) 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

The Adoption Authority of Ireland Superannuation Scheme (S.I. No. 157 of 2017) came into operation on 3 April 2017. This scheme relates to those staff who were employed in the civil or public service before 1 January 2013 and were seconded to the Authority from their parent Department prior to redeployment. Prior to this Scheme, the Authority operated the model superannuation scheme (model scheme) for State employees.

Employee deductions under the model scheme are deducted and paid over to the Department of Children and Youth Affairs (the Department). The Authority also makes a pension contribution to the Department of 30% of gross salary in the case of staff who entered the civil service before 6 April 1995 (modified staff) and 25% of gross salary in the case of staff who entered the civil service after 6 April 1995 (integrated staff). This is in line with Department of Finance instructions dated 20 September 2005 (E109/76/01) for seconded staff. The Authority continued to pay the contributions to the Department pending the introduction of its own superannuation scheme.

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Authority also joined the Public Service Transfer Network in 2017 and work is continuing to finalise the arrangements for the transfer of reckonable service for former civil service staff who redeployed to the Authority. Pending the outcome of these arrangements, the Authority charges the employer contributions to the statement of income and expenditure and a pension liability is not recognised. The Authority intends to include an actuarially calculated pension liability and pension asset in respect of its superannuation scheme in its 2017 financial statements.

**Single Public Service Pension Scheme**

New entrant public service staff employed by the Authority after 1 January 2013, are members of the Single Public Service Pension Scheme (Single Scheme) in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Authority makes the necessary deductions from salaries for staff who are part of the scheme and employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the provisions of the Scheme.

Both pension schemes are unfunded pay-as-you-go statutory schemes with benefits payable under the Schemes funded by the Exchequer. (See note 5 (c))

**i) Provisions**

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

**j) Contingent Liabilities**

Contingent liabilities arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of the uncertain future events not wholly within the Authority's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow is remote.

**k) Critical Accounting Judgements and Estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

**Depreciation and Residual Values**

The Directors 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**

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

THE ADOPTION AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

2 GRANTS	2016 €	2015 €
Department of Children and Youth Affairs	3,401,748	3,144,299
	<u>3,401,748</u>	<u>3,144,299</u>

Grants are drawn down from Department of Children and Youth Affairs Vote 40 subhead C6.

3 OTHER INCOME	2016 €	2015 €
Income from Adoption Certificates	5,948	4,841
Courier Income	1,542	2,150
Miscellaneous	1,766	2,575
	<u>9,256</u>	<u>9,566</u>

Courier income represents charges which the Authority makes applications in order to contribute towards the Authority's courier costs (note 7).

4 SECONDMENT INCOME	2016 €	2015 €
Income from Secondment	-	95,834
	<u>-</u>	<u>95,834</u>

Secondment Income represents the Authority's recoupment of salaries for member of staff who was permanently redeployed through a secondment arrangement to Tusla – Child and Family Agency in 2015 (note 5). This secondment arrangement ceased in 2015.

5 STAFF COSTS AND EMPLOYEE INFORMATION	2016 €	2015 €
Wages and Salaries (incl PRSI er)	1,177,912	1,202,827
Employer Contributions <span style="float: right;">5(c)</span>	291,852	299,329
Outsource Finance Support	90,240	-
Training	15,806	25,615
Recruitment Costs	6,071	400
	<u>1,581,881</u>	<u>1,528,171</u>

The average number of employees during the year was 24 (2015:22). There was a requirement for outsourced finance support due to the departure of the Head of Operations and other finance staff in 2016.

An amount of €46,557 (2015: €62,882) in respect of Pension Levy was deducted from staff salaries and retained by the Department of Children and Youth Affairs.

In 2016, €21,860 (2015: €13,685) was deducted from staff in respect of the Single Scheme and transferred to the Department of Public Expenditure and Reform.

**5(a) Employee benefits breakdown**

Range of total employee benefits		Number of Employees	
From	To	2016	2015
€60,000	- €69,999	1	1
€70,000	- €79,999	-	1
€80,000	- €89,999	1	1
€100,000	- €109,999	1	1

THE ADOPTION AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	€	€
<b>5(b) CHIEF EXECUTIVE OFFICER'S REMUNERATION</b>		
Chief Executive Officer's annual basic salary	103,041	104,853

The Chief Executive Officer did not receive any performance related payments or any other benefit in kind during the year. The Chief Executive Officer's pension entitlements are in line with standard entitlements in the model public sector defined benefit superannuation scheme.

**5(c) SUPERANNUATION**

The accounting policy on retirement benefits (Note 1 h)) sets out that the Adoption Authority of Ireland Superannuation Scheme (S.I. No. 157 of 2017) came into operation on 3 April 2017. Pending its introduction, the Authority operated the model superannuation scheme for State employees. The Authority also operates the Single Public Service Pension Scheme (Single Scheme). Therefore, in respect of the financial year 2016 the following situation pertained.

