



CEA

Údarás Forfheidhmithe Corparáideach
Corporate Enforcement Authority

Financial Statements
for the period
7 July 2022 to 31 December 2022

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General Information

For the period ended 31 December 2022

Authority Members

Ian Drennan

Address

16 Parnell Square East
Dublin 1
D01 W5C2

Bankers

Danske Bank
International House
3 Harbourmaster Place
IFSC
Dublin 1
D01 K8F1

Auditor

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 PF72

Governance Statement and Authority Report

Statutory basis

Provision for the establishment of the Corporate Enforcement Authority (“CEA”) is set out in the Companies (Corporate Enforcement Authority) Act 2021, which amends the Companies Act 2014 (“**the 2014 Act**”). The CEA was established on 7 July 2022, through the enactment of the Companies Act 2014 (Corporate Enforcement Authority) (Establishment Day) Order 2022¹.

Statutory functions

As provided for by section 944D(1) of the 2014 Act, the CEA’s functions include:

- encouraging compliance with company law,
- investigating instances of suspected breaches of company law,
- taking enforcement action in response to identified breaches of company law, including through the prosecution of offences by way of summary proceedings and through the referral of matters to the Director of Public Prosecutions,
- exercising a supervisory role over liquidators, and
- operating a regime of restriction and disqualification undertakings in respect of directors of insolvent companies.

The CEA is also conferred with statutory functions in respect of certain investment vehicles under the Irish Collective Asset-management Vehicles Act 2015. In addition, the CEA is the competent authority for the purpose of imposing sanctions on company directors under the Companies (Statutory Audits) Act 2018 (which, similarly, amends the 2014 Act).

Governance – structure and responsibilities

The Authority

As provided for by section 944F of the 2014 Act, the CEA is governed by an Authority (“**the Authority**”), which shall comprise of so many Members (not being more than three) as the Minister for Enterprise, Trade & Employment (“**the Minister**”) determines. The Authority currently comprises of one full-time Member (“**the Sole Appointed Member**”), who also acts as the CEA’s Chief Executive Officer (“**CEO**”).

Strategy is set, and budgets are approved, by the Authority. The Authority is responsible for the safeguarding of the CEA’s assets and, hence, for taking reasonable steps for the prevention of fraud and other irregularities.

*Audit & Risk Committee (“**ARC**”)*

The establishment of a new State Agency is a substantial undertaking, requiring the commitment of significant human resources. In that context, following a request for expressions of interest published on 9 June 2023, the CEA established an ARC. The ARC met for the first time on 27 November 2023. The role of the ARC is to support the Authority in relation to its responsibilities in respect of internal control, financial reporting, governance, and risk management. In particular, the ARC provides assurance that the internal control systems, including internal audit activities, are subject to independent oversight.

¹ S.I. 337 of 2022.

The ARC will report to the Authority formally in writing at least once a year. The ARC comprises four members, three of whom are independent. The members of the ARC are:

- Mr. Dónall Curtin (Chairperson),
- Ms. Sharon Sterritt, Director of Governance & Support Operations (position currently being covered by Ms. Sinead O'Brien),
- Mr. Paul Kerrigan, and
- Ms. Daneve Harris.

Senior Management

The CEA's senior management comprises of those officers at Director level. Currently, the CEA's senior management comprises of the:

- Director of Civil Enforcement,
- Director of Criminal Enforcement,
- Director of Digital Investigations & Analytics,
- Director of Finance & ICT,
- Director of Governance & Support Operations,
- Director of Insolvency Supervision,
- Director of Legal, and
- Director of Legal & Policy.

Under the CEO's direction and supervision, Directors' responsibilities include:

- executing strategy,
- ensuring the effective discharge of the CEA's functions,
- promoting a culture of professionalism, integrity, and independence,
- managing risk, including financial, litigation, and reputational risk,
- operating financial and other controls, including controls designed to detect and prevent fraud and other irregularities and to safeguard the CEA's assets, and
- as a publicly funded agency, delivering value for money.

Staffing arrangements

In accordance with the provisions of section 944K(6) of the 2014 Act, the CEA's staff members are civil servants. In addition, and as provided for by section 944M of the 2014 Act, CEA officers also include members of An Garda Síochána ("**AGS**") seconded for that purpose. In addition to being CEA officers, seconded members of AGS remain under the general control and direction of the Commissioner and retain all of powers vested in them as members of AGS.

