



**HEALTH AND SAFETY AUTHORITY**

**AN tÚDARÁS SLÁINTE AGUS SÁBHÁILTEACHT**

**Report and Financial Statements  
for the year ended 31 December 2016**

# HEALTH AND SAFETY AUTHORITY

## Report and Financial Statements

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# HEALTH AND SAFETY AUTHORITY

## Information

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<b>Members of the Board</b>	Mr. Paul Cullen (DJEI)	reappointed on 20/12/2016
	Dr. Michael Gillen	reappointed on 20/12/2016
	Mr. Pat Kenny	reappointed on 20/12/2016
	Ms Christine Rowland	reappointed on 20/12/2016
	Mr Frank Vaughan	reappointed on 20/12/2016
	Mr. Andrew Bowers	appointed on 20/12/2016
	Mr Dermot Carey	appointed on 20/12/2016
	Mr Michael Horgan (Chairperson)	term of appointment ended on 19/12/2016
	Ms Carol Bolger	appointed on 26/02/2014
	Mr George Brett	term of appointment ended on 19/12/2016
	Mr Robert Butler	term of appointment ended on 19/12/2016
	Mr John McCartney	appointed on 26/02/2014
	Ms Vicki O'Reilly	appointed on 26/02/2014
	Prof. James Phelan	appointed on 26/02/2014

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

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

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

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

# HEALTH AND SAFETY AUTHORITY

## Information

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## Comptroller and Auditor General

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

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#### Health and Safety Authority

I have audited the financial statements of the Health and Safety Authority for the year ended 31 December 2016 under the Safety, Health and Welfare at Work Act 2005. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 48 of the Act, and in accordance with generally accepted accounting practice.

#### Responsibilities of the Members of the Authority

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

#### Responsibilities of the Comptroller and Auditor General

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

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

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

#### Scope of audit of the financial statements

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

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

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

#### Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Health and Safety Authority as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

#### Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

*Patricia Sheehan*

Patricia Sheehan  
For and on behalf of the  
Comptroller and Auditor General  
30 June 2017

## HEALTH AND SAFETY AUTHORITY

### Statement of Responsibilities of the Board

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

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

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



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Authority Member

30 June 2017

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Date



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Authority Member

30/6/17

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Date

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Financial Control

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On behalf of the Board of the Health and Safety Authority I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

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

### Key Control Procedures

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

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

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

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

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

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

The Authority has put in place an internal audit function, which operates in accordance with the principles set out in the Code of Practice on the Governance of State Bodies published in June 2009. The work of internal audit is informed by analysis of the risk to which the Authority is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board of the Authority. At least annually, the Internal Auditor will provide the Authority with a report of internal audit activity. The report includes the Internal Auditor's opinion on the adequacy and effectiveness of the system of internal financial control.

# HEALTH AND SAFETY AUTHORITY

## Statement on Internal Financial Control

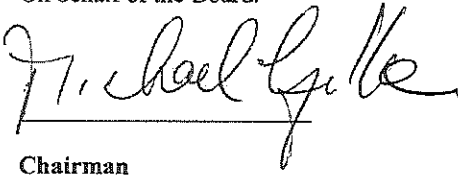
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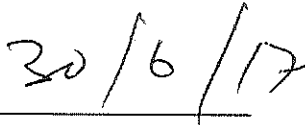
The Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor, the Audit Committee which oversees the work of the internal auditor, the Executive within the Authority who have the responsibility for the development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

### Annual Review of Controls

The Authority's Audit Committee reviews the effectiveness of the internal financial systems with a formal report then going to the Board. The Board has carried out a formal review of its internal financial controls in respect of 2016.

On behalf of the Board.