- For employees appointed prior to 1 January 2013 and who redeployed to the Authority, the superannuation scheme structure is based on the model superannuation scheme for State employees (this scheme is a final salary defined benefit scheme).
- For new entrant employees appointed after 1 January 2013, the Single Scheme applies (this scheme provides for consumer price index-linked defined benefit pensions based on career-average pay).

The schemes are unfunded pay-as-you-go statutory schemes with benefits payable funded by the Exchequer. As the arrangements for the transfer of all reckonable service under the provisions of the Adoption Authority of Ireland Superannuation Scheme have yet to be finalised, no provision has been made in respect of pension benefits earned by employees and payable in future years in line with FRS 102 requirements and no further disclosures are considered necessary for end 2016 financial reporting purposes.

The Authority is in the process of finalising the transitional arrangements for reckonable service for former departmental staff to enable it to value its total pension liability for end 2017 financial reporting purposes.

THE ADOPTION AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

6 BOARD COSTS	2016 €	2015 €
<u>Board members salary and stipends:-</u>		
Geoffrey Shannon (Chairman)	63,120	63,120
Anne O'Flaherty	7,695	7,695
Imelda Ryan	7,695	5,130
Patrick McMahon	7,695	1,282
Paul Harrison	7,695	1,282
Orlaith Traynor	7,770	1,282
Helen Buckley	1,925	-
Helen Collins	-	6,413
Ann McWilliams	-	6,413
Corina Carrick	-	6,413
Siobhan Keogh	-	6,413
	103,595	105,443

The Adoption Act 2010 states that a person is only eligible for appointment as Chairperson of the Board if the person is or was, at any time during the 2 years immediately before the appointment, a Judge of the Supreme Court, the High Court, the Circuit Court or the District Court or is a barrister or solicitor of not less than 10 years standing.

The Chairman was paid in accordance with agreed rates from the Department of Health and the Department of Public Expenditure and Reform on the basis of the skill-sets required as stated in The Adoption Act 2010.



THE ADOPTION AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

7 OFFICE EXPENSES	2016 €	2015 €
Contract Cleaning	16,922	22,907
Insurance	234	2,793
Office Expenses	8,850	12,985
Office Furniture (under €1,000)	-	4,304
Conference and Catering Costs	10,431	9,242
Annual Membership and Registration	3,120	2,825
Telephones	30,393	21,844
Heat, Power and Light	18,096	17,800
Postage	14,398	12,422
Office Supplies/Stationery	19,117	24,604
Courier	5,417	7,054
Printing	860	344
Advertising	1,077	250
Information Communication Technologies	55,282	27,774
Translation Expenses	625	5,711
Stenography	8,372	5,879
Hospitality	565	675
International Social Service	5,000	10,000
Bank Charges	382	313
	<u>199,141</u>	<u>189,726</u>

Expenditure on International Social Service represents Ireland's contribution to the International Reference Centre for the Rights of the Children deprived of their Family (ISS/IRC).

8 LEGAL AND PROFESSIONAL FEES	2016 €	2015 €
Legal Fees*	1,125,178	1,107,170
Accountancy and Compliance Costs	7,698	19,333
Review of Accredited Bodies under the remit of Section 133, Adoption Act 2010	15,314	12,854
Pensions and Human Resources Advice	32,086	2,575
Risk and Audit Committee Secretariat Costs	15,161	18,941
Corporate Plan	1,845	15,347
ICGP Project	-	18,940
Research on Intercountry Adoption	-	17,238
Audit	12,000	12,000
Internal Audit	18,389	-
Medical Contractor	25,380	25,712
	<u>1,253,051</u>	<u>1,250,110</u>

\*Included in legal fees are amounts paid for litigation in which the authority was (a) the applicant and (b) the respondent. The authority is obliged to bring certain cases to the High Court where, in domestic adoption, the birth father cannot be notified and consulted on the proposed adoption.

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. LEGAL AND PROFESSIONAL FEES (Continued)**

The Authority is also obliged to attend the High Court as a respondent where a birth parent guardian is not consenting to the adoption, where the child is not an orphan or, in certain circumstances, where a party wishes to have an entry in the Register of Intercountry Adoptions and the authority has not been able to grant same in accordance with the provision of the 2010 Adoption Act.

Included in legal fees are amounts paid for litigation in which the authority was the respondent. Included in legal fees are amounts for legal settlements of €488,920 (2015: nil). Legal fees also include an increase in the provision for legal costs of €337,250 (2015: €423,000). (Note 13).

