



Office of the Comptroller and Auditor General  
Oifig an Ard-Reachtair Cuntas agus Ciste

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Dr Sharon McGuinness  
Chief Executive Officer  
Health and Safety Authority



Dear Dr McGuinness

The audit of the Health and Safety Authority financial statements for the year ended 31<sup>st</sup> December 2017 has been completed.

Please find enclosed:

- the report of the Comptroller and Auditor General
- a set of signed financial statements of the Health and Safety Authority for the year ended 31<sup>st</sup> December 2017.

A management letter in respect of the audit will issue to you in due course.

The timelines in relation to laying of accounts is set out in Circular 7/2015 as follows:

- The audited financial statements and the audit certificate should be submitted to the sponsoring Department as soon as possible and no later than one month after certification.
- The Department should lay the accounts and audit certificate before the Houses of the Oireachtas no later than two months after receipt or three months where the accounts must be presented to Government.

I would ask you to liaise with your Department to ensure compliance with these timelines.

I would also ask you to ensure that adequate controls are in place to ensure that the accounts and audit certificate laid before the Houses of the Oireachtas are identical to the version enclosed. You may need to exercise specific care where accounts are being formatted for inclusion in an annual report.

I wish to express my appreciation for the co-operation afforded to members of the audit team by your staff throughout the course of the audit.

Yours sincerely

Denis Cromie  
Senior Auditor

Date: 21 December 2018



# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### Health and Safety Authority

#### Opinion on financial statements

I have audited the financial statements of the Health and Safety Authority for the year ending 31 December 2017 as required under the provisions of section 48 of the Safety, Health and Welfare at Work Act 2005. 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 Health and Safety Authority 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 the Health and Safety Authority 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

The Health and Safety Authority has presented certain other information together with the financial statements. This comprises the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

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

19 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 48 of the Safety, Health and Welfare at Work Act 2005
- 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 48 of the Safety, Health and Welfare at Work Act 2005 to audit the financial statements of the Health and Safety Authority 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 the Health and Safety Authority'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 the Health and Safety Authority 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.



**HEALTH AND SAFETY AUTHORITY**

**AN tÚDARÁS SLÁINTE AGUS SÁBHÁILTEACHT**

**Report and Financial Statements  
for the year ended 31 December 2017**

# HEALTH AND SAFETY AUTHORITY

## Report and Financial Statements

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# HEALTH AND SAFETY AUTHORITY

## Information

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<b>Members of the Board</b>	Mr. Tom Coughlan (Chairman)	Appointed on 12/04/2017
	Dr. Michael Gillen (Deputy Chairman)	Reappointed on 20/12/2016
	Mr. Pat Kenny	Reappointed on 20/12/2016
	Ms. Christine Rowland	Reappointed on 20/12/2016
	Mr. Frank Vaughan	Reappointed on 20/12/2016
	Mr. Andrew Bowers	Appointed on 20/12/2016
	Mr. Dermot Carey	Appointed on 20/12/2016
	Ms. Carol Bolger	Reappointed on 26/02/2017
	Dr. John McCartney	Reappointed on 26/02/2017
	Prof. James Phelan	Reappointed on 26/02/2017
	Mr. Paul Cullen (DBEI)	Reappointed on 20/12/2017
		Resigned on 29/03/2017
	Ms. Deirdre Cullivan	Appointed on 08/03/2017
Mr. Stephen Curran (DBEI)	Appointed on 12/09/2017	
Mr. Paraig Hennessy (DBEI)	Appointed on 30/03/2017	
	Resigned on 16/08/2017	
Vicki O'Reilly	Appointed on 26/02/2014	
	Term ended 25/02/2017	
<b>Head Office</b>	Health and Safety Authority The Metropolitan Building James Joyce Street Dublin 1	
<b>Auditor</b>	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1	
<b>Accountants</b>	Crowleys DFK Chartered Accountants 16/17 College Green Dublin 2	
<b>Internal Auditors</b>	Deloitte Deloitte & Touche House 29 Earlsfort Terrace Dublin 2	

# HEALTH AND SAFETY AUTHORITY

## Governance Statement and Board Members' Report

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### Governance

The Board of the Health and Safety Authority was established under the Safety, Health and Welfare At Work Act, 2005. The functions of the Board are set out in section 16 of this Act. The Board is accountable to the Minister for Department of Business, Enterprise and Innovation 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 the Health and Safety Authority are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all 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 CEO acts as a direct liaison between the Board and management of the Health and Safety Authority.

### Board Responsibilities

The work and responsibilities of the Board are set out in the Safety, Health and Welfare at Work Act 2005, the Standing Orders approved by the Board, the Schedule of Reserved and Delegated functions of the Board which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 48(1) of the Safety, Health and Welfare At Work Act, 2005 requires the Board of the Health and Safety Authority to keep, in such form as may be approved by the Minister for Department of Business, Enterprise and Innovation with 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 the Health and Safety Authority is required to:

- select suitable accounting policies and apply them consistently,
- make judgements 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation.

