



ÚDARÁS UCHTÁLA na hÉIREANN  
THE ADOPTION AUTHORITY of IRELAND

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2020**

## THE ADOPTION AUTHORITY OF IRELAND

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<b>CONTENTS</b>	<b>PAGE</b>
AUTHORITY INFORMATION	3
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	4
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT	5 - 12
STATEMENT ON INTERNAL CONTROL	13 - 15
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES	16
STATEMENT OF COMPREHENSIVE INCOME	17
STATEMENT OF FINANCIAL POSITION	18
STATEMENT OF CASHFLOWS	19
NOTES TO THE FINANCIAL STATEMENTS	20 - 32

## THE ADOPTION AUTHORITY OF IRELAND

### AUTHORITY INFORMATION

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Composition of the Authority from 1<sup>st</sup> January 2020 to 31<sup>st</sup> October 2020:

Dr. Geoffrey Shannon, Chairperson  
Ms. Anne O'Flaherty  
Ms. Orlaith Traynor  
Mr. Paul Harrison  
Mr. Patrick McMahon  
Dr. Helen Buckley  
Dr. Margo Anglim

Composition of the Authority from 1<sup>st</sup> November 2020 to 31<sup>st</sup> December 2020:

Ms. Orlaith Traynor, Chairperson  
Mr. Paul Harrison  
Mr. Patrick McMahon  
Dr. Helen Buckley  
Dr. Margo Anglim  
Professor Sheila Greene  
Mr. Sean O'Brien

Chief Executive Officer: Patricia Carey

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Dublin 2

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3A Mayor Street Upper  
Dublin 1



# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas Adoption Authority of Ireland

### Opinion on the financial statements

I have audited the financial statements of the Adoption Authority of Ireland for the year ended 31 December 2020 as required under the provisions of section 112 of the Adoption Act 2010. 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 the Adoption Authority of Ireland at 31 December 2020 and of its income and expenditure for 2020 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 Adoption Authority of Ireland 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 Adoption Authority of Ireland 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.

**John Crean**  
For and on behalf of the  
Comptroller and Auditor General

29 June 2021

## Appendix to the report

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 112 of the Adoption Act 2010
- 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 112 of the Adoption Act 2010 to audit the financial statements of the Adoption Authority of Ireland 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 Adoption Authority of Ireland'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 Adoption Authority of Ireland 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 I identify 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 I identify 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.

# THE ADOPTION AUTHORITY OF IRELAND

## GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

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### Governance

The Board of the Adoption Authority of Ireland was established under the Adoption Act 2010. The functions of the Board are set out in section 96 of this Act. The Authority is accountable to the Minister for Children, Equality, Disability, Integration and Youth 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 Adoption Authority of Ireland is 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 Authority and must ensure that all Authority 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 Authority and management of the Adoption Authority of Ireland.

### Board Responsibilities

The work and responsibilities of the Board are set out in the Adoption Authority of Ireland's Code of Governance, which also contain the matters specifically reserved for Board's decision. Standing items considered by the Board include:

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

Section 112 of the Adoption Act 2010 requires the Board of the Adoption Authority of Ireland to keep, in such form as may be approved by the Minister for Children, Equality, Disability, Integration and Youth with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the Adoption Authority of Ireland is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board 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 112 of the Adoption Act 2010. The maintenance and integrity of the corporate and financial information on the Adoption Authority of Ireland's website is the responsibility of the Board of the Authority.

The Board is responsible for approving the annual plan and budget. Evaluation of the performance of the Adoption Authority of Ireland by reference to the annual plan and budget is regularly considered at Board 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 Adoption Authority of Ireland give a true and fair view of the financial performance and the financial position of the Adoption Authority of Ireland at 31 December 2020.

**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

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**Board Structure**

The Board consists of the Chairperson, the Deputy Chairperson and 5 ordinary members, all of whom are appointed by the Minister for Children, Equality, Disability, Integration and Youth. The members of the Board were appointed for a period of five years and meet at least on a monthly basis.