Statutory independence

As an enforcement agency, and in accordance with the provisions of section 944D(4) of the 2014 Act, the CEA is statutorily independent in the performance of its functions.

Confidentiality

In accordance with the provisions of section 944P of the 2014 Act, CEA officers are subject to a statutory duty of confidentiality.

Accounts and related obligations

Section 944X(2) of the 2014 Act requires that the Authority shall keep, in such form as may be approved by the Minister with consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform, all proper and usual accounts of money received and expended by the CEA.

In preparing its financial statements, the Authority 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 the CEA will continue in operation, and
- state whether applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the CEA's financial position and which enable the Authority to ensure that the financial statements comply with section 944X of the Companies Act 2014.

The Authority considers that the financial statements of the CEA for the period ended 31 December 2022 give a true and fair view of the financial performance for the period and of the financial position of the CEA as at 31 December 2022.

Statutory and other accountability mechanisms

In accordance with its statutory accountability obligations as provided for by the 2014 Act, the Authority is required to:

- prepare, and submit to the Minister every three years, a Statement of Strategy. The Minister is, in turn, required to lay each Statement of Strategy before the Houses of the Oireachtas,
- prepare an Annual Report in respect of each financial year and to submit same to the Minister. The Minister is, in turn, required to lay each Annual Report before the Oireachtas,
- publish each Annual Report on its website, once the Report has been laid before the Oireachtas by the Minister,
- prepare annual financial statements and submit same to the Comptroller & Auditor General ("C&AG") for audit. The Minister is, following completion of the audit, required to lay the audited financial statements, together with the C&AG's audit opinion thereon, before the Houses of the Oireachtas,
- the Sole Appointed Member shall, whenever required to do so by the Dail's Committee of Public Accounts, give evidence to that Committee on matters coming within the Committee's terms of reference, and
- the Sole Appointed Member is, when requested, required to attend before other Committees of the Houses of the Oireachtas on matters relating to the general administration of the CEA.

In addition, as a public body engaging in law enforcement activities, the CEA is also accountable to the Courts.

Compliance with the Code of Practice for the Governance of State Bodies ("the Code") – required disclosures

As a State agency, the CEA is subject to the Code. The following disclosures are required by the Code. As this is the first reporting period, there are no prior period comparatives.

Employee short-term benefits breakdown

An analysis of total employee remuneration, based on pay points as at 31 December 2022 for those earning over €60,000 per annum, is set out in note 2 to the financial statements.

Travel and subsistence expenditure

An analysis of travel and subsistence expenditure is set out in note 3 to the financial statements.

Legal costs, settlements, professional and consultancy services

An analysis of legal costs, settlements, and professional and consultancy services is set out in note 4 to the financial statements.

Hospitality expenditure

Hospitality expenditure incurred during the period is set out in note 5 to the financial statements.

Statement of compliance with the Code

The period ended 31 December 2022 represents the six months startup / establishment phase of the CEA. The CEA has adopted the Code, as published by the Department of Public Expenditure, National Development Plan Delivery and Reform in August 2016. Subject to the following, the CEA was in compliance with the Code during the period:

Provisions in relation to role of the Board, role of the Chairperson and role of Board members

The governance structure of the CEA is atypical for a State Agency in that it does not have a Board of Directors. This is attributable to the enforcement-related nature of the CEA's statutory mandate. Rather, the Authority comprises of one Member, who acts as both the Sole Appointed Member of the Authority and the Chief Executive Officer. For that reason, certain of the Code's requirements, as they apply to the Board of Directors, do not map directly to an Authority structure.



Ian Drennan
Sole Appointed Member of the Authority
& Chief Executive Officer
14 December 2023

Statement on Internal Control

Scope of Responsibility

I acknowledge my responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

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

Risk and Control Environment & Framework

The CEA has established and implemented a risk management system during 2023 which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

Risk is a standing item at senior management meetings.

A risk register is in place which identifies the key risks facing the CEA and these have been identified, evaluated, and rated according to their significance. The risk register further details the controls and actions needed to mitigate risks and the responsibility for operation of controls assigned to specific staff. The risk register is regularly reviewed, updated, and presented to the senior management team.

Directors are expected to alert the Chief Executive Officer to emerging risks, control weaknesses and control failures, and to assume responsibility for risks and controls within their own areas of responsibility.

