



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Adoption Authority of Ireland

I have audited the financial statements of the Adoption Authority of Ireland for the year ended 31 December 2015 under the Adoption Act 2010. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 112 of the Act, and in accordance with generally accepted accounting practice.

Responsibilities of the Members of the Board

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

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Adoption Authority as at 31 December 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 information given in the Authority's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, 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
14 October 2016

Údarás Uchtála na hÉireann

Teach Shíol Bhroin,
Bóthar Shíol Bhroin,
Droichead na Dothra,
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ÚDARÁS UCHTÁLA na hÉIREANN
THE ADOPTION AUTHORITY of IRELAND

THE ADOPTION AUTHORITY OF IRELAND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015

THE ADOPTION AUTHORITY OF IRELAND

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THE ADOPTION AUTHORITY OF IRELAND

AUTHORITY INFORMATION

Composition of the Authority:	Dr. Geoffrey Shannon, Chairperson (re-appointed on 01/11/15) Ms. Helen Collins (term ended on 31/10/15) Dr. Ann McWilliams (term ended on 31/10/15) Ms. Corina Carrick (term ended on 31/10/15) Ms. Siobhan Keogh (term ended on 31/10/15) Dr. Imelda Ryan (re-appointed on 01/11/15) Ms. Anne O'Flaherty (re-appointed on 01/11/15) Ms. Orlaith Traynor (appointed on 01/11/15) Mr. Paul Harrison (appointed on 01/11/15) Mr. Patrick McMahon (appointed on 01/11/15) Dr. Helen Buckley (appointed on 01/11/15)
Chief Executive Officer:	Patricia Carey
Office:	Shelbourne House Shelbourne Road Dublin 4
Telephone Number:	01 230 9300
Fax Number:	01 667 1438
Website:	aai.gov.ie
Email:	info@aai.gov.ie
Bank:	Ulster Bank College Green PO Box 145 33 College Green Dublin 2
Auditors:	Comptroller & Auditor General 3A Mayor Street Upper Dublin 1

THE ADOPTION AUTHORITY OF IRELAND
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS

(To be inserted when the audit is complete)

THE ADOPTION AUTHORITY OF IRELAND
STATEMENT OF BOARD'S RESPONSIBILITIES

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

In preparing these statements, the Authority is required to:

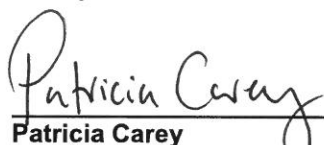
- select appropriate accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Adoption Authority of Ireland will continue in operation;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

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

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

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


Dr. Geoffrey Shannon
Chairperson


Patricia Carey
Chief Executive Officer

Date 10 October 2016

THE ADOPTION AUTHORITY OF IRELAND
STATEMENT ON INTERNAL FINANCIAL CONTROL

Responsibility for system of Internal Financial Control

As Chairperson, I acknowledge the Authority is responsible for the system of internal financial control. The Authority has delegated responsibility to the Chief Executive to deal with management and operational issues and to report to the Authority regularly. The system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material error or irregularities are either prevented or would be detected on a timely basis.

The Adoption Authority of Ireland was established with effect from 1st November 2010 in accordance with The Adoption Act 2010. In 2014, the Authority did not have its own accounting system. An interim arrangement was in place whereby all income and expenditure was processed on its behalf by the Department of Health. This arrangement with the Department of Health terminated on the 1st January 2015 at which point the Authority had its own accounting system and processes all of its own income and expenditure apart from the payroll. The payroll function will remain with the Department of Health who will continue to process the payroll on the Authority's behalf.

Control Environment

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

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

Risk Management

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

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

Control Mechanism

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

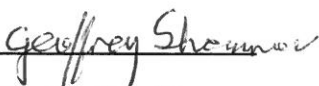
- Appropriate budgeting system with an annual budget which is reviewed regularly by senior management.
- Regular review by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- Regular senior management team meetings.

THE ADOPTION AUTHORITY OF IRELAND
STATEMENT ON INTERNAL FINANCIAL CONTROL

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

The Adoption Authority of Ireland has an internal audit function which reports to the Risks and Audit Committee of the Authority. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The Authority's monitoring and review of effectiveness of the systems of internal financial control is informed by the work of the outsourced internal auditor and the Audit Committee.

A review of internal financial controls in 2015 was carried out by an external firm and signed off by the Board of the Authority in 2016.