Deputy  Chairman

  
Date



## HEALTH AND SAFETY AUTHORITY

### Statement of Income & Expenditure & Retained Revenue Reserves for the year ended 31 December 2016

	Notes	Year Ended 31 December 2016 €	Year Ended 31 December 2015 €
<b>Income</b>			
Department of Jobs, Enterprise and Innovation including Oireachtas Grant	2	17,210,484	17,538,656
Accreditation Income	3	2,324,206	2,289,062
COMAH Income	4	241,904	-
Other Income	5	235,471	312,012
Other Transfer (to)/from Capital Account	12	(347,462)	25,953
Deferred retirement benefit funding	13	<u>3,744,000</u>	<u>4,629,000</u>
		<u>23,408,603</u>	<u>24,794,683</u>
<b>Expenditure</b>			
Salaries Costs	6	10,771,115	10,990,033
Retirement Benefit Costs	13	4,323,484	4,970,656
Operational Expenses	8	8,351,096	8,907,365
		<u>23,445,695</u>	<u>24,868,054</u>
(Deficit) for the year		<u>(37,092)</u>	<u>(73,371)</u>
Balance Brought Forward at 1 January		763,993	837,364
<b>Balance Carried Forward at 31 December</b>		<b>726,901</b>	<b>763,993</b>

The Statement of Cash Flows and Notes 1 to 20 form part of these Financial Statements.

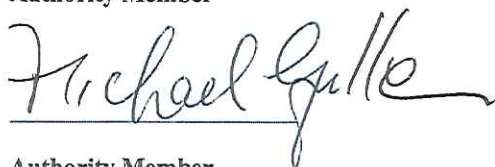
The Financial Statements were approved by the Board on 10th March 2017 and signed on its behalf by:



Authority Member

30 June 2017

Date



Authority Member

30/6/17

Date

## HEALTH AND SAFETY AUTHORITY

### Statement of Total Comprehensive Income for the year ended 31 December 2016

	Notes	Year Ended 31 December 2016 €	Year Ended 31 December 2015 €
(Deficit) for the year		<u>(37,092)</u>	<u>(73,371)</u>
Experience (losses)/gains on retirement benefit obligations		(1,531,000)	(775,000)
Change in assumptions underlying the present value of retirement benefit obligations		<u>(15,719,000)</u>	<u>11,765,000</u>
Actuarial (losses)/gains in the year		(17,250,000)	10,990,000
Adjustment to deferred retirement benefit funding		<u>17,250,000</u>	<u>(10,990,000)</u>
Total Comprehensive Income for the year		<u>(37,092)</u>	<u>(73,371)</u>

The Statement of Cash Flows and Notes 1 to 20 from part of these Financial Statements.

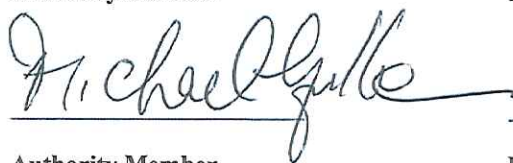
The Financial Statements were approved by the Board on 10<sup>th</sup> March 2017 and signed on its behalf by:



Authority Member

30 June 2017

Date



Authority Member

30/6/17

Date

**HEALTH AND SAFETY AUTHORITY**

**Statement of Financial Position  
For the year ended 31 December 2016**

	Notes	31 December 2016 €	31 December 2015 €
<b>FIXED ASSETS</b>			
Property, plant & equipment	9	<u>737,712</u>	<u>390,250</u>
<b>CURRENT ASSETS</b>			
Receivables	10	1,186,206	1,229,804
Cash and cash equivalents		<u>703,022</u>	<u>272,741</u>
		1,889,228	1,502,545
<b>CURRENT LIABILITIES (amounts due within one year)</b>			
Payables	11	<u>(1,162,328)</u>	<u>(738,553)</u>
Net Current Assets		<u>726,900</u>	<u>763,992</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE RETIREMENT BENEFITS</b>			
		<u>1,464,612</u>	<u>1,154,242</u>
Deferred retirement benefit funding asset	13	99,136,000	78,142,000
Retirement benefit obligation	13	<u>(99,136,000)</u>	<u>(78,142,000)</u>
<b>TOTAL NET ASSETS</b>		<u>1,464,612</u>	<u>1,154,242</u>
<b>REPRESENTING</b>			
Retained revenue reserves		726,901	763,993
Capital account	12	<u>737,711</u>	<u>390,249</u>
		<u>1,464,612</u>	<u>1,154,242</u>

The Statement of Cash Flows and Notes 1 to 20 form part of these Financial Statements.

