

**FAMILY SUPPORT AGENCY**

**ANGHNÍOMAREHAICHT UM**

**THACAÍOCHT TEAGHLAIGH**

**Report and Financial Statements  
for the year ended 31 December 2008**

# Family Support Agency

## Report and Financial Statements

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### To the Minister for Social and Family Affairs

In accordance with the terms of Section 25 of the Family Support Agency Act, 2001, the Family Support Agency presents its Report and Accounts for the year ended 31 December 2008.

# Family Support Agency

## Information

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### Members of the Board

Ms. Clare Cashman  
Ms. Caroline Murphy  
Mr. Dick Hickey  
Ms. Maria Corrigan  
Ms. Angela Gaule  
Dr. Colm O'Connor  
Mr. Michael O'Kennedy (Chairperson)  
Ms. Brid Rocks  
Ms. Muriel Walls  
Mr. Geoffrey Corry  
Ms. Helen Faughnan

### Chief Executive

Mr. Pat Bennett

### Headquarters

The Family Support Agency  
St. Stephens Green House  
Earlsfort Terrace  
Dublin 2

### Auditor

Comptroller and Auditor General  
Dublin Castle  
Dublin 2

### Accountants

Mazars Chartered Accountants  
Block 3 Harcourt Centre  
Harcourt Road  
Dublin 2

### Solicitor

A&L Goodbody  
IFSC  
North Wall Quay  
Dublin 1

# Family Support Agency

## Statement of Responsibilities

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Section 25, Family Support Agency Act 2001, requires the Chief Executive and the Members of the Board, on behalf of the Agency, to prepare Financial Statements in such form as may be approved by the Minister for Social and Family Affairs. In preparing those financial statements, the Chief Executive and the Board, on behalf of the Agency are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Agency will continue in operation.

The Chief Executive under the direction of the Board of the Agency is responsible for keeping proper books of account, which disclose in a true and fair manner at any time the financial position of the Agency and which enable it to ensure that the financial statements comply with Section 25 of the Act. The Board is also responsible for safeguarding the assets of the Agency and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



21 December 2009

**Chairperson; on behalf of the Board**

**Date**



21 December 2009

**Chief Executive**

**Date**

# **Family Support Agency**

## **Statement on Internal Financial Control**

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

On behalf of the members of the Family Support Agency (FSA) we acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable, and not absolute, assurance that the assets are safeguarded, transactions authorised and properly recorded, and that material errors or other irregularities are either prevented or would be detected in a timely period.

### **Key control procedures**

The FSA was established under the Family Support Agency Act 2001 and commenced on May 6, 2003. Since then the FSA has taken steps to ensure an appropriate control environment by:

- ensuring the FSA complies with its Financial obligations under the Act
- ensuring that assets and liabilities of the Agency are properly indemnified
- clearly defining management responsibilities in a defined organisational structure with clear segregation of duties and
- the establishment of appropriate sub-committees of the Board to give greater focus on specific areas.

The system of internal financial control within the FSA is based on a framework of monthly management information, administrative procedures (including segregation of duties and authorisation limits), and a system of delegation and accountability. In particular it includes

- a budgeting system with an annual budget, which is profiled for the year and reviewed and agreed with the Executive and the Board prior to presentation to the Department of Social and Family Affairs
- regular review by the Executive and the Board of expenditure reports which indicate financial performance against budget
- regular review by the Executive and the Board of financial reports and key operational indicators and
- clearly defined procurement, tendering and capital investment guidelines.

# Family Support Agency

## Statement on Internal Financial Control

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The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the Executive management team who have responsibility for the development and maintenance of the financial control framework. The Internal Audit function also has a role to play in the monitoring and review of internal financial control effectiveness.

### **Internal Audit Function**

In December 2007 the Internal Auditor completed a report on the effectiveness of the system of internal financial control. The Report formed the basis of an Internal Audit Plan to review in detail the key risks of the organisation.

As part of the 2008 Internal Audit work programme, a number of Family Resource Centres (FRC) and Support Agencies (SA) that receive funding from the FSA were reviewed. The approach taken in conducting the reviews at each FRC/SA was to review the processes and procedures in relation to the following areas:

- *Governance* – Review the governance structures in place within the FRC/SA, to ensure that all key governance risks have been identified and addressed.
- *Delivery* – Identify the levels of funding and programmes under which the FRC/SA has received the funds. Review how the FRC/SA has used the funds to ensure that it is consistent with the purpose for which the funding was received. Review the processes to ensure outcomes are being monitored and achieved in accordance with the specific criteria established in the grant application.
- *Compliance* – Review the financial processes and procedures in place within the FRC/SA to ensure that an appropriate level of financial control exists. Conduct testing of the financial controls to determine the extent to which financial controls are in place and operating as designed. Review the independently audited statements to ensure they are correctly and fully reconciled to the grants provided by the FSA.