The Board 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 48(1) of the Safety, Health and Welfare at Work Act, 2005. The maintenance and integrity of the corporate and financial information on the Health and Safety Authority's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the Health and Safety Authority by reference to the annual plan and budget is carried out regularly at Authority meetings.

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

The Board considers that the financial statements of the Health and Safety Authority give a true and fair view of the financial performance and the financial position of the Health and Safety Authority at 31 December 2017.

# HEALTH AND SAFETY AUTHORITY

## Governance Statement and Board Members' Report

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### Board Structure

The Board consists of a Chairperson, Deputy Chairperson and 13 ordinary members, all of whom are appointed by the Minister for Department of Business, Enterprise and Innovation. The members of the Board were appointed for a period of three years and meet on a monthly basis. The table below details the appointment period for current members:

<b>Board Member</b>	<b>Role</b>	<b>Date Appointed</b>
Mr. Tom Coughlan	Chairman	12 April 2017
Dr. Michael Gillen	Deputy Chairman	20 December 2016
Mr. Pat Kenny		20 December 2016
Ms. Carol Bolger		26 February 2017
Mr. Andrew Bowers		20 December 2016
Mr Dermot Carey		20 December 2016
Ms. Christine Rowland		20 December 2016
Mr. Frank Vaughan		20 December 2016
Prof. James Phelan		26 February 2017
Mr. John McCartney		26 February 2017
Mr. Paul Cullen		20 December 2016
Ms. Deirdre Cullivan		08 March 2017
Mr. Stephen Curran		12 September 2017
Mr. Paraig Hennessy		30 March 2017
		Resigned 16 August 2017
Ms. Vicki O'Reilly		26 February 2014
		Term ended 25/02/2017

The Authority conducted an internal Board self-assessment in December 2017. The Authority expects to undertake an external review commencing in late 2018.

The Board has established five (5) Committees, as follows:

- 1. Audit and Risk Committee:** comprises four Board members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are: Carol Bolger (Chairperson), Deirdre Cullivan, Pat Kenny and John McCartney. There were five (5) meetings of the ARC in 2017.

- 2. Finance Committee:** comprises four Board members. The role of the Finance Committee is to monitor and review the financial policies and strategies of the Authority.

The members of the Finance Committee are: Carol Bolger (Chairperson), Deirdre Cullivan, Pat Kenny and John McCartney. There were seven (7) meetings of the Finance Committee in 2017.

- 3. Strategy Review Committee:** comprises five Board members. The role of the Strategy Review Committee is to consider the development of the Authority's strategy; the strategic development of the Authority and to monitor the performance of the Chief Executive Officer.

The members of the Strategic Review Committee are: Tom Coughlan (Chairman), Andrew Bowers, Stephen Curran, John McCartney and Christine Rowland. There was one (1) meeting of the Strategic Review Committee during 2017.



# HEALTH AND SAFETY AUTHORITY

## Governance Statement and Board Members' Report

**4. Legislation and Guidance Committee:** comprises four Board members. The role of the Legislation and Guidance Committee (L&G) is to monitor the implementation of the legislation and guidance aspects of the Authority's programme of work and to examine proposals for legislation, Codes of Practice and, where necessary, related Guidance, and submit appropriate conclusions and/or recommendations to the Board.

The members of the Legislation and Guidance Committee are: Michael Gillen (Chairman), Dermot Carey, Christine Rowland and Frank Vaughan. There were two (2) meetings of the Legislation and Guidance Committee in 2017.

**5. INAB Committee:** The Irish National Accreditation Board (INAB) is a committee of the Health and Safety Authority. The Board of INAB, which makes decisions relating to the award of accreditation, has 12 members and is appointed by the Board of the Authority. There are no Board members on this Committee. The Committee met on six (6) occasions during 2017.

### Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2017 is set out below including the fees and expenses received by each member:

	Board	Audit & Risk Committee	Finance Committee	Strategy Review Committee	L&G Committee	Fees 2017 €	Expenses 2017 €
<b>Number of meetings</b>	9	5	7	1	2		
Mr. Tom Coughlan	7 out of 7			1		11,970	6,003
Dr. Michael Gillen	9				2	7,695	-
Mr. Pat Kenny	8	5	7			7,695	-
Ms. Carol Bolger	6	5	7			7,695	-
Mr. Andrew Bowers	8			1		7,695	-
Mr Dermot Carey	6				2	7,695	1,130
Ms. Christine Rowland	8				2	7,695	-
Mr. Frank Vaughan	7				2	7,695	117
Prof. James Phelan	9					7,695	-
Mr. John McCartney	8	2	4			7,695	292
Mr. Paul Cullen	1 out of 2					-	-
Mrs. Deirdre Cullivan	8 out of 8	4 out of 4	6			7,695	1,260
Mr. Stephen Curran	2 out of 4			1		-	-
Mr. Paraig Hennessy	1 out of 3					-	-
Ms. Vicki O'Reilly	-					-	-
						<b>88,920</b>	<b>8,802</b>

Mr. Paul Cullen, Mr. Stephen Curran and Mr. Paraig Hennessy did not receive Board fees under the One Person One Salary (OPOS) principle as they are Department of Business, Enterprise and Innovation officials.