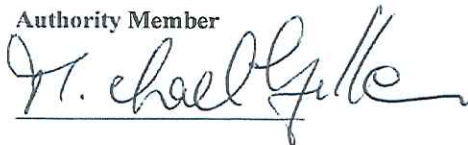
The Financial Statements were approved by the Board on 10<sup>th</sup> March 2017 and signed on its behalf by:

  
\_\_\_\_\_

Authority Member

30 June 2017

Date

  
\_\_\_\_\_

Authority Member

30 / 6 / 17

Date

## HEALTH AND SAFETY AUTHORITY

### Statement of Cash Flows for the year ended 31 December 2016

	<b>Year Ended 31 December 2016</b>	<b>Year Ended 31 December 2015</b>
<b>Notes</b>	<b>€</b>	<b>€</b>
<b>Reconciliation of operating (deficit) to net cash inflow/(outflow) from operating activities</b>		
Operating (deficit) for year	(37,092)	(73,371)
Depreciation	9      238,565	233,353
Transfer to/(from) Capital reserve	12      347,462	(25,953)
Increase/(Decrease) in payables	11      423,775	(378,516)
Decrease in receivables	10      43,598	11,649
Net cash inflow/(outflow) from operating activities	<u>1,016,308</u>	<u>(232,838)</u>
<b>Statement of Cash Flows</b>		
Net cash inflow/(outflow) from operating activities	1,016,308	(232,838)
<b>Cash Flows from Financing Activities</b>		
Interest Earned	-	-
<b>Cash flows from Investing Activities</b>		
Payments to acquire property, plant and equipment	9      (586,027)	(207,400)
Net increase/(decrease) in cash and cash equivalents	<u>430,281</u>	<u>(440,238)</u>
Net funds at 31 December 2015	272,741	712,979
Net funds at 31 December 2016	<u>703,022</u>	<u>272,741</u>

Notes 1 to 20 form part of these Financial Statements.

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

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### I. ACCOUNTING POLICIES

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

#### a) General Information

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

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

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

The Authority is a Public Benefit Entity (PBE).

#### b) Transfer of Functions

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

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

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

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

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

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**e) Statement of Compliance**

The financial statements of the Health and Safety Authority for the year ended 31 December 2016 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.

**d) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Jobs, Enterprise and Innovation with the concurrence of the Minister for Public expenditure and Reform under the Safety, Health and Welfare at Work Act 2005. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Authority's financial statements.

**e) Revenue**

*Oireachtas Grants*

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis. Oireachtas grants shown in the Statement of Income and Expenditure and Retained Revenue Reserves Account reflect the amounts received from the Department of Jobs, Enterprise and Innovation (DJEI) in respect of the year.

*INAB income*

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

*COMAH Income*

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

*Other income*

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

## HEALTH AND SAFETY AUTHORITY

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

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#### f) Property, Plant and Equipment

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

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

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

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

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

#### g) Capital Account

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

#### h) Foreign Currencies

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

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

#### i) Receivables

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

## HEALTH AND SAFETY AUTHORITY

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

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#### j) Operating Leases

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

#### k) Employee Benefits

##### Short-term Benefits

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

##### Retirement Benefits

The Health and Safety Authority previously established its own defined benefit pension scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Jobs, Enterprise and Innovation (DJEI) and from contributions deducted from staff and members' salaries. The Authority also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

Pension costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are remitted to the DJEI. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

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

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



## HEALTH AND SAFETY AUTHORITY

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

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**l) Provisions**

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

**m) Contingencies**

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

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

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

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### n) Critical Accounting Judgements and Estimates

