



**HEALTH AND SAFETY AUTHORITY**

**AN tÚDARÁS SLÁINTE AGUS SÁBHÁILTEACHTA**

**Report and Financial Statements  
for the year ended 31 December 2015**

# 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. Michael Horgan (Chairman)	[appointed on 20/12/2013]
	Ms. Carol Bolger	[appointed on 28/02/2014]
	Mr. George Brett	[appointed on 20/12/2013]
	Mr. Robert Butler	[appointed on 20/12/2013]
	Mr. Paul Cullen (DJEI)	[appointed on 20/12/2013]
	Dr. Michael Gillen	[appointed on 20/12/2013]
	Mr. Pat Kenny	[appointed on 20/12/2013]
	Mr. John McCartney	[appointed on 28/02/2014]
	Ms. Vicki O'Reilly	[appointed on 28/02/2014]
	Prof. James Phelan	[appointed on 28/02/2014]
	Ms. Christine Rowland	[appointed on 20/12/2013]
	Mr. Frank Vaughan	[appointed on 20/12/2013]

**Head Office**  
Health and Safety Authority  
The Metropolitan Building  
James Joyce Street  
Dublin 1

**Auditor**  
Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1

**Accountants**  
Crowleys DFK  
Chartered Accountants  
16/17 College Green  
Dublin 2

**Internal Auditors**  
Deloitte  
Deloitte & Touche House  
29 Earlsfort Terrace  
Dublin 2



## Comptroller and Auditor General

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

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#### Health and Safety Authority

I have audited the financial statements of the Health and Safety Authority for the year ended 31 December 2015 under 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. The financial statements have been prepared in the form prescribed under Section 48 of the Act, and in accordance with generally accepted accounting practice.

#### Responsibilities of the Members of the Authority

The Authority 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 Health and Safety Authority as at 31 December 2015 and of its income and expenditure for 2015; 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 2016

# HEALTH AND SAFETY AUTHORITY

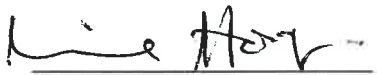
## Statement of Responsibilities of the Board

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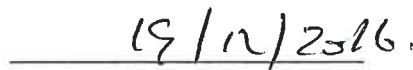
Section 48(1) of the Safety, Health and Welfare at Work Act, 2005 requires the Authority to keep in such form as may be approved by the Minister for Jobs, Enterprise and Innovation with the consent of the Minister for Public Expenditure and Reform, all proper and usual books or other records of account of all money received and expended by it and, in particular, shall keep in such form as aforesaid all special accounts (if any) as the Minister may from time to time direct. In preparing those financial statements, the Authority is required to:

- Select suitable accounting policies and 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 Authority will continue in operation.

The Authority is responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time its financial position and which enables it to ensure that the financial statements comply with Section 48(1) of the Safety, Health and Welfare at Work Act, 2005. The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



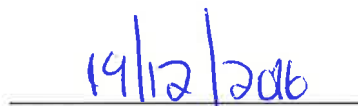
**Authority Member**



**Date**



**Authority Member**



**Date**

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Financial Control

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On behalf of the Board of the Health and Safety Authority I 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 irregularities are either prevented or would be detected in a timely period.

### Key Control Procedures

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.

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.

The system of internal financial 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.

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 June 2009. 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 financial control.

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Financial Control

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The Authority's monitoring and review of the effectiveness of the system of internal financial 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 Comptroller and Auditor General in his management letter or other reports.

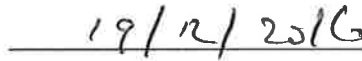
### Annual Review of Controls

The Authority's Audit Committee reviews the effectiveness of the internal financial systems with a formal report then going to the Board. The Board has carried out a formal review of its internal financial controls in respect of 2015.

On behalf of the Board.