The table below details the appointment period for members up until 31<sup>st</sup> October 2020:

<b>Board Member</b>	<b>Role</b>	<b>Date Appointed</b>
Geoffrey Shannon (Dr.)	Chair	01/11/2015
Orlaith Traynor	Deputy Chair	01/11/2015
Helen Buckley (Dr.)	Board Member	01/11/2015
Margo Anglim (Dr.)	Board Member	26/10/2017
Anne O'Flaherty	Board Member	01/11/2015
Patrick McMahon	Board Member	01/11/2015
Paul Harrison	Board Member	01/11/2015

The table below details the appointment period for current members:

<b>Board Member</b>	<b>Role</b>	<b>Date Appointed</b>
Orlaith Traynor	Chair	01/11/2020
Sean O'Brien	Deputy Chair	01/11/2020
Helen Buckley (Dr.)	Board Member	01/11/2020
Margo Anglim (Dr.)	Board Member	01/11/2020
Patrick McMahon	Board Member	01/11/2020
Paul Harrison	Board Member	01/11/2020
Sheila Greene (Professor)	Board Member	01/11/2020

The Board undertook an external evaluation of its own effectiveness in 2020.

**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

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The Board has established two sub-committees, as follows:

- 1. Risk and Audit Committee** comprises two Authority members and two independent members. The role of the Risk and Audit Committee (RAC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The RAC 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 RAC reports to the Board after each meeting, and formally in writing annually.

The members of the Risk and Audit Committee up until November 9<sup>th</sup> 2020 were: Ms. Claire Byrne (Chairperson), Dr. Geoffrey Shannon (Chairperson of the Authority), Judge Patrick McMahon (Board Member), Tara McDermott (External Member). From November 10<sup>th</sup> 2020 members of the Audit and Risk Committee are: Ms. Claire Byrne (Chair), Ms. Orlaith Traynor (Chairperson of the Authority), Paul Harrison (Board Member) and Tara McDermott (External Member). There were four meetings of the Committee in 2020.

- 2. Research Committee:** comprises four Authority members, two independent members and seven staff members.

The main functions of the sub-committee are to formulate and enable research, to review and oversee the implementation of agreed research projects including commissioning of research and support of postgraduate research. It will also consider and make recommendations on matters of policy relating to research to the Board, quality assure research commissioned by the Board, promote dissemination of any research that is completed with funding from the AAI and approve procedures for allocating research funds and monitor their implementation.

The members of this committee are: Dr Helen Buckley (Board Member), Ms. Orlaith Traynor (Chairperson of the Authority), Prof. Sheila Greene (Board Member), Dr. Margo Anglim (Board Member), Ms. Claire McGettrick, UCD (External Member), Dr. Richard Sullivan, Professor Emeritus, University of British Columbia (External Member), Ms. Patricia Carey (CEO), Dr. Judy Lovett (Research Officer), Ms. Nicole Scannell (Head of Social Work), Ms. Joan Groves (Head of Information and Tracing), Ms. Mary Coffey (Head of Information and Tracing), Mr. Mark Kirwan (Head of Domestic Adoption), Ms. Orla Bolger (Head of Intercounty Adoption). There were three meetings of the Committee in 2020.



**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

**Schedule of Attendance, Fees and Expenses**

A schedule of attendance at the Board and Committee meetings for 2020 is set out below including the fees and expenses received by each member:

Outgoing Board members for the period from Jan 2020 to October 2020.

	<b>Board</b>	<b>Risk &amp; Audit Committee</b>	<b>Research Committee</b>	<b>Fees 2020 €</b>	<b>Expenses 2020 €</b>
	<b>17</b>	<b>4</b>	<b>3</b>		
Geoffrey Shannon (Dr.)	17	3	-	52,701	-
Anne O'Flaherty	12	-	2	6,425	-
Gordon Harold (Prof.)	-	-	-	-	-
Des Tracey	-	-	1	-	-
				<b>59,126</b>	<b>-</b>

Current Board and Committee members for the period from Jan 2020 to December 2020:

	<b>Board</b>	<b>Risk &amp; Audit Committee</b>	<b>Research Committee</b>	<b>Fees 2020 €</b>	<b>Expenses 2020 €</b>
	<b>17</b>	<b>4</b>	<b>3</b>		
Orlaith Traynor	16	1	1	22,204	-
Helen Buckley (Dr.)	15	-	3	7,695	-
Margo Anglim (Dr.)	16	-	1	7,695	-
Patrick McMahon	15	2	-	7,695	-
Paul Harrison	17	1	-	7,695	-
Sheila Greene (Prof.)	4	-	3	1,924	-
Sean O'Brien	4	-	-	1,924	-
Claire Byrne	-	4	-	-	371
Tara McDermott	-	3	-	-	-
Claire McGettrick	-	-	3	-	-
Patricia Carey	-	-	3	-	-
Joan Groves	-	-	3	-	-
Mark Kirwan	-	-	2	-	-
Nicole Scannell	-	-	3	-	-
Judy Lovett	-	-	3	-	-
Richard Sullivan (Prof.)	-	-	1	-	-
Orla Bolger	-	-	2	-	-
Mary Coffey	-	-	1	-	-
				<b>56,832</b>	<b>371</b>

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

Both incoming and outgoing Chairperson were paid in accordance with agreed rates from the Department of Children, Equality, Disability, Integration and Youth and the Department of Public Expenditure and Reform on the basis of the skill sets required as stated in The Adoption Act 2010.