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

#### Impairment of Property, Plant and Equipment

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

#### Depreciation and Residual Values

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

#### Provisions

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

#### Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

## HEALTH AND SAFETY AUTHORITY

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

#### 2. OIREACHTAS GRANTS

	Year Ended 31 December 2016	Year Ended 31 December 2015
	€	€
D/JEI - Vote 32 - Subhead C5	17,884,000	18,217,000
Employee Pension Contributions remitted to D/JEI	(671,449)	(677,596)
Single Scheme Contributions remitted to D/PER	<u>(2,067)</u>	<u>(748)</u>
	<u>17,210,484</u>	<u>17,538,656</u>

#### 3. ACCREDITATION INCOME

	Year Ended 31 December 2016	Year Ended 31 December 2015
	€	€
Accreditation income	<u>2,324,206</u>	<u>2,289,062</u>

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

#### 4. COMAH INCOME

	Year Ended 31 December 2016	Year Ended 31 December 2015
	€	€
COMAH income	<u>241,904</u>	=

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

#### 5. OTHER INCOME

	Year Ended 31 December 2016	Year Ended 31 December 2015
	€	€
Driver Training Course Income	115,650	95,804
SEVESO	1,169	28,556
Fines – European Agreement concerning the international carriage of dangerous goods by road (ADR)	-	1,750
Sale of Authority's Publications	3,935	19,510
Miscellaneous (Seminars, Legal, Witness Expenses, EU Commission)	<u>114,717</u>	<u>166,392</u>
	<u>235,471</u>	<u>312,012</u>

## HEALTH AND SAFETY AUTHORITY

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

#### 6. SALARY COSTS

	Year Ended 31 December 2016	Year Ended 31 December 2015
	€	€
Gross Salaries	9,912,218	10,133,287
Employer PRSI	<u>858,897</u>	<u>856,746</u>
Total Salary Costs	<u>10,771,115</u>	<u>10,990,033</u>
Actual Staffing Levels – Professional/technical	112.7	117.6
Actual Staffing Levels – Administration	<u>45.9</u>	<u>48.6</u>
	<u>158.6</u>	<u>166.2</u>

€587,537 (2015: €728,012) of pension levy has been deducted from staff and paid over to the Department of Jobs, Enterprise and Innovation.

#### CEO REMUNERATION

The Chief Executive Officer received a salary of €143,040 (2015: €148,541) and expenses to the value of €8,192 (2015: €8,324) in 2016. There were twenty-seven pay periods (27) in 2015.

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

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

#### EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits		Number of Employees	
From	To	2016	2015
€60,000	- €69,999	75	71
€70,000	- €79,999	14	17
€80,000	- €89,999	9	8
€90,000	- €99,999	5	5
€100,000	- €109,999	3	3
€140,000	- €149,999	1	1

## HEALTH AND SAFETY AUTHORITY

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

7. MEMBERS' FEES AND EXPENSES	2016	2016	2015	2015
Board Member	Fees	Expenses	Fees	Expenses
	€	€	€	€
Ms. Carol Bolger	7,695	-	7,695	-
Mr. George Brett	7,695	1,169	7,695	2,693
Mr. Robert Butler	7,695	-	7,695	-
Mr. Paul Cullen (DJEI)	-	-	-	-
Dr. Michael Gillen	7,695	-	7,695	243
Mr. Michael Horgan (Chairman)	11,980	-	11,970	-
Mr. Pat Kenny	7,695	-	7,695	-
Mr. John McCartney	7,695	307	7,695	237
Ms. Vicki O'Reilly	7,695	-	7,695	-
Prof. James Phelan	7,695	561	7,695	183
Ms. Christine Rowland	7,695	-	3,848	-
Mr. Frank Vaughan	7,695	209	7,695	-
	<u>88,930</u>	<u>2,246</u>	<u>85,063</u>	<u>3,356</u>