**Chairman**



**Date**

# HEALTH AND SAFETY AUTHORITY

## Statement of Income & Expenditure & Retained Revenue Reserves for the year ended 31 December 2015

	Notes	Year Ended 31 December 2015 €	Year Ended 31 December 2014 €
<b>Income</b>			
Department of Jobs, Enterprise and Innovation including Oireachtas Grant	3	18,217,000	18,422,785
Accreditation Income	4	2,289,062	354,176
Other Income	5	312,012	487,966
Other Income reimbursed to DJEI	13	(678,344)	(641,000)
Transfer from/(to) Capital Account	12	25,953	(82,627)
Deferred retirement benefit funding	13	<u>4,629,000</u>	<u>4,305,000</u>
		<u>24,794,683</u>	<u>22,846,300</u>
<b>Expenditure</b>			
Salaries Costs	6	10,990,033	10,760,784
Retirement benefit Costs	13	4,970,656	4,628,000
Operational Expenses	8	8,907,365	7,239,072
		<u>24,868,054</u>	<u>22,627,856</u>
 (Deficit)/Surplus for the year		 <u>(73,371)</u>	 <u>218,444</u>
Balance Brought Forward at 1 January		837,364	618,920
<b>Balance Carried Forward at 31 December</b>		<b>763,993</b>	<b>837,364</b>

The Statement of Accounting Policies and Notes 1 to 18 form part of these Financial Statements.

The Financial Statements were approved by the Board on the 11<sup>th</sup> March 2016 and signed on its behalf by:



Authority Member

19/12/2016

Date



Authority Member

19/12/2016

Date



# HEALTH AND SAFETY AUTHORITY

## Statement of Comprehensive Income for the year ended 31 December 2015

	Notes	Year Ended 31 December 2015 €	Year Ended 31 December 2014 €
(Deficit)/Surplus for the year		<u>(73,371)</u>	<u>218,444</u>
Experience (losses)/gains on retirement benefit obligations		(775,000)	353,000
Change in assumptions underlying the present value of retirement benefit obligations		<u>11,765,000</u>	<u>(17,514,000)</u>
Actuarial (losses)/gains in the year		10,990,000	(17,161,000)
Adjustment to deferred retirement benefit funding		<u>(10,990,000)</u>	<u>17,161,000</u>
Total Comprehensive Income for the year		<u>(73,371)</u>	<u>218,444</u>

The statement of Accounting Policies and Notes 1 to 18 from part of these Financial Statements.

The Financial Statements were approved by the Board on the 11<sup>th</sup> March 2016 and signed on its behalf by:



Authority Member



Date



Authority Member



Date

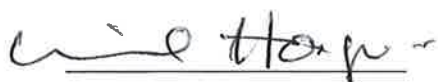
# HEALTH AND SAFETY AUTHORITY

## Statement of Financial Position For the year ended 31 December 2015

	Notes	31 December 2015 €	31 December 2014 €
<b>FIXED ASSETS</b>			
Property, plant & equipment	9	<u>390,250</u>	<u>416,203</u>
<b>CURRENT ASSETS</b>			
Receivables	10	1,229,804	1,241,453
Cash and cash equivalents		<u>272,741</u>	<u>712,979</u>
		1,502,545	1,954,432
<b>CURRENT LIABILITIES (amounts due within one year)</b>			
Payables	11	<u>(738,553)</u>	<u>(1,117,069)</u>
Net Current Assets		<u>763,992</u>	<u>837,363</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE RETIREMENT BENEFITS</b>		<u>1,154,242</u>	<u>1,253,566</u>
Deferred retirement benefit funding asset	13	78,142,000	84,503,000
Retirement benefit obligation	13	<u>(78,142,000)</u>	<u>(84,503,000)</u>
<b>TOTAL NET ASSETS</b>		<u>1,154,242</u>	<u>1,253,566</u>
<b>REPRESENTING</b>			
Retained revenue reserves		763,993	837,364
Capital account	12	<u>390,249</u>	<u>416,202</u>
		<u>1,154,242</u>	<u>1,253,566</u>

The Statement of Accounting Policies and Notes 1 to 18 form part of these Financial Statements.

The Financial Statements were approved by the Board on the 11<sup>th</sup> March 2016 and signed on its behalf by:



Authority Member

15/12/2016

Date



Authority Member

14/12/2016

Date

# HEALTH AND SAFETY AUTHORITY

## Statement of Cash Flows for the year ended 31 December 2015

		Year Ended 31 December 2015	Year Ended 31 December 2014
	Notes	€	€
<b>Reconciliation of operating (deficit)/surplus to net cash inflow/(outflow) from operating activities</b>			
Operating (deficit)/surplus for year		(73,371)	218,444
Depreciation	9	233,353	204,172
Transfer (from)/to Capital reserve	12	(25,953)	82,627
(Decrease) in payables	11	(378,516)	34,346
Decrease /(increase) in receivables	10	11,649	(290,385)
Net cash (outflow)/inflow from operating activities		<u>(232,838)</u>	<u>249,204</u>
<b>Statement of Cash Flows</b>			
Net cash (outflow)/inflow from operating activities		(232,838)	249,204
<b>Cash Flows from Financing Activities</b>			
Interest Earned		-	-
<b>Cash flows from Investing Activities</b>			
Payments to acquire property, plant and equipment	9	(207,400)	(286,799)
Net (Decrease) in cash and cash equivalents		<u>(440,238)</u>	<u>(37,595)</u>
Net funds at 31 December 2014		(712,979)	(750,574)
Net funds at 31 December 2015		272,741	712,979
Net (Decrease) in cash and cash equivalents		<u>(440,238)</u>	<u>(37,595)</u>

The Statement of Accounting Policies and Notes 1 to 18 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 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 Authority is a Public Benefit Entity (PBE).

#### b) Transfer of Functions

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.

2015 is the first full financial year that INAB is part of the Authority.

# HEALTH AND SAFETY AUTHORITY

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

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### c) **Statement of Compliance**

The financial statements of the Health and Safety Authority for the year ended 31 December 2015 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. These are the Health and Safety Authority's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The prior year financial statements were re-stated for material adjustments on adoption of FRS 102 in the current year. The result of this adoption can be seen in Note 2.

### d) **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 Jobs, 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.

### e) **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 Jobs, Enterprise and Innovation (DJEI) in respect of the year.

#### *INAB income*

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

#### *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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### f) 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.

### g) Capital Account

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

### h) 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.

### i) 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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### j) **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.

### k) **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 Jobs, Enterprise and Innovation (DJEI) 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 DJEI. 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 DJEI.

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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### **l) 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.

### **m) 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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### n) 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 balance sheet 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)

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### 2. TRANSITION TO FRS 102

	As at 1 Jan 2014 €'000	As at 31 Dec 2014 €'000
<b>Reconciliation of Capital and Reserves</b>		
Capital and reserves (as previously stated)	1,200,385	1,507,392
Holiday pay accrual	(247,890)	(253,826)
<b>Capital and reserves (as re-stated)</b>	<u>952,495</u>	<u>1,253,566</u>

	Year ended 31 Dec 2014 €'000
<b>Reconciliation of Surplus for the year</b>	
Surplus for the year (as previously stated)	224,380
Holiday pay accrual	(5,936)
<b>Surplus for the year (as re-stated)</b>	<u>218,444</u>

#### *Holiday Pay Accrual*

The Authority had previously not accrued for holiday pay earned by employees but not availed of at the reporting date. Under FRS 102, the financial statements must recognise such accruals.

The impact of this change is an increase of €247,890 in creditors at the transition date and €253,826 at 31 December 2014. The surplus is reduced by €247,890 in the year-ended 31 December 2013 and by €5,936 in the year-ended 31 December 2014.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 3. OIREACHTAS GRANTS

	Year Ended 31 December 2015	Year Ended 31 December 2014
	€	€
D/JEI - Vote 14 - Subhead C5	<u>18,217,000</u>	<u>18,422,785</u>

### 4. ACCREDITATION INCOME

	Year Ended 31 December 2015	Year Ended 31 December 2014
	€	€
Accreditation income	<u>2,289,062</u>	<u>354,176</u>

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 Jobs, 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. This year was the first year that a full year of Accreditation income is recorded in the financial statements.

### 5. OTHER INCOME

	Year Ended 31 December 2015	Year Ended 31 December 2014
	€	€
Driver Training Course Income	95,804	123,796
SEVESO	28,556	76,641
Fines – European Agreement concerning the international carriage of dangerous goods by road (ADR)	1,750	13,450
Sale of Authority's Publications	19,510	44,174
Miscellaneous (Seminars, Legal, Witness Expenses, EU Commission)	<u>166,392</u>	<u>229,905</u>
	<u>312,012</u>	<u>487,966</u>

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 6. SALARY COSTS

	Year Ended 31 December 2015	Year Ended 31 December 2014
	€	€
Gross Salaries	10,133,287	9,883,624
Employer PRSI	<u>856,746</u>	<u>877,160</u>
Total Salary Costs	<u>10,990,033</u>	<u>10,760,784</u>
Actual Staffing Levels – Professional/technical	117.6	118
Actual Staffing Levels – Administration	<u>48.6</u>	<u>49.1</u>
	<u>166.2</u>	<u>167.1</u>

€728,012 (2014: €698,611) of pension levy has been deducted from staff and paid over to the Department of Jobs, Enterprise and Innovation.