### Key Personnel Changes

During the year two members to the board resigned and one member's term ended. There were four new appointments to the board during the year and there were four reappointments of members to the board. In accordance with the Safety, Health and Welfare at Work Act, 2005 the Minister appointed the new members.

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

The Board is responsible for ensuring that the Health and Safety Authority 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:

# HEALTH AND SAFETY AUTHORITY

## Governance Statement and Board Members' Report

### Consultancy Costs

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

	2017	2016
	€	€
Legal advice	96,131	117,640
Actuarial advice	2,706	2,706
IT Consultancy	20,997	39,607
Occupational health consultancy	33,790	31,044
Strategy development	11,993	-
Internal audit	19,835	16,544
Total consultancy costs	<b>185,452</b>	<b>207,541</b>
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	185,452	207,541
Total	<b>185,452</b>	<b>207,541</b>

### Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Health and Safety Authority which is disclosed in Consultancy costs above.

	2017	2016
	€	€
Legal fees - legal proceedings	96,131	108,265
Conciliation and arbitration payments	-	-
Settlements	-	-
Total	<b>96,131</b>	<b>108,265</b>

Included in these legal costs is an amount of €0 in relation to on-going matters involving other state agencies.

# HEALTH AND SAFETY AUTHORITY

## Governance Statement and Board Members' Report

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### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
- Board*	7,583	2,246
- Employees	791,438	689,092
International		
- Board	1,220	-
- Employees	174,204	153,838
Total	<u>974,444</u>	<u>845,176</u>

\* includes travel and subsistence of €8,802 paid directly to Board members in 2017 (2016: €2,246). There were no travel and subsistence expenditure paid by the Health & Safety Authority on behalf of the Board members.

### Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2017	2016
	€	€
Staff hospitality	1,789	2,224
Client hospitality	-	-
Total	<u>1,789</u>	<u>2,224</u>


### Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Health and Safety Authority was in full compliance with the Code of Practice for the Governance of State Bodies for 2017.

  
\_\_\_\_\_  
Tom Coughlan  
Authority Chairman

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Carol Bolger  
Authority Board Member

  
\_\_\_\_\_  
Date

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Control

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### Scope of Responsibility

On behalf of the Board of the Health and Safety Authority I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

### Purpose of the System of Internal Control

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 irregularities are either prevented or would be detected in a timely period.

The Authority has taken steps to ensure an appropriate control environment by:

- Clearly defining management responsibilities and powers;
- Establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.
- Establishing a process to safeguard the assets of the Authority.
- Developing a culture of accountability across all levels of the organisation.

### Capacity to Handle Risk

The Authority has established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial implications of risks facing the Authority including the extent and categories which it regards as acceptable.
- Assessing the likelihood of identified risks occurring.
- Assessing the Authority's ability to manage and mitigate the risks that do occur.
- Assessing the costs of operating particular controls relative to the benefit obtained.
- Working closely with Government and various Agencies to ensure that there is a clear understanding of the Authority's goals and support for the strategies to achieve those goals.

### Risk and Control Framework

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

- A comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual reports, which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance.
- Clearly defined purchasing and approval guidelines.
- Formal project management disciplines.

An active Audit and Risk committee, which met five times during the year and works closely with the Board on areas of risk that may impact on the Authority. An up to date risk management policy which sets out the risk appetite, risk management processes in place and details the roles and responsibilities of staff in relation to risk. A risk register which identifies key risks of the Authority, evaluates the risks and ranks the risks in accordance with the severity of impact on the Authority. The risk register is reviewed and updated by the Audit and Risk Committee three times each year, this is then reviewed and approved by the board.

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Control

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We can confirm that a control environment is in place for the following areas;

- Procedures for all key business processes have been documented
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems, there are systems in place to safeguard the assets, and
- control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

The Authority has put in place an internal audit function, which operates in accordance with the principles set out in the Code of Practice on the Governance of State Bodies published in September 2016. The work of internal audit is informed by analysis of the risk to which the Authority is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board of the Authority. At least annually, the Internal Auditor will provide the Authority with a report of internal audit activity. The report includes the Internal Auditor's opinion on the adequacy and effectiveness of the system of internal control.

The Authority's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal auditor, the Audit Committee which oversees the work of the internal auditor, the Executive within the Authority who have the responsibility for the development and maintenance of the financial control framework, and comments made by the Office of the Comptroller and Auditor General in management letters or other reports.

### **Procurement**

I confirm that the Health and Safety Authority has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2017 the Health and Safety Authority complied with those procedures, with the exception of the issue outline in internal control issues below.

### **Internal Control Issues**

No weaknesses in internal control were identified in relation to 2017 that require disclosure in the financial statements with the following exception. As part of the review of internal controls prepared by the Authority's Internal Auditors it transpired that quotations had not been sought in respect of small number of low value transactions with a supplier, total amounting to €19,627.

