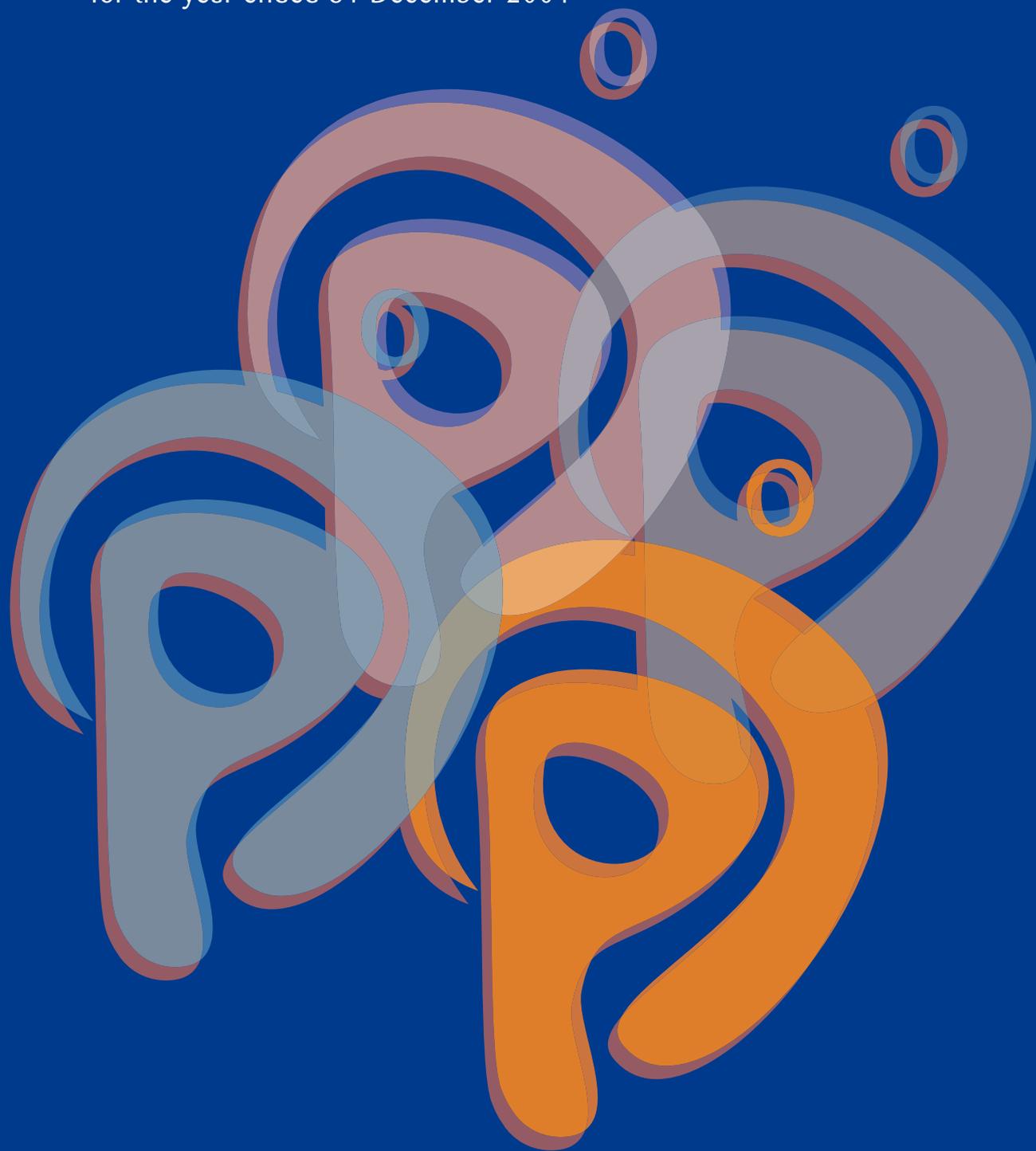


Office of the Pensions Ombudsman

Financial Statements

for the year ended 31 December 2004



Pensions

OMBUDSMAN

Fear an Phobail um Pinsin



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Report of the Comptroller and Auditor General

for presentation to the Houses of the Oireachtas

I have audited the financial statements on pages 4 to 8 under Section 143(2) of the Pensions Act, 1990 as amended.