# Family Support Agency

## Statement on Internal Financial Control

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### Information about weaknesses in controls

The Board of the Family Support Agency reviewed the effectiveness of the system of internal financial control in respect of 2008 at its meeting on 27<sup>th</sup> of April 2009. The Family Support Agency did not suffer any material loss in the year ended 31 December 2008, arising out of weaknesses in the system of internal financial control, which would result in the inclusion of any provision, contingency or uncertainty in the financial statements for the year.



\_\_\_\_\_  
**Chairperson**

\_\_\_\_\_  
21 December 2009

**Date**



\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
21 December 2009

**Date**

# Family Support Agency

## Statement of Accounting Policies

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The significant accounting policies adopted in these financial statements are as follows:

### 1. Basis of Accounting

The financial statements are prepared on the accruals basis of accounting in accordance with generally accepted accounting principles and under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board except in relation to accounting for staff pensioners and are in the form approved by the Minister of Social and Family Affairs. The accounts are stated in euro.

### 2. State Funding

State Funding represents the amount paid directly to the FSA by the Department of Social and Family Affairs for the year and amounts paid by the Department of Social and Family Affairs on behalf of the FSA for the year.

### 3. Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a straight line basis at rates which are estimated to reduce the assets to realisable values by the end of their expected useful lives as follows:-

Furniture & fittings	10%	Straight Line
Office equipment	10%	Straight Line
Computer equipment	20%	Straight Line
Software Development	20%	Straight Line

### 4. Foreign Currencies

Transactions denominated in foreign currencies are translated into euro at the rates of exchange prevailing at the accounting date and are included in the Income and Expenditure Account for the year. Any difference arising on translation between transaction dates and payment dates are charged to the Income and Expenditure account.

### 5. Capital Account

The capital account represents the unamortised amount of income used to finance fixed assets.

# Family Support Agency

## Statement of Accounting Policies

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### 6. Staff Pensions

In accordance with Section 17 of the Family Support Agency Act 2001 a draft pension scheme, in respect of employees of the FSA, has been submitted to the Minister for Social and Family Affairs and the Minister for Finance but not yet approved. Staff transferring to the Agency from the Civil Service retained their existing superannuation entitlements. The Agency is liable to pay any benefits arising to such staff who, retire in the period between date of transfer and the coming into operation of its own scheme. Such superannuation benefits are paid out of current income and are charged to the Income and Expenditure Account in the year in which they become payable.

The remaining staff are Civil Servants on secondment from the Department and are covered by Civil Service pension arrangements.

Employee contributions have been deducted from staff salaries in line with the provisions of the draft scheme. The contributions are treated as payable to the Department of Social and Family Affairs and are held by the Agency pending approval of the scheme.

The provisions of Financial Reporting Standard 17 (FRS 17) have not been complied with and as a result no provision has been made in the financial statements in respect of superannuation liabilities, which will fall due for payment at a future date. An estimate of these liabilities, calculated in accordance with FRS 17, is disclosed by way of note.

# Family Support Agency

## Income and Expenditure account for the year ended 31 December 2008

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	Notes	2008 €	2007 €
<b>Income</b>			
State Funding	1	36,074,655	35,363,183
Transfer to / (from) Capital Account	10	<u>(51,788)</u>	<u>16,078</u>
		36,022,867	35,379,261
<b>Expenditure</b>			
Financial Support Grants	2	29,051,355	28,103,000
Payroll Expenditure	3	2,920,701	2,516,930
Board Members' Expenses	4	108,911	106,863
Provision for DSFA repayment		-	1,900,000
Administration Expenditure	5	<u>2,217,020</u>	<u>2,324,887</u>
		34,297,987	34,951,680
Excess of Income over Expenditure		<u>1,724,880</u>	<u>427,581</u>

The Family Support Agency had no gains or losses in the financial year, other than those dealt with in the Income and Expenditure Account.

The Statement of Accounting Policies and Notes 1 to 15 form an integral part of these financial statements.