**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

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**Key Personnel Changes**

The term of two Board members ended during the year and left the Board.

The term of five Board members ended during the year and were re-appointed to the Board by the Minister of Children, Equality, Disability, Integration and Youth.

Two new members were appointed to the Board by the Minister of Children, Equality, Disability, Integration and Youth during the year.

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

The Authority is responsible for ensuring that the Adoption Authority of Ireland 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:

**Employee Short-Term Benefits Breakdown**

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

From	Range		Number of employees	
		To	2020	2019
€ 60,000	-	€ 69,999	3	1
€ 70,000	-	€ 79,999	-	-
€ 80,000	-	€ 89,999	-	1
€ 90,000	-	€ 99,999	1	-
€100,000	-	€109,999	-	-
€110,000	-	€119,999	-	1
€120,000	-	€129,999	1	-

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.

**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

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**Consultancy Costs**

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

	<b>2020</b>	<b>2019</b>
	€	€
Legal advice		
- General Advice	275,259	358,963
- File Review	7,210	168,808
GDPR	59,549	17,193
Review of Accredited Bodies	11,180	10,283
Pension and Human Resources Advice	4,859	14,698
Other Costs	30,103	17,478
Information and Tracing *	232,314	586,399
Medical advice	17,653	20,795
Covid-19 Legal Advice and Support - Remote Judicial Hearings	113,292	
Covid-19 Return to Work Assessment and Protocols	6,840	-
<b>Total consultancy costs</b>	<b>758,259</b>	<b>1,194,617</b>
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	758,259	1,194,617
<b>Total</b>	<b>758,259</b>	<b>1,194,617</b>

- Included in Information and Tracing costs above is digitisation work associated with the preservation of the Authority's adoption information and tracing files. Since the end of 2019 the Adoption Authority has acquired information and tracing files from a number of accredited adoption agencies that closed their services and transferred their files to the Adoption Authority. The Authority was required to prepare for the acquisition of these agency files in order to carry out information and tracing services.

**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

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**Legal Costs and Settlements**

The table below provides a breakdown of amounts recognized 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 Adoption Authority of Ireland which is disclosed in Consultancy costs above.

	2020	2019
	€	€
Legal fees - legal proceedings	1,504,831	1,000,137
Settlements	435,750	-
<b>Total</b>	<b>1,940,581</b>	<b>1,000,137</b>

**Travel and Subsistence Expenditure**

Travel and subsistence expenditure are categorized as follows:

	2020	2019
	€	€
Domestic		
Board*	-	2,216
Employees	6,400	9,596
International		
Board*	-	12,190
Employees	344	17,962
<b>Total</b>	<b>6,744</b>	<b>41,964</b>

\* includes travel and subsistence of €nil paid directly to Board members in 2020 (2019: €nil) and expenditure paid by Adoption Authority of Ireland on behalf of the Board members.

**Hospitality Expenditure**

The Income and Expenditure account includes the following hospitality expenditure:

	2020	2019
	€	€
Staff hospitality	-	499
Client hospitality	-	-
<b>Total</b>	<b>-</b>	<b>499</b>

**THE ADOPTION AUTHORITY OF IRELAND**  
**GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT**

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**Statement of Compliance**

The Adoption Authority of Ireland has adopted the Code of Practice for the Governance of State Bodies (revised 2016), as published by the Department of Public Expenditure and Reform in August 2016 and has put procedures in place to ensure compliance with the Code.



**Orlaith Traynor**  
**Chairperson**



**Patricia Carey**  
**Chief Executive Officer**

Date 29 June 2021

## THE ADOPTION AUTHORITY OF IRELAND

### STATEMENT ON INTERNAL CONTROL

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#### Scope of Responsibility

The Adoption Authority of Ireland was established with effect from 1<sup>st</sup> November 2010 in accordance with The Adoption Act 2010. I, as Chairperson of the Board make this statement in accordance with the requirement set out in the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies (2016) and I acknowledge the Authority is responsible for the system of Internal Control. The Authority has delegated responsibility to the Chief Executive to deal with management and operational issues and to report to the Authority regularly.

The Authority's payroll administration, processing and payment is carried out by the Payroll Shared Services Centre (PSSC) under a service management agreement which outlines the roles and responsibilities of each party in relation to payroll processing.

#### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material error or irregularities are either prevented or would be detected on a timely basis.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Adoption Authority of Ireland for the year ended 31 December 2020 and up to the date of approval of the financial statements.

#### Capacity to Handle Risk

The Authority has an Risk and Audit Committee (RAC) comprising two Authority members and two external members. The Authority has also established an internal audit function which is adequately resourced and conducts a program of work agreed with the ARC. The ARC met four times in 2020.

The Authority has procured the services of an external firm to carry out the Internal Audit function based on a program of work agreed with the RAC. The internal auditor carried out an audit, in January 2021 of the internal controls in operation in 2020 and their report was submitted to the RAC and the Board as part of the annual review of the effectiveness of internal controls. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies (2016).

#### Impact of Covid-19 pandemic to the Control Environment

The onset of the COVID 19 pandemic in early 2020, and the resulting public health advise and safety measures rapidly changed the working practices of the AAI.

AAI has monitored the developments closely, looking to mitigate the risks that may affect the AAI's business operations, staff and stakeholders. Actions taken by the Authority includes: -

- Initiate AAI's Business as Usual (BAU) model.
- Transition the Board of the Authority to a remote environment for the purpose of making adoption orders.
- Make necessary adaptations to the AAI's physical office environment in line with published guidance and expert assessment.
- Ongoing COVID-19 risk assessments for staff and stakeholders.

## THE ADOPTION AUTHORITY OF IRELAND

### STATEMENT ON INTERNAL CONTROL

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- Continual assessment of significant risks pertaining to the Covid-19 pandemic and the agility of AAI to respond effectively.
- Ensuring robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensuring all existing data protection and records management policies and procedures continue to apply as normal.
- Assess potential for weaknesses in internal controls resulting from COVID-19 and took measures to monitor and update internal controls where necessary

#### **Risk and Control Framework**

The Adoption Authority of Ireland has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. A risk register is in place which identifies the key risks facing the Adoption Authority of Ireland and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the RAC on a regular basis. Risks and risk management are also standing agenda items at Board meetings. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- 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

#### **Ongoing Monitoring and Review**

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

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

## THE ADOPTION AUTHORITY OF IRELAND

### STATEMENT ON INTERNAL CONTROL

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

- The Authority has a regular schedule of meetings at which it is provided with regular updated reports of expenditure.
- An Audit and Risk Committee of the Authority (ARC) has been established. Its terms of reference include ensuring that the systems of Internal Control are operating effectively.
- Management responsibilities are clearly assigned, with corresponding accountability.

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

#### Internal Control Issues

No internal control issues were identified during the year.

#### Procurement

The Adoption Authority of Ireland has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

#### Review of Effectiveness

I confirm that the Adoption Authority of Ireland has procedures to monitor the effectiveness of its risk management and control procedures. Adoption Authority of Ireland's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within the Adoption Authority of Ireland responsible for the development and maintenance of the internal financial control framework.

I confirm that the Authority conducted an annual review of the effectiveness of the internal controls for 2020 in February 2021.

Signed   
Orlaith Traynor  
Chairperson

Date: 29 June 2021




THE ADOPTION AUTHORITY OF IRELAND

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 €	Year ended 31 December 2019 €
<b>INCOME</b>			
Oireachtas Grants	2	5,064,102	4,377,890
Other Income	3	8,938	22,445
Deferred retirement benefit funding		524,000	471,000
		<b>5,597,040</b>	<b>4,871,335</b>
<b>EXPENDITURE</b>			
Staff Costs	4	2,071,357	1,897,889
Board Costs	5	115,958	109,290
Grant Payments	6	237,465	155,755
Office Expenses	7	270,490	269,539
Professional Fees	8	2,499,554	2,132,375
Information and Tracing		232,314	586,399
Travel Expenses	9	6,744	41,964
Depreciation	10	37,092	36,659
		<b>5,470,974</b>	<b>5,229,870</b>
<b>Surplus/(Deficit) for the year before appropriations</b>		126,066	(358,535)
Transfer (to)/to capital account	14	(16,553)	21,886
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>109,513</b>	<b>(336,649)</b>
Balance brought forward at 1 January		(924,833)	(588,184)
<b>BALANCE CARRIED FORWARD AT 31 DECEMBER</b>		<b>(815,320)</b>	<b>(924,833)</b>