All staff in the Authority will be reminded of ensuring full compliance with the public procurement guidelines, the need to seek competitive quotations and the need to keep all procurement records on file for future inspection.

In very exceptional circumstances the Authority may need to retain the services of a forensic engineer to carry out a technical investigation on its behalf following an incident reported to the Authority. Such appointments can be time critical and may result in a prosecution and the need for the person who carried out the investigation to attend Court as an expert witness. Where such a forensic engineer may be required they are selected based on their qualification, experience and specialist training and areas of professional interest. In such circumstances it may not always be possible to adhere to public procurement guidelines. Nonetheless the Authority remains acutely conscious of the need to ensure the highest standards of corporate governance and value for money.

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Control

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### Review of Effectiveness

The Statement on System of Internal controls has been reviewed by the Audit and Risk Committee and the Board to ensure it accurately reflects the control system in operation during the reporting period.

A review of Internal Controls in 2017 was carried out by an external firm and signed off by the Board of the Authority in March 2018.

The Authority is reasonably assured that the systems of Internal Control instituted and implemented in the Health and Safety Authority for the financial year ended 31<sup>st</sup> December 2017 are effective.

On behalf of the Board.



Tom Coughlan  
Chairman



Date

**HEALTH AND SAFETY AUTHORITY**

**Report of the Comptroller and Auditor General**

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## HEALTH AND SAFETY AUTHORITY

### Statement of Income & Expenditure & Retained Revenue Reserves for the year ended 31 December 2017

	Notes	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
<b>Income</b>			
Department of Business, Enterprise and Innovation including Oireachtas Grant	2	17,700,265	17,210,484
Accreditation Income	3	2,343,798	2,324,206
COMAH Income	4	175,650	241,904
Other Income	5	169,312	235,471
Other Transfer (to)/from Capital Account	12	(35,280)	(347,462)
Deferred retirement benefit funding	13	3,926,000	3,744,000
		<u>24,279,745</u>	<u>23,408,603</u>
<b>Expenditure</b>			
Salaries Costs	6	10,949,293	10,771,115
Retirement Benefit Costs	13	4,661,265	4,323,484
Operational Expenses	8	8,210,831	8,351,096
		<u>23,821,389</u>	<u>23,445,695</u>
<b>Surplus/(Deficit) for the year</b>		<b>458,356</b>	<b>(37,092)</b>
Balance Brought Forward at 1 January		726,901	763,993
<b>Balance Carried Forward at 31 December</b>		<b><u>1,185,257</u></b>	<b><u>726,901</u></b>

The Statement of Cash Flows and Notes 1 to 19 form part of these Financial Statements.

The Financial Statements were approved by the Board on 11<sup>th</sup> December 2018 and signed on its behalf by:

  
Tom Coughlan  
Authority Chairman

Date

11/12/2018

  
Carol Bolger  
Authority Board Member

Date

11.12.18



## HEALTH AND SAFETY AUTHORITY

### Statement of Total Comprehensive Income for the year ended 31 December 2017

	Notes	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
Surplus/(Deficit) for the year		458,356	(37,092)
Experience losses on retirement benefit obligations		(1,821,000)	(1,531,000)
Change in assumptions underlying the present value of retirement benefit obligations		(900,000)	(15,719,000)
Actuarial losses in the year	13	(2,721,000)	(17,250,000)
Adjustment to deferred retirement benefit funding		2,721,000	17,250,000
<b>Comprehensive Income for the year</b>		<b>458,356</b>	<b>(37,092)</b>

The Statement of Cash Flows and Notes 1 to 19 from part of these Financial Statements.

The Financial Statements were approved by the Board on 11<sup>th</sup> December 2018 and signed on its behalf by:

  
 \_\_\_\_\_  
**Tom Coughlan**  
 Authority Chairman

11/12/2018  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
**Carol Bolger**  
 Authority Board Member

11.12.18  
 \_\_\_\_\_  
 Date


# HEALTH AND SAFETY AUTHORITY

## Statement of Financial Position For the year ended 31 December 2017

	Notes	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
<b>FIXED ASSETS</b>			
Property, plant & equipment	9	772,993	737,712
<b>CURRENT ASSETS</b>			
Receivables	10	1,396,838	1,186,206
Cash and cash equivalents		474,191	703,022
		1,871,029	1,889,228
<b>CURRENT LIABILITIES (amounts due within one year)</b>			
Payables	11	(685,774)	(1,162,328)
Net Current Assets		1,185,255	726,900
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE RETIREMENT BENEFITS</b>			
		1,958,248	1,464,612
Deferred retirement benefit funding asset	13	105,783,000	99,136,000
Retirement benefit obligation	13	(105,783,000)	(99,136,000)
<b>TOTAL NET ASSETS</b>		<b>1,958,248</b>	<b>1,464,612</b>
<b>REPRESENTING</b>			
Retained revenue reserves		1,185,257	726,901
Capital account	12	772,991	737,711
		<b>1,958,248</b>	<b>1,464,612</b>

The Statement of Cash Flows and Notes 1 to 19 form part of these Financial Statements.