### CEO REMUNERATION

The Chief Executive Officer received a salary of €148,541 (2014: €143,040) and expenses to the value of €8,324.19 (2014: €10,266) in 2015.

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.

### EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits		Number of Employees	
From	To	2015	2014
€60,000	- €69,999	71	61
€70,000	- €79,999	17	19
€80,000	- €89,999	8	5
€90,000	- €99,999	5	5
€100,000	- €109,999	3	3
€140,000	- €149,999	1	1

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### 7. MEMBERS' FEES AND EXPENSES

Board Member	2015	2015	2014	2014
	Fees	Expenses	Fees	Expenses
	€	€	€	€
Ms. Mary Bohan*	-	-	-	1,284
Ms. Carol Bolger	7,695	-	7,695	200
Mr. George Brett	7,695	2,693	7,695	1,941
Mr. Robert Butler	7,695	-	7,695	-
Mr. John Byrne*	-	-	-	554
Mr. Dermot Carey*	-	-	-	228
Mr. Paul Cullen (DJEI)	-	-	-	-
Dr. Michael Gillen	7,695	243	7,695	-
Mr. Michael Horgan (Chairman)	11,960	-	11,970	-
Mr. Pat Kenny	7,695	-	7,695	-
Mr. Des Mahon*	-	-	-	1,186
Mr. John McCartney	7,695	237	7,695	147
Mr. Dan O'Connell*	-	-	-	900
Ms. Vicki O'Reilly	7,695	-	7,695	-
Prof. James Phelan	7,695	183	7,695	-
Ms. Christine Rowland	3,848	-	-	-
Mr. Frank Vaughan	7,695	-	7,695	-
	<u>85,063</u>	<u>3,356</u>	<u>81,225</u>	<u>6,440</u>

\*Previous Board Members' term ended on 19<sup>th</sup> December 2013. Expenses due to these members were paid in 2014.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

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### 8. OPERATIONAL EXPENSES

	Total 2015	Total 2014
	€	€
Accommodation	1,671,558	1,855,990
Communications costs	230,073	325,029
Travel & subsistence	1,002,042	863,175
Publications & marketing	1,629,928	1,007,270
Legal services	84,433	63,792
Research & consultancy	995,402	922,645
Accreditation – external assessor costs (note 4)	1,069,295	467,134
Business process review	343,969	141,384
Staffing costs	283,710	248,624
General equipment supplies	137,448	138,897
Investment in learning	173,036	166,876
Technology costs	859,251	559,372
Depreciation	233,353	204,172
Internal audit fees	12,123	6,642
External audit fees	15,422	15,510
Members' fees	85,063	81,225
Other	81,259	171,335
	<b><u>8,907,365</u></b>	<b><u>7,239,072</u></b>

# 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>	€	€	€	€	€	€
At 1 January 2015	241,961	992,221	1,522,610	166,052	435,358	3,358,202
Additions in year	22,619	15,611	169,171	-	-	207,400
Disposals	-	-	-	-	-	-
At 31 December 2015	<u>264,580</u>	<u>1,007,832</u>	<u>1,691,781</u>	<u>166,052</u>	<u>435,358</u>	<u>3,565,602</u>
<b>Accumulated depreciation</b>						
At 1 January 2015	159,097	959,464	1,355,860	162,826	304,752	2,941,999
Charge for the year	17,834	15,124	155,636	807	43,952	233,353
Disposals	-	-	-	-	-	-
At 31 December 2015	<u>176,931</u>	<u>974,588</u>	<u>1,511,496</u>	<u>163,633</u>	<u>348,704</u>	<u>3,175,352</u>
<b>Net book value</b>						
At 31 December 2015	<u><b>87,649</b></u>	<u><b>33,244</b></u>	<u><b>180,285</b></u>	<u><b>2,419</b></u>	<u><b>86,654</b></u>	<u><b>390,250</b></u>
At 31 December 2014	82,864	32,757	166,750	3,226	130,606	416,203

### 10. RECEIVABLES

	31 December 2015	31 December 2014
	€	€
Prepayments	1,095,812	1,027,404
Accreditation debtors	93,613	187,133
Other debtors	<u>40,379</u>	<u>26,916</u>
	<u><b>1,229,804</b></u>	<u><b>1,241,453</b></u>

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

### 11. PAYABLES

	31 December 2015	31 December 2014
	€	€
Trade creditors	198,106	155,238
Accruals	481,183	661,646
Tax creditors – VAT & PSWT	50,243	39,757
Other creditors	1,280	-
Payroll creditors	<u>7,741</u>	<u>260,428</u>
	<u><b>738,553</b></u>	<u><b>1,117,069</b></u>

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.