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

Signed   
Orlaith Traynor  
Chairperson

Signed   
Patricia Carey  
Chief Executive Officer

Date 29 June 2021

**THE ADOPTION AUTHORITY OF IRELAND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	€	€
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	109,513	(336,649)
Experience (losses)/gains on retirement benefit obligations	(3,802,000)	(919,000)
Changes in assumptions underlying the present value of retirement benefit obligations	(369,000)	(519,000)
Total actuarial (losses) in the year	(4,171,000)	(1,438,000)
Adjustment to deferred retirement benefits funding	4,171,000	1,438,000
<b>Total Comprehensive Income for the year</b>	<b>109,513</b>	<b>(336,649)</b>

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

On behalf of the Authority of the Adoption Authority of Ireland:

  
**Orlaith Traynor**  
**Chairperson**

  
**Patricia Carey**  
**Chief Executive Officer**

Date: 29 June 2021

THE ADOPTION AUTHORITY OF IRELAND

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 2020

	Notes	2020 €	2019 €
<b>FIXED ASSETS</b>			
Property, Plant and Equipment	10	139,107	122,554
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		137,040	153,306
Receivables	11	32,257	29,292
		<u>169,297</u>	<u>182,598</u>
<b>CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)</b>			
Payables	12	<u>(251,817)</u>	<u>(254,931)</u>
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		(82,520)	(72,333)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>56,587</u>	<u>50,221</u>
Provision for Liabilities and Charges	13	(732,800)	(852,500)
<b>RETIREMENT BENEFITS</b>			
Retirement benefits obligations	18(iii)	(9,854,000)	(5,443,000)
Deferred retirement benefit funding asset	18(iv)	9,854,000	5,443,000
<b>NET LIABILITIES</b>		<u>(676,213)</u>	<u>(802,279)</u>
<b>REPRESENTING</b>			
Retained Revenue Reserves		(815,320)	(924,833)
Capital Account	14	139,107	122,554
		<u>(676,213)</u>	<u>(802,279)</u>

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

Signed   
Orlaith Traynor  
Chairperson

Signed   
Patricia Carey  
Chief Executive Officer

Date: 29 June 2021

**THE ADOPTION AUTHORITY OF IRELAND**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 €	2019 €
<b>Reconciliation of Surplus to net cash inflow from operating activities</b>			
Surplus/(Deficit) for the year		109,513	(336,649)
Depreciation	10	37,092	36,659
(Increase) / Decrease in debtors	11	(2,965)	10,179
(Decrease) / Increase in creditors	12 & 13	(122,814)	446,855
Capital account movement	14	16,553	(21,886)
Loss on Disposal of Assets		-	50
<b>Net cash inflow / (outflow) from operating activities</b>		<b>37,379</b>	<b>135,208</b>
 <b>STATEMENT OF CASHFLOWS</b>			
Net cash inflow / (outflow) from operating activities		37,379	135,208
 <b>Cash flows from investing activities</b>			
Payment to acquire fixed assets	10	(53,645)	(14,823)
<b>(Decrease) / Increase in cash in the year</b>		<b>(16,266)</b>	<b>120,385</b>
Cash and cash equivalents at the beginning of the year		153,306	32,921
Cash and cash equivalents at the end of the year		<b>137,040</b>	<b>153,306</b>

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **1 ACCOUNTING POLICIES**

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

### **a) General Information**

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

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

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

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

The financial statements of the Authority for the year ended 31 December 2020 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

### **c) Basis of Preparation**

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

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

### **d) Revenue**

#### Oireachtas Grants

Revenue is generally recognized on an accrual basis; one exception to this is in the case of Oireachtas Grants which are recognized on a cash receipts basis and also include amounts paid on behalf of the Authority by the Department of Children, Equality, Disability, Integration and Youth.

#### Capital Grants

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

#### Other Income

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

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**e) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

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

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

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

**f) Foreign Currencies**

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

**g) Receivables**

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

**h) Employee Benefits**

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

The Adoption Authority of Ireland Superannuation Scheme came into operation on 3 April 2017 under S.I. No. 157 of 2017. This scheme relates to around two-thirds of the Authority's staff who redeployed to the Authority from other civil or public service organisations. Prior to this Scheme, the Authority operated the model superannuation scheme (model scheme) for State employees.

Employee deductions under the Scheme are retained by the Department of Children, Equality, Disability, Integration and Youth.

The Authority also joined the Public Service Transfer Network in 2017 and work is continuing to finalise the arrangements for the transfer of reckonable service for former civil and public service staff who redeployed to the Authority. The Authority has included an actuarially calculated pension liability and pension asset in respect of its superannuation scheme in these financial statements.