The Financial Statements were approved by the Board on 11<sup>th</sup> December 2018 and signed on its behalf by:

  
Tom Coughlan  
Authority Chairman

Date

11/12/2018

  
Carol Bolger  
Authority Board Member

Date

11.12.18

# HEALTH AND SAFETY AUTHORITY

## Statement of Cash Flows for the year ended 31 December 2017

	Notes	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
<b>Net Cash Flows from Operating Activities</b>			
Operating surplus/(deficit) for year		458,356	(37,092)
Depreciation	9	256,949	238,565
Transfer to Capital reserve	12	35,280	347,462
(Decrease)/Increase in payables	11	(476,555)	423,775
(Increase)/Decrease in receivables	10	(210,632)	43,598
<b>Net cash inflow from operating activities</b>		<b>63,398</b>	<b>1,016,308</b>
 <b>Cash flows from Investing Activities</b>			
Net Cash Flows from Financing Activities			
		-	-
Payments to acquire property, plant and equipment	9	(292,229)	(586,027)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(228,831)</b>	<b>430,281</b>
 Cash and Cash Equivalents at 31 December 2016			
		703,022	272,741
<b>Cash and Cash Equivalents at 31 December 2017</b>		<b>474,191</b>	<b>703,022</b>

Notes 1 to 19 form part of these Financial Statements.

# HEALTH AND SAFETY AUTHORITY

## Notes *(forming part of the financial statements)*

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### 1. ACCOUNTING POLICIES

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

#### a) General Information

The Health and Safety Authority was set up under the Safety, Health and Welfare at Work Act 2005, with a Head Office at The Metropolitan Building, James Joyce Street, Dublin 1.

The Authority's primary objectives are set out in Section 34 of that Act. The Health and Safety Authority (HSA) has overall responsibility for the administration and enforcement of health and safety at work in Ireland. The Authority monitors compliance with legislation at the workplace and can take enforcement action (up to and including prosecutions). The Authority is the national centre for information and advice to employers, employees and self-employed on all aspects of workplace health and safety. The Authority also promotes education, training and research in the field of health and safety. There are a wide range of activities that fall under the Authority's remit including:

- Promotion of good standards of health and safety at work;
- Inspection of all places of work and monitoring of compliance with health and safety laws;
- Investigation of serious accidents, causes of ill health and complaints;
- Undertaking and sponsoring research on health and safety at work;
- Developing and publishing codes of practice, guidance and information documents;
- Providing an information service during office hours;
- Developing new laws and standards on health and safety at work.

The Irish National Accreditation Board (INAB) is the national body with responsibility for accreditation in accordance with the relevant International Organisation for Standardisation (ISO) 17000 series of standards. It is Ireland's national body within a European network of accreditation bodies. INAB assesses certification bodies, laboratories and inspection bodies for conformity against internationally harmonised standards providing assurance that these bodies demonstrate competence and performance capability in carrying out their work.

INAB was established as a Committee of Forfás under Section 10 of the Industrial Development Act, 1993 as amended by Section 46 of the Industrial Development (Enterprise Ireland) Act, 1998.

Under the Industrial Development (Forfás Dissolution) Act 2014 INAB was transferred as a Committee of the Health and Safety Authority, with the transfer of all INAB functions and staff to the Authority.

The Authority is the body legally responsible for accreditation. This responsibility is delegated to the Committee (referred to in the 2014 legislation as the Accreditation Board). The Accreditation Board members are appointed by the Board of the Authority and the staff assigned to INAB to carry out day to day functions, are employees of the Authority.

The Authority is a Public Benefit Entity (PBE).

# HEALTH AND SAFETY AUTHORITY

## Notes *(forming part of the financial statements)*

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

The financial statements of the Health and Safety Authority 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) **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 Business, Enterprise and Innovation with the concurrence of the Minister for Public expenditure and Reform under the Safety, Health and Welfare at Work Act 2005. 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. Oireachtas grants shown in the Statement of Income and Expenditure and Retained Revenue Reserves Account reflect the amounts received from the Department of Business, Enterprise and Innovation (DBEI) in respect of the year.

#### *INAB income*

Income for the Irish National Accreditation Board (INAB) represents income invoiced during the year.

#### *COMAH Income*

Income from recoverable costs invoiced during the year for performing inspections and investigations under the Chemicals Act Regulations 2015.

#### *Other income*

All other income is recorded in the period which it relates to within the Statement of Income and Expenditure and Retained Revenue Reserves.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

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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, 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:

Office furniture & equipment	20%	Straight Line
Computer equipment	33.33%	Straight Line
Scientific equipment	20%	Straight Line
Fixtures and fittings	10%	Straight Line
Software development	10%	Straight Line

The Authority operates a capitalisation threshold policy of €1,000.

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) Capital Account

The Capital Account comprise the unamortised value of capital grants used to fund fixed assets.