Signed 
Dr. Geoffrey Shannon
Chairperson

Date 10 October 2016

THE ADOPTION AUTHORITY OF IRELAND

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 December 2015 €	Restated Year ended 31 December 2014 €
INCOME			
Oireachtas Grants	3	3,144,299	2,990,295
Other Income	4	9,566	9,638
Secondment Income	5	95,834	-
Transfer to Capital Account	15	(22,321)	(19,542)
		3,227,378	2,980,391
EXPENDITURE			
Staff Costs	6	1,528,171	1,555,675
Board Costs	7	105,443	96,465
Office Expenses	8	189,726	175,246
Legal and Professional Fees	9	1,250,110	1,927,982
Travel Expenses	10	30,558	38,896
Depreciation	11	17,661	9,665
		3,121,669	3,803,929
SURPLUS/ (DEFICIT) FOR THE YEAR		105,709	(823,538)
Balance brought forward at 1 January		(1,009,675)	(186,137)
BALANCE CARRIED FORWARD AT 31 DECEMBER		(903,966)	(1,009,675)

The Statement of Cash Flows on page 10 and Notes 1 to 21 form part of these financial statements.

Signed 
Dr. Geoffrey Shannon
Chairperson

Signed 
Patricia Carey
Chief Executive Officer

Date 10 October 2016

THE ADOPTION AUTHORITY OF IRELAND

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 2015

	Notes	2015 €	Restated 2014 €
FIXED ASSETS			
Property, Plant and Equipment	11	52,144	29,823
CURRENT ASSETS			
Cash and Cash Equivalents		32,892	161
Receivables	12	31,933	5,873
		<u>64,825</u>	<u>6,034</u>
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Payables	13	<u>(220,791)</u>	<u>(377,709)</u>
NET CURRENT LIABILITIES		(155,966)	(371,675)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(103,822)</u>	<u>(341,852)</u>
Provision for Liabilities and Charges	14	(748,000)	(638,000)
NET LIABILITIES		<u>(851,822)</u>	<u>(979,852)</u>
REPRESENTING			
Retained Revenue Reserves		(903,966)	(1,009,675)
Capital Account	15	52,144	29,823
		<u>(851,822)</u>	<u>(979,852)</u>

The Statement of Cash Flows on Page 10 and notes 1 to 21 form part of these financial statements.

Signed Geoffrey Shannon
Dr. Geoffrey Shannon
Chairperson

Signed Patricia Carey
Patricia Carey
Chief Executive Officer

Date 10 October 2016

THE ADOPTION AUTHORITY OF IRELAND
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 €	2014 €
Reconciliation of Surplus/(Deficit) to net cash inflow from operating activities			
Surplus/ (Deficit) for the year		105,709	(823,538)
Depreciation	11	17,661	9,665
(Increase) in debtors	12	(26,060)	(133)
(Decrease)/ Increase in creditors	13 & 14	(46,918)	823,724
Capital account movement	15	22,321	19,542
Net cash inflow from operating activities		72,713	29,260
 <u>STATEMENT OF CASHFLOWS</u>			
Net cash inflow from operating activities		72,713	29,260
 Cash flows from investing activities			
Payment to acquire fixed assets	11	(39,982)	(29,207)
Increase in cash in the year		32,731	53
Cash and cash equivalents at the beginning of the year		161	108
Cash and cash equivalents at the end of the year		32,892	161

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 Adoption 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 Adoption 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.

c) Basis of Preparation

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

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

d) Revenue

Oireachtas Grants

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

Capital Grants

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

Other Income

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

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

e) Property, Plant and Equipment

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

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

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

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

f) Foreign Currencies

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

g) Receivables

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

h) Employee Benefits

Short-term Benefits

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

Retirement Benefits

The staff of the Authority are civil servants and public servants, some of whom are directly employed by the Authority and others who are on secondment from a number of Government Departments and a state agency. Under Department of Public Expenditure and Reform regulations, a notional superannuation charge is payable to the seconding department. The Public Service (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. All new staff members to the Adoption Authority of Ireland, who are new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme.

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.

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 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.

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 2015

2 TRANSITION TO FRS 102

Reconciliation of Capital and Reserves	Note	As at 1 Jan 2014 €'000	As at 31 Dec 2014 €'000
Capital and reserves (as previously stated)		(156,179)	(961,842)
Holiday pay accrual	2(a)	(19,677)	(18,010)
Capital and reserves (as re-stated)		(175,856)	(979,852)

Reconciliation of Surplus for the year	Note	Year ended 31 Dec 2014 €'000
Surplus for the year (as previously stated)		(825,205)
Holiday pay accrual	2(a)	1,667
Surplus for the year (as re-stated)		(823,538)

Adjusting Items

2(A) Holiday Pay Accrual

The Adoption 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 €19,677 in creditors at the transition date and €18,010 at 31 December 2014. The deficit is increased by €19,677 in the year-ended 31 December 2013 and reduced by €1,667 in the year-ended 31 December 2014.