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Single Public Service Pension Scheme

The Authority also operates the Single Public Service Pension Scheme (Single Scheme). New entrant public service staff employed by the Authority after 1 January 2013, are members of the Single Scheme in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Single Scheme provides for consumer price index-linked defined benefit pensions based on career average pay. The Authority makes the necessary deductions from salaries for staff who are part of the scheme and employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the provisions of the Scheme.

Both pension schemes are unfunded pay-as-you-go statutory schemes with benefits payable under the Schemes funded by the Exchequer. (See note 18).

**i) Provisions**

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

**j) Contingent Liabilities**

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

**k) Critical Accounting Judgements and Estimates**

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

Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings and have concluded that asset lives and residual values are appropriate.

Provisions

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

**THE ADOPTION AUTHORITY OF IRELAND**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>2 GRANTS</b>	<b>2020</b> €	<b>2019</b> €
Department of Children, Equality, Disability, Integration and Youth	5,151,462	4,462,459
Less employee contributions retained by DCEDIY	(20,464)	(15,108)
Less employee contributions remitted to DPER (SPSPS)	(35,536)	(33,892)
Less ASC retained by DCEDIY	(31,360)	(35,569)
	<b>5,064,102</b>	<b>4,377,890</b>

Grants are drawn down from the Department of Children, Equality, Disability, Integration and Youth Vote 40 subhead C6.

<b>3 OTHER INCOME</b>	<b>2020</b> €	<b>2019</b> €
Income from Adoption Certificates	1,500	5,152
Courier Income	7,438	9,452
Miscellaneous	-	7,841
	<b>8,938</b>	<b>22,445</b>

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

<b>4 STAFF COSTS AND EMPLOYEE INFORMATION</b>	<b>2020</b> €	<b>2019</b> €
Wages and Salaries (incl PRSI er)	1,487,746	1,363,450
Retirement Benefit Costs (note 18ii)	436,640	386,431
Outsource Finance Support	105,795	105,534
Training	18,670	30,096
Recruitment Costs	22,506	12,378
	<b>2,071,357</b>	<b>1,897,889</b>

Whole Time Equivalents (WTE) at the end of the year were 35 (2019: 36).

An amount of €31,360 (2019: €35,569) in respect of additional superannuation contributions was deducted from staff salaries and retained by the Department of Children, Equality, Disability, Integration and Youth. In 2020, employee pension contribution €35,536 (2019: €33,892) were deducted from staff in respect of the Single Scheme and transferred to the Department of Public Expenditure and Reform.

An amount of €nil (2019: €nil) of overtime payments or allowances was made in the year. No termination payments were made in the year.



THE ADOPTION AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

4(a) Employee benefits breakdowns

Range of total employee benefits		Number of Employees	
From	To	2020	2019
€60,000	- €69,999	3	1
€70,000	- €79,999	-	-
€80,000	- €89,999	-	1
€90,000	- €99,999	1	-
€100,000	- €109,999	-	-
€110,000	- €119,999	-	1
€120,000	- €129,999	1	-

4(b) CHIEF EXECUTIVE OFFICER'S REMUNERATION	2020 €	2019 €
Chief Executive Officer's annual basic salary	<u>121,577</u>	<u>118,621</u>

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

5 BOARD COSTS	2020 €	2019 €
<u>Board members fees and stipends: -</u>		
Geoffrey Shannon (Chair to 31 <sup>st</sup> October 2020)	52,701	63,120
Orlaith Traynor (Chair from 1 <sup>st</sup> November 2020)	22,204	7,695
Anne O'Flaherty	6,425	7,695
Patrick McMahon	7,695	7,695
Paul Harrison	7,695	7,695
Helen Buckley	7,695	7,695
Margo Anglim	7,695	7,695
Shelia Greene	1,924	-
Sean O'Brien	1,924	-
	<u>115,958</u>	<u>109,290</u>

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

Both incoming and outgoing Chairperson were paid in accordance with agreed rates from the Department of Children, Equality, Disability, Integration and Youth and the Department of Public Expenditure and Reform on the basis of the skill sets required as stated in The Adoption Act 2010.

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6 GRANT PAYMENTS**

	2020 €	2019 €
Grant Funding for Accredited Agencies	124,260	125,755
Development of New Programs	-	30,000
Pandemic Relief Emergency Funding*	113,205	-
	<b>237,465</b>	<b>155,755</b>

\*In light of the COVID-19 pandemic the Authority approved once off emergency funding to the Helping Hands Adoption Mediation Agency to assist with unforeseen expenses.