### g) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Statement of Financial Position date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable are dealt with in the Statement of Income and Expenditure and Retained Reserves Account.

### h) 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 Health and Safety 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.

## HEALTH AND SAFETY AUTHORITY

### Notes *(forming part of the financial statements)*

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#### i) **Operating Leases**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

#### j) **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 Health and Safety Authority previously established its own defined benefit pension scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Business, Enterprise and Innovation (DBEI) and from contributions deducted from staff and members' salaries. The Authority 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 DBEI. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income, and a corresponding adjustment is recognised in the amount recoverable from the DBEI.

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

## HEALTH AND SAFETY AUTHORITY

### Notes *(forming part of the financial statements)*

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#### **k) 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.

#### **l) Contingencies**

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 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.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.



# HEALTH AND SAFETY AUTHORITY

## Notes *(forming part of the financial statements)*

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### m) 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.

#### Impairment of Property, Plant and Equipment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 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 Health and Safety 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.

#### 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
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 2. OIREACHTAS GRANTS

	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
D/BEI - Vote 32 - Subhead C5	18,372,000	17,884,000
Employee Pension Contributions remitted to D/BEI	(669,583)	(671,449)
Single Scheme Contributions remitted to D/PER	(2,152)	(2,067)
	17,700,265	17,210,484

### 3. ACCREDITATION INCOME

	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
Accreditation income	2,343,798	2,324,206

The Industrial Development (Forfas Dissolution) Act 2014 was signed into law on 29<sup>th</sup> June 2014 and on the 1<sup>st</sup> August 2014 Forfas was dissolved and ceased as a legal entity. Much of their related activities were transferred to the Department of Business, Enterprise and Innovation. The Irish National Accreditation Board (INAB) transferred to the Health & Safety Authority. INAB are responsible for accreditation activities and invoice clients for work undertaken.

### 4. COMAH INCOME

	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
COMAH income	175,650	241,904

In 2016 the Authority introduced a fee schedule for various inspection and investigation activities under the Chemicals Act (Control of Major Accident Hazards Involving Dangerous Substances) Regulations 2015.

### 5. OTHER INCOME

	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
Driver Training Course Income	81,495	115,650
SEVESO	-	1,169
Sale of Authority's Publications	2,397	3,935
ECHA Income	36,541	-
Miscellaneous (Seminars, Legal, Witness Expenses, EU Commission)	48,879	114,717
	169,312	235,471

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 6. SALARY COSTS

	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
Gross Salaries	10,079,254	9,912,218
Employer PRSI	870,039	858,897
	<hr/>	<hr/>
Total Salary Costs	<u>10,949,293</u>	<u>10,771,115</u>
Actual Staffing Levels – Professional/technical	111.7	112.7
Actual Staffing Levels – Administration	50.4	45.9
	<hr/>	<hr/>
	<u>162.1</u>	<u>158.6</u>

€551,913 (2016: €587,537) of pension levy has been deducted from staff and paid over to the Department of Business, Enterprise and Innovation.

The Authority can confirm that there were no termination payments during the year 2017. The Authority can also confirm that Overtime amounted to €38,379 and Allowances amounted to €17,614 during the year 2017.

### CEO Remuneration

The Chief Executive Officer received a salary of €145,605 (2016: €143,040) and expenses to the value of €10,011 (2016: €8,192) in 2017.

The CEO did not receive any bonus or perquisites in the year.

The CEO's retirement benefit entitlements are in line with standard entitlements in the model public sector defined benefit superannuation scheme.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### Employee Benefits Breakdown

Range of total employee benefits		Number of Employees	
From	To	2017	2016
€60,000	- €69,999	63	75
€70,000	- €79,999	17	14
€80,000	- €89,999	11	9
€90,000	- €99,999	3	5
€100,000	- €109,999	3	3
€110,000	- €119,999	1	-
€140,000	- €149,999	1	1
Total		99	107

Note: 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.

### 7. MEMBERS' FEES AND EXPENSES

Board Member	2017	2017	2016	2016
	Fees	Expenses	Fees	Expenses
	€	€	€	€
Ms. Carol Bolger	7,695	-	7,695	-
Mr. Andrew Bowers	7,695	-	-	-
Mr. George Brett	-	-	7,695	1,169
Mr. Robert Butler	-	-	7,695	-
Mr. Dermot Carey	7,695	1,130	-	-
Mr. Tom Coughlan (Chairman)	11,970	6,003	-	-
Mr. Paul Cullen (DBEI)	-	-	-	-
Mr. Stephen Curran (DBEI)	-	-	-	-
Mrs. Deirdre Cullivan	7,695	1,260	-	-
Dr. Michael Gillen	7,695	-	7,695	-
Mr. Paraig Hennessy (DBEI)	-	-	-	-
Mr. Michael Horgan (Chairman)	-	-	11,980	-
Mr. Pat Kenny	7,695	-	7,695	-
Mr. John McCartney	7,695	292	7,695	307
Ms. Vicki O'Reilly	-	-	7,695	-
Professor James Phelan	7,695	-	7,695	561
Ms. Christine Rowland	7,695	-	7,695	-
Mr. Frank Vaughan	7,695	117	7,695	209
	88,920	8,802	88,930	2,246