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3 GRANTS	2015	2014
	€	€
Department of Children and Youth Affairs	3,144,299	2,990,295
	<u>3,144,299</u>	<u>2,990,295</u>

Grants are drawn down from Department of Children and Youth Affairs Vote 40 subhead C7.

4 OTHER INCOME	2015	2014
	€	€
Income from Adoption Certificates	4,841	4,379
Courier Income	2,150	3,213
Conference Income	-	207
Miscellaneous	2,575	1,839
	<u>9,566</u>	<u>9,638</u>

Courier income represents charges which the Authority makes applications in order to contribute towards the Authority's courier costs (note 8).

5 SECONDMENT INCOME	2015	2014
	€	€
Income from Secondment	95,834	-
	<u>95,834</u>	<u>-</u>

Secondment Income represents the Authority's recoupment of salaries for member of staff who was permanently redeployed through a secondment arrangement to Tusla – Child and Family Agency in 2014 and 2015 (note 6).

6 STAFF COSTS AND EMPLOYEE INFORMATION	2015	2014
	€	€
Wages and Salaries (incl PRSI er)	1,202,827	1,221,184
Notional Superannuation	299,329	317,804
Training	25,615	11,442
Recruitment Costs	400	5,245
	<u>1,528,171</u>	<u>1,555,675</u>

The average number of employees during the year was 22 (2014:24).

An amount of €62,882 in respect of Pension Levy was deducted from staff salaries and retained by the Department of Children and Youth Affairs. In accordance with Department of Public Expenditure and Reform rules, a notional superannuation charge is payable by the Authority to the Government Department from which staff are seconded.

6(a) Employee benefits breakdown

Range of total employee benefits		Number of Employees	
From	To	2015	2014
€60,000	- €69,999	1	1
€70,000	- €79,999	1	2
€80,000	- €89,999	1	-
€100,000	- €109,999	1	-

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

6(b) CHIEF EXECUTIVE OFFICER'S REMUNERATION	2015	2014
	€	€
Chief Executive's annual basic salary	<u>104,853</u>	<u>35,610</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.

	2015	2014
	€	€
ACTING CHIEF EXECUTIVE OFFICER		
Acting Chief Executive's annual basic salary	<u>-</u>	<u>51,012</u>

7 BOARD COSTS	2015	2014
	€	€
<u>Board members salary and stipends:-</u>		
Geoffrey Shannon (Chairman)	63,120	63,120
Helen Collins	6,413	7,695
Ann McWilliams	6,413	2,565
Corina Carrick	6,413	7,695
Siobhan Keogh	6,413	7,695
Anne O'Flaherty	7,695	7,695
Imelda Ryan	5,130	-
Patrick McMahon	1,282	-
Paul Harrison	1,282	-
Orlaith Traynor	1,282	-
	<u>105,443</u>	<u>96,465</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.

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

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8 OFFICE EXPENSES	2015 €	2014 €
Contract Cleaning	22,907	23,153
Insurance	2,793	2,620
Office Expenses	12,985	10,853
Office Furniture (under €1,000)	4,304	-
Conference and Catering Costs	9,242	12,762
Annual Membership and Registration	2,825	1,752
Telephones	21,844	25,415
Heat, Power and Light	17,800	19,665
Postage	12,422	9,408
Office Supplies/Stationery	24,604	15,446
Courier	7,054	7,129
Printing	344	12,912
Advertising	250	-
Information Communication Technologies	27,774	13,383
Translation Expenses	5,711	1,561
Stenography	5,879	8,362
Miscellaneous	675	824
International Social Service	10,000	10,001
Bank Charges	313	-
	<u>189,726</u>	<u>175,246</u>

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

9 LEGAL AND PROFESSIONAL	2015 €	2014 €
Legal Fees*	1,104,610	1,818,273
Accountancy and Compliance Costs	19,333	31,957
Review of Accredited Bodies under the remit of Section 133, Adoption Act 2010	12,854	13,235
Research and Consultancy **	75,601	26,811
Audit	12,000	11,460
Medical Advice	25,712	26,246
	<u>1,250,110</u>	<u>1,927,982</u>

* Included in legal fees are amounts paid for litigation in which the authority was the respondent. Legal fees in 2015 also includes an increase in the provision for legal costs of €423,000. (Note 14)

** Included in research and consultancy are costs incurred for ICGP Project, research on intercountry adoption provision, expert pension advice, cost of oversight committees and consultancy advice on corporate planning.