**7 OFFICE EXPENSES**

	2020 €	2019 €
Contract Cleaning	26,929	29,270
Office Expenses	16,428	8,733
Office Furniture (under €1,000)	6,404	483
Conference and Catering Costs	6,994	25,495
Annual Membership, Subscriptions and Registration	8,782	10,465
International Social Service **	5,000	5,000
Telephones	20,230	31,219
Light and Heat	16,554	21,416
Postage	12,221	19,422
Office Supplies/Stationery	31,675	12,896
Courier	7,416	5,760
Printing	5,859	4,066
Advertising	200	631
Information Communication Technologies	75,568	72,050
Translation Expenses	4,222	10,550
Stenography	9,079	11,112
Hospitality	-	499
Bank Charges	477	541
COVID-19 Expenses	16,452	-
(Gain) / Loss on Disposal of Fixed Assets	-	(69)
	<b>270,490</b>	<b>269,539</b>

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

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>8 PROFESSIONAL FEES</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Legal Fees		
Operational Cases (Sections 18,30,54 and 92)	993,074	523,253
General Advices	275,259	358,963
Legacy Cases	323,837	133,941
Other Cases	623,670	342,941
File Reviews	7,210	168,808
Legal Contractor	29,972	30,135
(Decrease) / Increase in Provision	Note 13 (119,700)	367,816
Accountancy and Compliance Costs	69,237	54,303
Review of Accredited Bodies under the remit of s.133, Adoption Act 2010	11,180	10,283
Pensions and Human Resources Advice	4,859	14,698
Professional Fees	13,952	20,677
Audit and Risk Committee Costs	35,104	29,212
Audit	17,600	13,500
Internal Audit	15,428	12,696
Medical Contractor	17,653	20,795
GDPR	59,549	17,193
Covid-19 Legal Advice and Support - Remote		
Judicial Hearings	113,292	-
Covid-19 Return to Work Assessment and Protocols	6,840	-
Development of Corporate Plan	1,538	13,161
	<b><u>2,499,554</u></b>	<b><u>2,132,375</u></b>

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

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

Included in legal fees are amounts paid for litigation in which the authority was the respondent. Included in legal fees are amounts for legal settlements of €435,750 (2019: €nil).

<b>9 TRAVEL EXPENSES</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Domestic Travel	6,400	11,812
Foreign Travel	344	30,152
	<b><u>6,744</u></b>	<b><u>41,964</u></b>

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 PROPERTY, PLANT AND EQUIPMENT**

	<b>IT and Office Equipment</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
	€	€	€
<b><u>Cost</u></b>			
At 1 <sup>st</sup> January 2020	194,270	79,616	273,886
Additions for the period	53,645	-	53,645
Disposals	-	-	-
At 31 <sup>st</sup> December 2020	<b>247,915</b>	<b>79,616</b>	<b>327,531</b>
<b><u>Accumulated Depreciation</u></b>			
At 1 <sup>st</sup> January 2020	128,003	23,329	151,332
Depreciation charge for the period	29,130	7,962	37,092
Disposals	-	-	-
At 31 <sup>st</sup> December 2020	<b>157,133</b>	<b>31,291</b>	<b>188,424</b>
<b><u>Net Book Value</u></b>			
At 31 <sup>st</sup> December 2020	<b>90,782</b>	<b>48,325</b>	<b>139,107</b>
At 31 <sup>st</sup> December 2019	<b>66,267</b>	<b>56,287</b>	<b>122,554</b>

	<b>2020</b>	<b>2019</b>
	€	€
<b>11 RECEIVABLES</b>		
Prepayments	32,257	29,292
	<b>32,257</b>	<b>29,292</b>

	<b>2020</b>	<b>2019</b>
	€	€
<b>12 PAYABLES</b>		
Amounts falling due within one year:		
Creditors	17,379	3,242
Accrued Expenses	145,745	147,391
Value Added Tax	1,526	326
Professional Services Withholding Tax	85,092	101,328
Other Creditors	2,075	2,644
	<b>251,817</b>	<b>254,931</b>

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

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	As at 31 December 2020 €	As at 31 December 2019 €
<b>13 PROVISION</b>		
<u>Legal Costs</u>		
Amount at the beginning of the year	852,500	484,684
Additions to provision	422,800	599,488
Amounts charged against the provision	(542,500)	(231,672)
Unused amounts reversed	-	-
<b>Amount at the end of the year</b>	<b>732,800</b>	<b>852,500</b>

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

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

	2020		2019	
	€	€	€	€
<b>14 CAPITAL ACCOUNT</b>				
Balance at 1 <sup>st</sup> January 2020		122,554		144,440
Purchase of Fixed Assets	53,645		14,823	
Amount amortised in line with asset depreciation for the year	(37,092)		(36,659)	
Loss on Disposal of Fixed Assets	-		(50)	
Transfer from Income and Expenditure Account		16,553		(21,886)
<b>Balance at 31<sup>st</sup> December 2020</b>		<b>139,107</b>		<b>122,554</b>

**15 CAPITAL COMMITMENTS**

There were no capital commitments at 31<sup>st</sup> December 2020.