# HEALTH AND SAFETY AUTHORITY

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

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### 12. CAPITAL ACCOUNT

	31 December 2015 €	31 December 2014 €
Opening Balance	416,202	333,575
<b>Transfer to Statement of Income and Expenditure</b>		
Funding to acquire Assets	207,400	286,799
Amortisation in line with asset depreciation	(233,353)	(204,172)
Loss on disposal of fixed assets	(-)	(-)
	<u>(25,953)</u>	<u>82,627</u>
Closing Balance at 31 December	<u>390,249</u>	<u>416,202</u>



# 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 2015	31 December 2014
	€	€
Current service cost	3,790,000	2,819,000
Interest on retirement benefit scheme liabilities	1,859,000	2,450,000
Employee contributions	<u>(678,344)</u>	<u>(641,000)</u>
	<u>4,970,656</u>	<u>4,628,000</u>

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

	31 December 2015	31 December 2014
	€	€
Net retirement benefit liability at 1 January	(84,503,000)	(63,037,000)
Current service cost	(3,790,000)	(2,819,000)
Past service costs	-	-
Interest cost	(1,859,000)	(2,450,000)
Retirement benefits paid in year	1,020,000	964,000
Actuarial (loss)/gain	<u>10,990,000</u>	<u>(17,161,000)</u>
Net retirement benefit liability at 31 December	<u>(78,142,000)</u>	<u>(84,503,000)</u>

#### 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 Income & Expenditure Account was as follows:

	31 December 2015	31 December 2014
	€	€
Funding recoverable in respect of current year costs	5,649,000	5,269,000
State Grant applied to pay pensioners	<u>(1,020,000)</u>	<u>(964,000)</u>
	<u>4,629,000</u>	<u>4,305,000</u>

The deferred funding asset for retirement benefits as at 31 December 2015 amounted to €78,142,000 (2014: €84,503,000).

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### iv. History of defined benefit obligations

	31 December 2015	31 December 2014
	€	€
Experience losses / (gains) on scheme liabilities		
Amount	775,000	(353,000)
Percentage of scheme liabilities	(0.9%)	(0.4%)

The cumulative actuarial gain recognised in the Statement of Comprehensive Income amounts to €10,990,000.

### v. Description of scheme

The Health and Safety Authority operates unfunded defined benefit superannuation schemes for staff. Superannuation entitlements arising under the scheme 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 2015.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2015 were as follows:

	31 December 2015	31 December 2014
Discount rate	2.67%	2.20%
Inflation rate	1.70%	1.50%
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	20.9	22.6
Future pensioners retiring 2034	23.5	24

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

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### 14. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31<sup>st</sup> December 2015.

### 15. OPERATING LEASES

At 31 December 2015 the Authority had the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

	€
Payable within one year	840,685
Payable within two to five years	285,072
Payable after five years	5,491
	<u>1,131,248</u>

Operating lease payments recognised as an expense were €1,338,675 (2014: €1,435,963).

### 16. CAPITAL COMMITMENTS

There were no capital commitments at 31<sup>st</sup> December 2015.

## HEALTH AND SAFETY AUTHORITY

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

#### 17. 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 €'000
Head Office Dublin	4 <sup>th</sup> /5 <sup>th</sup> and 6 <sup>th</sup> Floor The Metropolitan Building James Joyce Street Dublin 1	2016	990,783
Athlone	Monksland Business Park Athlone	2016	37,026
Evidence store	Tipperary	2019	18,180
Cork	1A South Mall Cork	-	15,998
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	32,670
Waterford	Government Buildings The Glen Waterford	-	3,719

# HEALTH AND SAFETY AUTHORITY

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

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### 18. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 11<sup>th</sup> March 2016.



**Authority Member**

19/12/2016

**Date**



**Authority Member**

19/12/2016

**Date**