## HEALTH AND SAFETY AUTHORITY

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

#### 8. OPERATIONAL EXPENSES

	Total 2016	Total 2015
	€	€
Accommodation	1,857,488	1,784,446
Communications costs	399,042	230,073
Travel & subsistence - national	689,092	791,040
Travel & subsistence – international	153,838	98,114
Publications & marketing	1,207,608	1,629,928
Legal services	128,360	84,433
Research	160,347	91,678
Financial services	304,279	300,087
Pensions and human resources	21,287	20,206
Other consultancy	471,077	583,431
Accreditation – external assessor costs (note 3)	961,000	1,069,295
Business process review	155,813	343,969
Staffing costs	218,647	283,710
General equipment supplies	167,391	137,448
Investment in learning	186,414	173,036
Technology costs	795,964	859,251
Depreciation	238,565	233,353
Internal audit fees	16,544	12,123
External audit fees	15,400	15,422
Members' fees	88,930	85,063
Bad debts	14,254	-
Other	99,756	81,259
	<b><u>8,351,096</u></b>	<b><u>8,907,365</u></b>

Included in operational expenses is a charge of €2,224 (2015: €369) in respect of amounts paid by the Authority for hospitality.

## HEALTH AND SAFETY AUTHORITY

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

#### 9. Property, Plant & Equipment

	Fixtures & Fittings	Furniture & Equipment	Computer Equipment	Scientific Equipment	Software Development	Total
Cost	€	€	€	€	€	€
At 1 January 2016	264,580	1,007,832	1,691,781	166,052	435,358	3,565,602
Additions in year	185,234	4,762	52,574	-	343,457	586,027
Disposals	-	-	-	-	-	-
At 31 December 2016	<u>449,814</u>	<u>1,012,594</u>	<u>1,744,355</u>	<u>166,052</u>	<u>778,815</u>	<u>4,151,629</u>
<b>Accumulated depreciation</b>						
At 1 January 2016	176,931	974,588	1,511,496	163,633	348,704	3,175,352
Charge for the year	32,894	16,077	145,251	807	43,536	238,565
Disposals	-	-	-	-	-	-
At 31 December 2016	<u>209,825</u>	<u>990,665</u>	<u>1,656,747</u>	<u>164,440</u>	<u>392,240</u>	<u>3,413,917</u>
<b>Net book value</b>						
At 31 December 2016	<u>239,989</u>	<u>21,929</u>	<u>87,608</u>	<u>1,612</u>	<u>386,575</u>	<u>737,712</u>
At 31 December 2015	<u>87,649</u>	<u>33,244</u>	<u>180,285</u>	<u>2,419</u>	<u>86,654</u>	<u>390,250</u>

#### 10. RECEIVABLES

	31 December 2016	31 December 2015
	€	€
Prepayments	1,051,962	1,095,812
Accreditation and COMAH debtors	77,394	93,613
Other debtors	<u>56,850</u>	<u>40,379</u>
	<u>1,186,206</u>	<u>1,229,804</u>

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

## HEALTH AND SAFETY AUTHORITY

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

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#### 11. PAYABLES

	31 December 2016	31 December 2015
	€	€
Trade creditors	156,483	198,106
Accruals	531,410	481,183
Tax creditors – VAT & PSWT	47,620	50,243
Other creditors	4,419	1,280
Payroll creditors	<u>422,395</u>	<u>7,741</u>
	<u>1,162,328</u>	<u>738,553</u>

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

#### 12. CAPITAL ACCOUNT

	31 December 2016	31 December 2015
	€	€
Opening Balance	390,249	416,202
<b>Transfer to Statement of Income and Expenditure</b>		
Funding to acquire Assets	586,027	207,400
Amortisation in line with asset depreciation	<u>(238,565)</u>	<u>(233,353)</u>
	<u>347,462</u>	<u>(25,953)</u>
Closing Balance at 31 December	<u>737,711</u>	<u>390,249</u>



## HEALTH AND SAFETY AUTHORITY

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

#### 13. RETIREMENT BENEFIT COSTS

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

	31 December 2016	31 December 2015
	€	€
Current service cost	2,911,000	3,790,000
Interest on retirement benefit scheme liabilities	2,086,000	1,859,000
Employee contributions	<u>(673,516)</u>	<u>(678,344)</u>
	<u>4,323,484</u>	<u>4,970,656</u>

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

	31 December 2016	31 December 2015
	€	€
Net retirement benefit liability at 1 January	(78,142,000)	(84,503,000)
Current service cost	(2,911,000)	(3,790,000)
Past service costs	-	-
Interest cost	(2,086,000)	(1,859,000)
Retirement benefits paid in year	1,253,000	1,020,000
Actuarial (loss)/gain	<u>(17,250,000)</u>	<u>10,990,000</u>
Net retirement benefit liability at 31 December	<u>(99,136,000)</u>	<u>(78,142,000)</u>

Retirement benefits paid in the year include lump sum retirement costs of €354,849.