<b>9 TRAVEL EXPENSES</b>	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Domestic Travel	8,238	16,136
Foreign Travel	40,805	14,422
	<u>49,043</u>	<u>30,558</u>

**10 PROPERTY, PLANT AND EQUIPMENT**

	<u>IT and Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	€	€	€
<b><u>Cost</u></b>			
At 1 <sup>st</sup> January 2016	87,881	850	88,731
Additions for the period	13,639	24,754	38,393
Disposals	-	-	-
At 31 <sup>st</sup> December 2016	<u>101,520</u>	<u>25,604</u>	<u>127,124</u>
<b><u>Accumulated Depreciation</u></b>			
At 1 <sup>st</sup> January 2016	36,417	170	36,587
Depreciation charge for the period	18,423	2,560	20,983
Disposals	-	-	-
At 31 <sup>st</sup> December 2016	<u>54,840</u>	<u>2,730</u>	<u>57,570</u>
<b><u>Net Book Value</u></b>			
At 31 <sup>st</sup> December 2016	<u>46,680</u>	<u>22,874</u>	<u>69,554</u>
At 31 <sup>st</sup> December 2015	<u>51,464</u>	<u>680</u>	<u>52,144</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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		2016	2015
		€	€
<b>11</b>	<b>RECEIVABLES</b>		
	Accrued Income	-	12,657
	Debtors	-	12,657
	Prepayments	14,806	6,619
		14,806	31,933
<b>12</b>	<b>PAYABLES</b>	2016	2015
		€	€
	Amounts falling due within one year:		
	Creditors	102,376	49,482
	Accrued Expenses	57,694	171,309
	Value Added Tax	1,495	-
	Professional Services Withholding Tax	45,458	-
	Other Creditors	1,186	-
		208,209	220,791

Amounts due in respect of Professional Services Withholding Tax relate to amounts withheld from payments to suppliers of professional services. These amounts were paid to the Revenue Commissioners after the year end.

		As at 31 December 2016	As at 31 December 2015
		€	€
<b>13</b>	<b>PROVISION</b>		
	<u>Legal Costs</u>		
	Amount at the beginning of the year	748,000	638,000
	Additions to provision	337,250	423,000
	Amounts charged against the provision	(549,000)	(272,000)
	Unused amounts reversed	-	(41,000)
		536,250	748,000

There are a small number of on-going cases which involve (i) issues which arose following Ireland's accession to The Hague Convention, and (ii) historic matters which arose under the remit of An Bord Uachtala. The Authority is a respondent in these cases and is actively defending the cases. Should it be unsuccessful in these proceedings the Authority will strongly resist the imposition of costs orders. The Authority has made a provision for the costs associated with these proceedings.

In consultation with the Authority's legal team the provision made by the Authority is a best estimate of the costs of the proceedings.

**THE ADOPTION AUTHORITY OF IRELAND**

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<b>14 CAPITAL ACCOUNT</b>		<b>2016</b>	<b>2015</b>
	€	€	€
Balance at 1 <sup>st</sup> January 2016		52,144	29,823
Purchase of Fixed Assets	38,393		39,982
Amount amortised in line with asset depreciation for the year	<u>(20,983)</u>		<u>(17,661)</u>
Transfer from Income and Expenditure Account		17,410	22,321
Balance at 31 <sup>st</sup> December 2016		<u><u>69,554</u></u>	<u><u>52,144</u></u>

**15 CAPITAL COMMITMENTS**

There were no capital commitments at 31<sup>st</sup> December 2016.

**16 CONTINGENT LIABILITIES**

As outlined in the accounting policies the Authority makes provision for legal cases where it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

In respect of all cases, it may not be possible to provide an estimate of all the potential costs in these cases as it is not possible to predict whether certain matters are capable of being resolved without court proceedings and if not, to predict at which stage legal proceedings might conclude.

**17 RELATED PARTY TRANSACTIONS/ DISCLOSURE OF INTERESTS**

Key management personnel consist of the CEO and members of the Authority. Total compensation paid to key management personnel, including Authority members' fees and total CEO remuneration, amounted to €206,636 (2015: €210,296) (Notes 5 and 6).

The Adoption Authority of Ireland complies with the Code of Practice for the Governance of State bodies issued by the Department of Finance in relation to the disclosure of interests by the Authority members and its staff. Formal procedures exist to ensure adherence with this requirement of the code. No related party transactions took place in 2016.

**18 ACCOMMODATION**

The Adoption Authority of Ireland operates from Shelbourne House, Shelbourne Road. The rent for this office is paid by the Department of Health.

**19 COMPARATIVE FIGURES**

Some changes have been made to the presentation of items in the financial statements and the comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

**THE ADOPTION AUTHORITY OF IRELAND**  
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**20 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Adoption Authority of Ireland at its meeting on 19 December 2017.