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10 TRAVEL EXPENSES	2015	2014	
	€	€	
Domestic Travel	16,136	8,585	
Foreign Travel	14,422	30,311	
	<u>30,558</u>	<u>38,896</u>	
11 PROPERTY, PLANT AND EQUIPMENT	IT and Office Equipment	Fixtures and Fittings	Total
	€	€	€
<u>Cost</u>			
At 1 st January 2015	47,899	850	48,749
Additions for the period	39,982	-	39,982
Disposals	-	-	-
At 31 st December 2015	<u>87,881</u>	<u>850</u>	<u>88,731</u>
<u>Accumulated Depreciation</u>			
At 1 st January 2015	18,841	85	18,926
Depreciation charge for the period	17,576	85	17,661
Disposals	-	-	-
At 31 st December 2015	<u>36,417</u>	<u>170</u>	<u>36,587</u>
<u>Net Book Value</u>			
At 31 st December 2015	<u>51,464</u>	<u>680</u>	<u>52,144</u>
At 31 st December 2014	<u>29,058</u>	<u>765</u>	<u>29,823</u>

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 €	2014 €
12 RECEIVABLES		
Accrued Income	12,657	-
Debtors	12,657	-
Prepayments	6,619	5,873
	<u>31,933</u>	<u>5,873</u>
	2015 €	2014 €
13 PAYABLES		
Amounts falling due within one year:		
Creditors	49,482	223,757
Accrued Expenses	171,309	153,952
	<u>220,791</u>	<u>377,709</u>
	As at 31 December 2015 €	As at 31 December 2014 €
14 PROVISION		
<u>Legal Costs</u>		
Amount at the beginning of the year	638,000	-
Additions to provision	423,000	638,000
Amounts charged against the provision	(272,000)	-
Unused amounts reversed	(41,000)	-
	<u>748,000</u>	<u>638,000</u>
Amount at the end of the year		

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

Having consulted with its legal team, the Authority has made a best estimate of the costs of these proceedings and has made provision for this.

In 2014, Costs Orders were made against the Authority in a small number of exceptional legacy cases arising from the introduction of the "Hague Convention on Protection of Children and Co-operation in respect of Intercountry Adoption" into Irish law by virtue of the Adoption Act 2010 and consequent uncertainty regarding applicants that had commenced the adoption process prior to its introduction.

The High Court made it clear that the costs orders were not due to any fault on the part of the Authority and placed a stay on payment for 15 months from 15 December 2014. Some plaintiffs have not yet sought payment on foot of these costs orders and the liability to the Authority remains outstanding in 2016. The Authority will actively negotiate reductions with the applicants and, to date, has successfully negotiated a very significant reduction on the amount initially sought by one plaintiff.

THE ADOPTION AUTHORITY OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

15 CAPITAL ACCOUNT		2015		2014
	€	€	€	€
Balance at 1 st January 2015		29,823		10,281
Purchase of Fixed Assets	39,982		29,207	
Amount amortised in line with asset depreciation for the year	<u>(17,661)</u>		<u>(9,665)</u>	
Transfer from Income and Expenditure Account		22,321		19,542
Balance at 31 st December 2015		<u>52,144</u>		<u>29,823</u>

16 CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2015.

17 CONTINGENT LIABILITIES

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

The Authority is also involved in a number of cases where a provision for future costs has not been recognised. These relate to legacy cases in which the Authority was a co-respondent. It is not possible to provide an estimate of the potential costs in these cases as it is not possible to predict whether certain matters are capable of being resolved without court proceedings and if not, to predict at which stage legal proceedings might conclude.

18 RELATED PARTY TRANSACTIONS/ DISCLOSURE OF INTERESTS

The Adoption Authority of Ireland complies with the Code of Practice for the Governance of State bodies issued by the Department of Finance in relation to the disclosure of interests by the Authority members and its staff. Formal procedures exist to ensure adherence with this requirement of the code. No related party transactions took place in 2015.

19 ACCOMMODATION

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

20 COMPARATIVE FIGURES

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

21 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Adoption Authority of Ireland at its meeting on 12th April 2016.