21 December 2009

**Chairperson**

**Date**



21 December 2009

**Chief Executive**

**Date**

# Family Support Agency

## Balance Sheet as at 31 December 2008

	Notes	2008 €	2007 €
<b>FIXED ASSETS</b>			
Tangible assets	6	1,160,475	1,108,687
<b>CURRENT ASSETS</b>			
Cash on hand	7	211,546	2,114,249
Debtors & Prepayments	8	<u>3,815,920</u>	<u>3,003,334</u>
		4,027,466	5,117,582
<b>CREDITORS (amounts falling due within one year)</b>	9	<u>(669,440)</u>	<u>(3,484,436)</u>
<b>NET CURRENT ASSETS</b>		<u>3,358,026</u>	<u>1,633,146</u>
<b>Total assets</b>		<u>4,518,501</u>	<u>2,741,833</u>
<b>FINANCED BY</b>			
Accumulated excess income over expenditure		3,358,026	1,633,146
Capital Account	10	<u>1,160,475</u>	<u>1,108,687</u>
		<u>4,518,501</u>	<u>2,741,833</u>

The Statement of Accounting Policies and Notes 1 to 15 form an integral part of these financial statements.



\_\_\_\_\_  
**Chairperson**

\_\_\_\_\_  
21 December 2009  
**Date**



\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
21 December 2009  
**Date**

# Family Support Agency

## Cashflow Statement for the year ended 31 December 2008

	Notes	2008 €	2007 €
<b>Reconciliation of operating surplus to net</b>			
<b>Cash inflow from operating activities</b>			
Operating surplus / (deficit) for year		1,724,880	427,581
Depreciation	6	212,926	203,251
Transfer from / (to) Capital Account	10	51,788	(16,078)
Increase in debtors		(812,586)	(637,386)
Increase / (Decrease) in creditors		(2,814,996)	2,324,054
Net cash inflow from operating activities		<u>(1,637,988)</u>	<u>2,301,422</u>
<b>Cashflow Statement</b>			
Net cash inflow / (outflow) from operating activities		(1,637,988)	2,301,422
<b>Returns on Investment and Servicing of Finance</b>			
Interest Earned		0	0
<b>Net Capital Expenditure</b>			
Payments to acquire tangible fixed assets	10	(264,715)	(187,173)
Increase / (Decrease) in cash		<u>(1,902,703)</u>	<u>2,114,249</u>

### RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

Net funds at 31 December 2007		2,114,249	0
Net funds at 31 December 2008	7	211,546	2,114,249
Increase / (Decrease) in cash		<u>(1,902,703)</u>	<u>2,114,249</u>

The Statement of Accounting Policies and Notes 1 to 15 form an integral part of these financial statements.



Chairperson

Pat Bennett

Chief Executive

21 December 2009

Date

21 December 2009

Date

# Family Support Agency

## Notes to the Financial Statements

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### 1. STATE FUNDING

	<b>2008</b>	<b>2007</b>
	€	€
Oireachtas Grant	35,981,000	35,339,000
Payments by DSFA on behalf of FSA	-	24,183
FRC Refund	<u>93,655</u>	<u>-</u>
	<u>36,074,655</u>	<u>35,363,183</u>

### 2. FINANCIAL SUPPORT GRANTS

	<b>2008</b>	<b>2007</b>
	€	€
Counselling Grants	10,947,369	9,954,000
Grants to Family Resource Centres	<u>18,103,986</u>	<u>18,149,000</u>
	<u>29,051,355</u>	<u>28,103,000</u>

### 3. PAYROLL EXPENDITURE

	<b>2008</b>	<b>2007</b>
	€	€
Wages & Salaries	2,782,676	2,394,468
Travel & Subsistence	<u>138,025</u>	<u>122,462</u>
	<u>2,920,701</u>	<u>2,516,930</u>

Staff employed	63	70
Equivalent number of whole time positions	38.98	41.7

### 4. BOARD MEMBERS' EXPENSES

	<b>2008</b>	<b>2007</b>
	€	€
Board Members' Fees	70,388	78,663
Travel & Subsistence	<u>38,523</u>	<u>28,200</u>
	<u>108,911</u>	<u>106,863</u>

# Family Support Agency

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

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### 5. ADMINISTRATION EXPENDITURE

	2008	2007
	€	€
Rent	588,161	879,414
Service Charges	75,797	122,469
Electricity	52,658	45,541
Insurance	11,374	48,038
Maintenance	13,215	17,992
Security	6,675	3,196
Cleaning	62,895	56,746
Consultancy	58,806	164,318
Accounting	60,769	67,686
Audit	8,972	12,000
Internal Audit	54,080	-
Training	75,682	45,300
Advertising	37,577	45,243
Conferences	9,577	35,201
Depreciation	212,926	203,251
Research	309,249	163,863
Information	151,293	183,040
Special Projects	210,000	70,000
Sligo/Limerick relocation project	11,068	-
Stationery	78,755	28,851
Telephone	60,882	57,856
Postage	22,634	37,211
Food and Beverages	13,593	13,812
Subscriptions	11,534	11,544
Miscellaneous	18,848	12,315
	<u>2,217,020</u>	<u>2,324,887</u>