## HEALTH AND SAFETY AUTHORITY

### Notes (forming part of the financial statements)

#### 8. OPERATIONAL EXPENSES

	<b>Total 2017 €</b>	<b>Total 2016 €</b>
Accommodation	1,621,760	1,857,488
Communications costs	456,360	399,042
Travel & subsistence – national	791,438	689,092
Travel & subsistence – international	174,204	153,838
Publications & marketing	1,397,652	1,207,608
Legal services	106,823	128,360
Research	2,571	160,347
Financial services	293,095	304,279
Pensions and human resources	17,557	21,287
Other consultancy	453,719	471,077
Accreditation – external assessor costs (note 3)	812,573	961,000
Business process review	323,217	348,299
Staffing costs	250,586	218,647
General equipment supplies	149,827	167,391
Investment in learning	188,751	186,414
Technology costs	625,910	609,710
Depreciation	256,949	238,565
Internal audit fees	19,835	16,544
External audit fees	27,100	15,400
Members' fees	88,920	88,930
Bad debts	-	14,254
Other	151,984	99,756
	<b>8,210,831</b>	<b>8,351,096</b>

Included in operational expenses is a charge of €1,789 (2016: €2,224) in respect of amounts paid by the Authority for hospitality.

Note that comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 9. PROPERTY, PLANT & EQUIPMENT

	Fixtures & Fittings	Furniture & Equipment	Computer Equipment	Scientific Equipment	Software Development	Total
<b>Cost</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2017	449,814	1,012,594	1,744,355	166,052	778,815	4,151,630
Additions in year	62,737	-	152,360	-	77,132	292,229
Disposals	-	-	-	-	-	-
At 31 December 2017	<u>512,551</u>	<u>1,012,594</u>	<u>1,896,715</u>	<u>166,052</u>	<u>855,947</u>	<u>4,443,859</u>
<b>Accumulated depreciation</b>						
At 1 January 2017	209,825	990,665	1,656,747	164,440	392,240	3,413,917
Charge for the year	39,168	10,927	120,870	807	85,177	256,949
Disposals	-	-	-	-	-	-
At 31 December 2017	<u>248,993</u>	<u>1,001,592</u>	<u>1,777,617</u>	<u>165,247</u>	<u>477,417</u>	<u>3,670,866</u>
<b>Net book value</b>						
At 31 December 2017	<u><b>263,558</b></u>	<u><b>11,002</b></u>	<u><b>119,098</b></u>	<u><b>805</b></u>	<u><b>378,530</b></u>	<u><b>772,993</b></u>
At 31 December 2016	<u>239,989</u>	<u>21,929</u>	<u>87,608</u>	<u>1,612</u>	<u>386,575</u>	<u>737,712</u>

### 10. RECEIVABLES

	31 December 2017 €	31 December 2016 €
Prepayment	1,222,128	1,051,962
Accreditation and COMAH receivables	132,131	77,394
Other receivables	42,579	56,850
	<u>1,396,838</u>	<u>1,186,206</u>

The fair values of receivables and prepayments approximate to their carrying amounts. All receivables are due within one year.

## HEALTH AND SAFETY AUTHORITY

### Notes (forming part of the financial statements)

#### 11. PAYABLES

	31 December 2017 €	31 December 2016 €
Trade creditors	128,551	156,483
Accruals	469,675	531,410
Tax creditors – VAT & PSWT	75,395	47,620
Other creditors	3,100	4,419
Payroll creditors	9,053	422,395
	685,774	1,162,328

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date. The terms of accruals are based on the underlying contracts.

#### 12. CAPITAL ACCOUNT

	31 December 2017 €	31 December 2016 €
Opening Balance	737,711	390,249
<b>Transfer to Statement of Income and Expenditure</b>		
Funding to acquire Assets	292,229	586,027
Amortisation in line with asset depreciation	(256,949)	(238,565)
	35,280	347,462
Closing Balance at 31 December	772,991	737,711

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 13. RETIREMENT BENEFIT COSTS

#### i. Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	31 December 2017	31 December 2016
	€	€
Current service cost	3,477,000	2,911,000
Interest on retirement benefit scheme liabilities	1,856,000	2,086,000
Employee contribution	(671,735)	(673,516)
	4,661,265	4,323,484

#### ii. Movement in retirement benefit obligations during the financial year

	31 December 2017	31 December 2016
	€	€
Net retirement benefit liability at 1 January	(99,136,000)	(78,142,000)
Current service cost	(3,477,000)	(2,911,000)
Past service costs	-	-
Interest cost	(1,856,000)	(2,086,000)
Retirement benefits paid in year	1,407,000	1,253,000
Actuarial loss	(2,721,000)	(17,250,000)
	(105,783,000)	(99,136,000)

Retirement benefits paid in the year include lump sum retirement costs of €286,672.