RESPECTIVE RESPONSIBILITIES OF THE PENSIONS OMBUDSMAN AND THE COMPTROLLER AND AUDITOR GENERAL

The Pensions Ombudsman is responsible under Section 143 of the Pensions Act, 1990 as amended for the preparation of the financial statements of the Office of the Pensions Ombudsman. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me and to report on them.

I review whether the statement on the system of internal financial control on page 3 reflects the Ombudsman's compliance with applicable guidance on corporate governance and report any material instance where the Ombudsman does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements.

BASIS OF AUDIT OPINION

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with auditing standards issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Office, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion, proper books of account and records have been kept by the Office of the Ombudsman, and the financial statements, which are in agreement with them, give a true and fair view of the state of affairs of the Office of the Pensions Ombudsman at 31 December 2004 and of its income and expenditure for the year then ended.



John Purcell
Comptroller and Auditor General

30 December 2005

Statement on Internal Financial Control

Responsibility for the System of Internal Financial Control

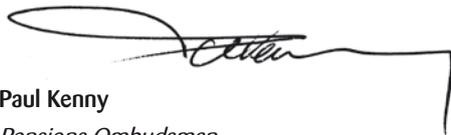
The Office of the Pensions Ombudsman is a small Office in one unit. There is a total staff of 8, including the Ombudsman, a Head of Investigations, three investigators, an office manager and two further officials. The responsibility for ensuring that an effective system of Internal Controls is maintained and operated falls to myself, as Ombudsman.

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

The staff of this Office and I have taken steps to ensure that there is an effective system of financial control in place, by implementing a system of internal control based on regular information on expenditure being supplied to management, administrative procedures including segregation of duties, and a system of delegation of responsibility. This includes the following procedures:

- An annual estimate of financial requirements is provided to our parent Department, the Department of Social and Family Affairs.
- A twice yearly report is provided to the Department which compares estimated and actual expenditure.
- All expenditure by this Office is recorded on the Department's general ledger accounting system. A monthly expenditure report is prepared by the Department's Accounts branch. This is then checked by the office manager against the records held in the Office.
- The office manager prepares a monthly statement of expenditure which compares estimated and actual expenditure. This is circulated to all members of staff and is reviewed by myself.
- A segregation of duties exists between the preparation, authorisation and execution of payments.
- An internal audit function will be provided by the Department of Social and Family Affairs.

I confirm that I reviewed the Office's system of internal financial control during the year 2004.



Paul Kenny
Pensions Ombudsman

22 December 2005

Statement of Accounting Policies

1. Basis of Preparation

The financial statements are prepared on an accruals basis, except as outlined below, in accordance with generally accepted accounting principles under the historic cost convention and comply with applicable financial reporting standards and with the requirements of Section 143 of the Pensions Act 1990 (inserted by Section 5 of the Pensions (Amendment) Act, 2002).

2. Oireachtas Grants

Oireachtas Grant represents the total of payments made by the Department of Social and Family Affairs on behalf of the Office in the year of account.

3. Pensions

The employees of the Pensions Ombudsman, being Civil Servants, are covered by Civil Service pension arrangements with the exception of the Pensions Ombudsman who is appointed by the Minister for Social and Family Affairs. The pension entitlements of the Pensions Ombudsman have not yet been finalised.

4. Tangible Fixed Assets

Tangible Fixed Assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided on a straight line basis at rates which are estimated to reduce the assets to realisable values by the end of their expected useful lives as follows:

IT and Office Equipment 20% Straight Line

Furniture and Fittings 10% Straight Line

5. Capital Account

The Capital Account balance represents the unamortised value of income applied for capital expenditure.