# Family Support Agency

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

### 6. FIXED ASSETS

Cost	Computer Equipment €	Fixtures & Fittings €	Office Equipment €	Software Development €	Total €
At 31 December 2007	318,695	1,246,314	148,803		1,713,813
Additions	<u>43,635</u>	<u>185,041</u>	<u>7,277</u>	<u>28,762</u>	<u>264,715</u>
At 31 December 2008	<u>362,330</u>	<u>1,431,355</u>	<u>156,080</u>	<u>28,762</u>	<u>1,978,528</u>
<b>Accumulated Depreciation</b>					
At 31 December 2007	227,709	322,158	55,259	-	605,127
Charge for the year	<u>48,431</u>	<u>143,135</u>	<u>15,608</u>	<u>5,752</u>	<u>212,926</u>
At 31 December 2008	<u>276,140</u>	<u>465,293</u>	<u>70,867</u>	<u>5,752</u>	<u>818,053</u>
<b>Net Book Value</b>					
At 31 December 2007	<u>90,986</u>	<u>924,156</u>	<u>93,545</u>	=	<u>1,108,687</u>
At 31 December 2008	<u>86,190</u>	<u>966,062</u>	<u>85,213</u>	<u>23,010</u>	<u>1,160,475</u>

### 7. CASH ON HAND

	2008 €	2007 €
Current Account	154,214	2,114,249
Deposit Account	<u>57,332</u>	-
	<u>211,546</u>	<u>2,114,249</u>

In 2008 a Bank of Ireland deposit account was opened for the purposes of holding employee pension contributions.

### 8. DEBTORS & PREPAYMENTS

Amounts falling due within one year

	2008 €	2007 €
FRC Grant Prepayments	3,756,054	2,924,154
Other Prepayments	<u>59,866</u>	<u>79,180</u>
	<u>3,815,920</u>	<u>3,003,334</u>

# Family Support Agency

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

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### 9. CREDITORS

#### Amounts falling due within one year

	2008	2007
	€	€
Provision for DSFA repayment	-	1,900,000
Rental Accruals	284,230	1,021,505
Service Charge Accruals	100,302	299,425
Other Accruals	66,923	174,036
Creditors	<u>217,985</u>	<u>89,470</u>
	<u>669,440</u>	<u>3,484,436</u>

### 10. CAPITAL ACCOUNT

	2008	2007
	€	€
Opening Balance	<u>1,108,686</u>	<u>1,124,765</u>
Income used to acquire Fixed Assets	264,715	187,173
Amortisation in line with asset depreciation	<u>(212,926)</u>	<u>(203,251)</u>
Transfer from Income and Expenditure Account	51,788	(16,078)
Closing Balance at 31 December	<u>1,160,475</u>	<u>1,108,687</u>

### 11. PROMPT PAYMENTS

The Board is aware of its responsibilities under the Prompt Payment of Accounts legislation and appropriate procedures and processes are in place to ensure that all payments are made in accordance with the legislation. No prompt payment interest was paid by the Family Support Agency during the year.

### 12. CONTINGENT LIABILITY

There were no contingent liabilities as at 31 December 2008.

## Notes to the Financial Statements (continued)

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### 13. ACCOMMODATION

The Headquarters occupied by the Agency at Floor 4, St Stephens Green House, Earlsfort Terrace, Dublin2 was leased from the Office of Public Works in 2003 for a period of eleven and a half years. In 2008, the total rental charge for the year was €215,350 (2007: €215,350). The Family Mediation Service, which is under the aegis of the Agency, operated from 16 rented premises throughout the country in 2008 at a total charge for the year of €372,811 (2007: €664,064).

### 14. PENSIONS

A defined benefit superannuation scheme applies to the staff of the Family Support Agency (FSA). Benefits are financed on a “pay-as-you-go” basis and there are no assets held in respect of the accrued pension liabilities of the FSA staff. The Agency has been advised by an independent, qualified actuary that the value of the accrued superannuation liabilities at 31 December 2008 is estimated at €4,800,000.

The financial assumptions used to calculate scheme liabilities were as follows:

<b>Discount rate</b>	<b>5.5%</b>
<b>Salary increase assumption</b>	<b>4%</b>
<b>Pension increase assumption</b>	<b>4%</b>
<b>Price inflation</b>	<b>2%</b>

The estimate has been made using the projected unit method prescribed in FRS17.

### 15. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 21 December 2009.