**16 CONTINGENT LIABILITIES**

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

While there are a number of cases whereby costs can be estimated and provided for, certain cost elements relating to these cases are uncertain and cannot be reliably estimated due to uncertainty surrounding how the cases will proceed.

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Key management personnel consist of the CEO and members of the Authority. Total compensation paid to key management personnel, including Authority members' fees and total CEO remuneration, amounted to €237,535 (2019: €227,911) (Notes 4 and 5).

The Adoption Authority of Ireland complies with the Code of Practice for the Governance of State bodies issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by the Authority members and its staff. Formal procedures exist to ensure adherence with this requirement of the code. No related party transactions took place in 2020.

**18 RETIREMENT BENEFIT COSTS**

**i. Authority Staffing**

In accordance with Section 123 of the Adoption Act 2010, the Authority has prepared and submitted to the Minister for his approval a scheme for the granting of superannuation benefits to these staff members and in respect of such members of the staff of the Authority as it may think fit. Administrative approval for the staff superannuation scheme has been received from the Department of Public Expenditure and Reform.

New entrant staff employed by the Authority after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Deductions from staff salaries are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the Act.

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>€</b>	<b>€</b>
Current service cost *	452,000	391,000
Interest on retirement benefit scheme liabilities	72,000	80,000
Less employee contributions	(87,360)	(84,569)
Adjustment to deferred Exchequer funding	-	-
<b>Total charges to the statement of income and expenditure and retained revenue reserve</b>	<b>436,640</b>	<b>386,431</b>

\* The current service cost includes employee contributions totaling €87,360 in 2020. (2019: €84,569)

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**iii. Movement in net retirement benefit obligations during the financial year**

	31 December 2020	31 December 2019
	€	€
Net retirement benefit obligation at 1 January	5,443,000	3,729,000
Current service costs	396,000	342,000
Employee Contributions	56,000	49,000
Interest costs	72,000	80,000
Benefits paid in period	(284,000)	(195,000)
Past Service (gain) / loss *	-	989,000
Experience loss/(gain) on liabilities	3,802,000	(70,000)
Changes in actuarial assumptions	369,000	519,000
Net retirement benefit obligations at 31 December	9,854,000	5,443,000

\* a substantive past service cost was recognised in respect of transferred in service recognised on a knock for knock basis.

**iv. 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 pensions 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 and Expenditure and Retained Revenue Reserves is as follows:

	31 December 2020	31 December 2019
	€	€
Funding recoverable in respect of current year retirement benefit costs	524,000	471,000
	524,000	471,000

The deferred funding liabilities for retirement benefit as at 31 December 2020 amounted to €9,854,000. The Oireachtas grant from DCEDIY (Note 2) did not include funding in respect of pensions as the pension payments of €284,000 (Note 18 iii) were met from Vote 12 Superannuation and Retired Allowances.

**v. History of defined benefits obligations**

	2020	2019
	€'000	€'000
Defined benefit obligations	9,854	5,443
Experience losses/(gains) on defined benefit scheme liabilities	-	-

**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**vi. Description of scheme**

Authority Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current “model” public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse’s and children’s pensions. Normal Retirement Age is a member’s 65<sup>th</sup> birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

Single Scheme

The Single Scheme is the occupational pension scheme for public servants hired since 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

Valuation

The valuation used for FRS 102 disclosures has 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 2020.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2020 were as follows:

	<b>31 December 2020</b>	<b>31 December 2019</b>
Discount rate	1.00%	1.30%
Inflation rate	1.30%	1.40%
Salary increases	2.80%	2.90%
Pension increases	2.30%	2.40%

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 is too small to analyze 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 pension liabilities are:

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>Years</b>	<b>Years</b>
Male aged 65	21.8	21.7
Female aged 65	24.2	24.1

**19 ACCOMMODATION**

The Adoption Authority of Ireland operates from Shelbourne House, Shelbourne Road. Rent is funded in kind by the OPW.



**THE ADOPTION AUTHORITY OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**20 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Adoption Authority of Ireland at its meeting on 13<sup>th</sup> April 2021.