Income and Expenditure Account

for the Year ending 31 December 2004

	Notes	2004 €	2003* €
Income			
Oireachtas Grant	1	500,893	341,582
Transfer (to)/from Capital Account	5	4,578	(116,112)
Total Income		505,471	225,470
Expenditure			
Staff Costs	2	379,547	129,074
Administration	3	105,858	78,190
Depreciation	4	20,368	18,206
Audit Fee		3,000	-
Loss on Disposal of Fixed Assets		1,178	-
Total Expenditure		509,951	225,470
Excess of Expenditure over Income		4,480	-

* 28 April to 31 December 2003

The Office of the Pensions Ombudsman had no gains or losses in the financial year other than dealt with in the Income and Expenditure Account.

The Statement of Accounting Policies and Notes 1 to 6 form part of these financial statements.



Paul Kenny
Pensions Ombudsman

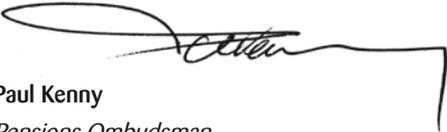
22 December 2005

Balance Sheet

as at 31 December 2004

	Notes	2004 €	2003 €
Fixed Assets			
Tangible Fixed Assets	4	111,534	116,112
Current Assets			
Debtors and Prepayments		2,316	
Cash on Hands		11	100
		<u>2,327</u>	
Current Liabilities			
Creditors and Accruals		(6,807)	(100)
		<u>(6,807)</u>	
			<u>-</u>
Net Assets			
		<u>107,054</u>	<u>116,112</u>
Represented By			
Excess of Expenditure over Income		(4,480)	-
Capital Account	5	111,534	116,112
		<u>107,054</u>	<u>116,112</u>

The Statement of Accounting Policies and Notes 1 to 6 form part of these financial statements.



Paul Kenny
Pensions Ombudsman

22 December 2005

Notes to the financial statements

1. Oireachtas Grant

Funding for the Office of the Pensions Ombudsman is provided by the Department of Social and Family Affairs which makes all payments on behalf of the Office. The total income of the Office matches the sum charged to the Appropriation Account of the Social and Family Affairs Vote – €500,893 in 2004.

2. Staff Costs

The Staff Costs of the Office of the Pensions Ombudsman comprise

	2004	2003
	€	€
Wages and Salaries	371,147	127,985
Travel and Subsistence	8,400	1,089
	<u>379,547</u>	<u>129,074</u>

The number of staff employed by the Office in 2004 was 8, including the Ombudsman.

3. Administration Costs

The Administrative Costs of the Office of the Pensions Ombudsman were

	2004	2003
	€	€
Incidental Expenses	57,422	20,598
Postage and Telecommunications	2,923	475
Printing/Stationery	26,428	8,146
IT/Office Machinery (Non-Asset)	1,409	1,273
Maintenance, Furniture and Fittings (Non-Asset)	17,676	47,698
	<u>105,858</u>	<u>78,190</u>

4. Fixed Assets

	IT Hardware €	Furniture and Fittings €	Total €
Assets at Cost			
Balance as at 1 January 2004	47,735	86,583	134,318
Additions	7,594	9,374	16,968
Disposals	(1,473)	-	(1,473)
Balance as at 31 December 2004	53,856	95,957	149,813
Depreciation Charge			
Balance as at 1 January 2004	(9,547)	(8,659)	(18,206)
Charge for the Year	(10,772)	(9,596)	(20,368)
Disposals	295	-	295
Balance as at 31 December 2004	(20,024)	(18,255)	(38,279)
Net Book Value			
Balance as at 1 January 2004	38,188	77,924	116,112
Movement for the Year	(4,356)	(222)	(4,578)
Balance as at 31 December 2004	33,832	77,702	111,534

5. Capital Account

	€	€
Balance as at 1 January 2004		116,112
Profit/(Loss) on Disposal of Fixed Assets 2004	(1,178)	
Purchase of Fixed Assets	16,968	
Amortisation in line with Asset Depreciation	(20,368)	
Transfer to Income and Expenditure Account		(4,578)
Balance as at the 31 December 2004		111,534

6. Premises

The accommodation occupied by the Office of The Pensions Ombudsman at 36 Upper Mount Street, Dublin 2 is leased and paid for by the Office of Public Works. There is no charge to the Office of the Pensions Ombudsman in respect of accommodation. Expenditure on premises incurred by the Office of Public Works on behalf of the Pensions Ombudsman amounted to €172,500.