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

The Authority recognises amounts owing from the State for the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service retirement benefits including contributions by employees and the annual estimates process. The Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

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

	31 December 2016	31 December 2015
	€	€
Funding recoverable in respect of current year costs	4,997,000	5,649,000
State Grant applied to pay pensioners	<u>(1,253,000)</u>	<u>(1,020,000)</u>
	<u>3,744,000</u>	<u>4,629,000</u>

The deferred funding asset for retirement benefits as at 31 December 2016 amounted to €99,136,000 (2015: €78,142,000).

# HEALTH AND SAFETY AUTHORITY

## Notes (forming part of the financial statements)

### iv. History of defined benefit obligations

	31 December 2016	31 December 2015
	€	€
Experience losses / (gains) on scheme liabilities		
Amount	1,531,000	775,000
Percentage of scheme liabilities	(1.5%)	(0.9%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €17,250,000.

### v. Description of scheme

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

The valuation used for FRS 102 disclosures been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2016.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2016 were as follows:

	31 December 2016	31 December 2015
Discount rate	1.88%	2.67%
Inflation rate	1.80%	1.70%
Salary increases	3.00%	3.00%
Retirement benefit increases	2.75%	2.75%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the retirement benefit liabilities are:

	Male aged 65	Female aged 65
Current pensioners	21.1	23.6
Future pensioners retiring 2036	23.6	25.7

## HEALTH AND SAFETY AUTHORITY

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

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#### 14. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31<sup>st</sup> December 2016.

#### 15. OPERATING LEASES

At 31 December 2016 the Authority had the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2016	2015
	€	€
Payable within one year	1,157,483	840,685
Payable within two to five years	4,314,955	285,072
Payable after five years	4,824,725	5,491
	<u>10,297,163</u>	<u>1,131,248</u>

Operating lease payments recognised as an expense were €1,387,316 (2015: €1,338,675).

#### 16. CAPITAL COMMITMENTS

There were no capital commitments at 31<sup>st</sup> December 2016.

#### 17. RELATED PARTY DISCLOSURES

Key management personnel in the Health and Safety Authority consist of the Chief Executive and members of the Authority. Total compensation paid to key management personnel, including authority members' fees and total CEO remuneration, amounted to €231,970 (2015: €233,604). For a breakdown of the remuneration and benefits paid to key management personnel please refer to Notes 6 and 7.

## HEALTH AND SAFETY AUTHORITY

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

#### 18. PREMISES

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

Location	Address	Expiry Date	Annual Premium €
<u>Head Office</u> Dublin	5 <sup>th</sup> and 6 <sup>th</sup> Floor The Metropolitan Building James Joyce Street Dublin 1	2026	964,945
Athlone	Monksland Business Park Athlone	2021	37,026
Evidence store	Tipperary	2019	18,180
Cork	1A South Mall Cork	-	15,998
Galway	Odeon House Eyre Square Galway	2017	24,337
Kilkenny	Hebron House 1 (3 <sup>rd</sup> Floor) MacDonagh Junction Kilkenny	2018	38,643
Limerick	The Loughmore Centre Raheen Business Park Limerick	2021	21,965
Sligo	Unit 1 Beulah Buildings Finisklin Road Sligo	2019	32,670
Waterford	Government Buildings The Glen Waterford	-	3,719

## HEALTH AND SAFETY AUTHORITY

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

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#### 19. 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.

#### 20. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 10<sup>th</sup> March 2017.

  
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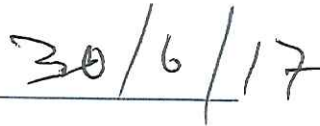
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