#### iii. Deferred funding asset for retirement benefits

The Authority recognises amounts owing from the State for 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 retirement benefits including contributions by employees and the annual estimates process. The Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Retirement benefits recognised in the Statement of Income & Expenditure was as follows:

	31 December 2017	31 December 2016
	€	€
Funding recoverable in respect of current year costs	5,333,000	4,997,000
State Grant applied to pay pensioners	(1,407,000)	(1,253,000)
	3,926,000	3,744,000

The deferred funding asset for retirement benefits as at 31 December 2017 amounted to €105,783,000 (2016: €99,136,000).



# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### iv. History of defined benefit obligations

	31 December 2017 €	31 December 2016 €
Experience losses / (gains) on scheme liabilities		
Amount	1,821,000	1,531,000
Percentage of scheme liabilities	(1.7%)	(1.5%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €2,721,000.

### v. Description of scheme

The Health and Safety Authority operates unfunded defined benefit superannuation schemes for staff. Superannuation entitlements arising under the schemes are paid out of current income and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves Account, net of employee superannuation contributions, in the year in which they become payable.

The valuation used for FRS 102 disclosures been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2017.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2017 were as follows:

	31 December 2017	31 December 2016
Discount rate	1.88%	1.88%
Inflation rate	1.80%	1.80%
Salary increases	3.00%	3.00%
Retirement benefit increases	2.75%	2.75%

The mortality basis adopted 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 (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the retirement benefit liabilities are:

	Male aged 65	Female aged 65
Current pensioners	21.2	23.7
Future pensioners retiring 2037	23.7	25.8

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 14. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31<sup>st</sup> December 2017.

### 15. OPERATING LEASES

At 31 December 2017 the Authority had the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2017	2016
	€	€
Payable within one year	1,131,198	1,157,483
Payable within two to five years	4,194,421	4,314,955
Payable after five years	3,859,780	4,824,725
	<u>9,185,399</u>	<u>10,297,163</u>

Operating lease payments recognised as an expense were €1,155,535 (2016: €1,387,316).

### 16. CAPITAL COMMITMENTS

There were no capital commitments at 31<sup>st</sup> December 2017.

### 17. RELATED PARTY DISCLOSURES

The Authority adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by Authority Members and these procedures have been adhered to in the year. There were no transactions in the period in relation to the Authority's activities in which the Authority Members had any beneficial interest. The Authority is recognised as a public body under the Ethics in Public Office Acts, 1995 and 2001 and in accordance with Statutory Instrument No 607 of 2008, which came into operation on 1 January 2009, the Authority Members are obliged to submit declarations of interest in respect of the period ended 31 December 2017 to the Standards in Public Office Commission.

Key management personnel in the Health and Safety Authority consist of the Chief Executive and members of the Authority. Total compensation paid to key management personnel, including authority members' fees and total CEO remuneration, amounted to €234,525 (2016: €231,970). For a breakdown of the remuneration and benefits paid to key management personnel please refer to Notes 6 and 7.

## HEALTH AND SAFETY AUTHORITY

### Notes (forming part of the financial statements)

#### 18. PREMISES

- a) Land and Buildings: The Health and Safety Authority owns no land and buildings.
- b) All the premises are leased by the Authority. The Authority owns no freehold office or industrial premises. Most of the leases are with private landlords but in the case of the Cork and Waterford offices the Authority is in premises managed by the Office of Public Works. The Authority regularly reviews its network of offices to ensure that it continues to meet our ongoing operational requirements.
- c) The Authority's head office is in Dublin.
- d) Details of the various offices occupied by the Health and Safety Authority are set out in the table below. In addition to the offices occupied by the Authority there is an industrial unit in Co. Tipperary which is used for the purpose of storing large items of evidential material that may be required in connection with investigations undertaken by the Authority.

Location	Address	Expiry Date	Annual Premium €
Head Office Dublin	5 <sup>th</sup> and 6 <sup>th</sup> Floor The Metropolitan Building James Joyce Street Dublin 1	2026	964,945
Athlone	Monksland Business Park Athlone	2021	37,026
Evidence store	Tipperary	2019	18,180
Cork	1A South Mall Cork	-	25,964
Galway	Odeon House Eyre Square Galway	2017	24,337
Kilkenny	Hebron House 1 (3 <sup>rd</sup> Floor) MacDonagh Junction Kilkenny	2018	38,643
Limerick	The Loughmore Centre Raheen Business Park Limerick	2021	21,965
Sligo	Unit 1 Beulah Buildings Finisklin Road Sligo	2019	20,756
Waterford	Government Buildings The Glen Waterford	-	3,719

The Lease of the Authority's Galway Field Office expired in 2017 and the Authority relocated to a new Office in Galway in June 2018.

# HEALTH AND SAFETY AUTHORITY

## Notes *(forming part of the financial statements)*

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### 19. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on Tuesday 11<sup>th</sup> December 2018.