The following are among the steps that have been taken to ensure an appropriate control environment:

- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts,
- procedures are in place, which incorporate appropriate segregation of duties, regarding the authority to incur expenditure and to approve the making of payments, as well as to ensure compliance with associated legal, regulatory, and governance obligations,
- directors are expected to exercise their professional judgement in determining when matters should be escalated to the Chief Executive Officer,
- the CEA engaged a professional services firm to provide a discrete exercise to review internal controls in respect of the period ended 31 December 2022. A tender competition for the provision of internal audit services was published to Office of Government Procurement framework members on 15 September 2023, following which the CEA engaged a firm of registered auditors to provide an outsourced internal audit function.

Ongoing Monitoring and Review

The system of Internal Control is based on internal management of information, administrative procedures, and a system of delegation and accountability. In particular, this involves:

- regular Senior Management Team meetings, and
- regular review by the CEO and Senior Management Team of financial, procurement and risk information.

Mechanisms have been established for ensuring the adequacy of the security of the CEA's information and communication technology systems (in collaboration with the IT Unit of the Department of Enterprise, Trade & Employment).

Procurement

The CEA has procedures in place to ensure compliance with current procurement rules and guidelines issued by the Office of Government Procurement.

A contract entered into by the predecessor organisation for the provision of cleaning services expired in March 2022 and an implied contract based on the same terms continued thereafter. The CEA commenced a procurement process by way of a request for tender (RFT) for these services, which was later cancelled at the post-evaluation stage. In the period under review (July 2022 to December 2022) the value of the non-compliant procurement in respect of cleaning services was €24,384. Arising out of considerations of the cancelled procurement together with legal advice(s), a revised RFT issued, with the evaluation process complete and contract preparation currently underway.

Internal Control Issues

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, National Development Plan Delivery and Reform, has been in place within the CEA for the period ended 31 December 2022 and up to the date of approval of the financial statements, except for the internal control issues identified during an internal audit review of controls performed in March 2023.

The issues identified - which have now largely been addressed by management following that review, and which were reflective of the CEA's relatively recent establishment, the scale of the undertaking involved in establishing a new State Agency, and transitional reliance on legacy processes and controls – included:

- the CEA has now finalised and issued its own procurement policy, has added procurement as a standing Senior Management Team meeting agenda item, and has implemented both a formal process to monitor aggregate spending and is in the process of developing a rolling annual procurement plan,
- a comprehensive risk register is now in place and the CEA has completed a fraud assessment in respect of hybrid working,
- the CEA has completed a register of delegations and has completed and issued a financial delegation charter,
- the CEA will develop and approve the remainder of its own internal financial policies and procedures on an incremental basis as it assumes responsibility for its own payment processes,

- the CEA has developed internal and external Protected Disclosure policies,
- the CEA continues to progress the development of its own standalone policies and process documentation in relation to Governance, HR, ICT & Strategy, together with the performance evaluation process.

Fraud and Irregularities

There are no matters of fraud or irregularities to report for 2022.

Principal legal requirements

The Authority has identified and taken the necessary steps to ensure it complies with its legal obligations.

GDPR

The Authority has a Data Protection Officer who works with the CEO and Directors to oversee its ongoing obligations under GDPR.

Protected disclosures

The Authority complies with the Protected Disclosures Act 2014, and details on how to make such disclosures are available on its website.

Review of Effectiveness

I confirm that the CEA has procedures in place to monitor the effectiveness of its risk management and control procedures. The CEA's monitoring and review of the effectiveness of the system of internal control is informed, *inter alia*, by the work of the internal and external auditors, the ARC which oversees their work, and the senior management within the CEA responsible for the development and operation of the internal control framework.

I confirm that the CEA conducted a review of the effectiveness of the internal controls for the period to 31st December 2022 in March 2023.



Ian Drennan
Sole Appointed Member of the Authority
& Chief Executive Officer
14 December 2023



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas **Corporate Enforcement Authority**

Opinion on the financial statements

I have audited the financial statements of the Corporate Enforcement Authority for the period from 7 July 2022 to 31 December 2022 as required under the provisions of section 944X of the Companies Act 2014. The financial statements were prepared by the Corporate Enforcement Authority and comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of changes in reserves and capital account
- 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 Corporate Enforcement Authority as at 31 December 2022 and of its income and expenditure for the period 7 July 2022 to 31 December 2022 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 Corporate Enforcement Authority, 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 Corporate Enforcement Authority has presented certain other information together with the financial statements. This comprises the governance statement 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.

Seamus McCarthy
Comptroller and Auditor General

18 December 2023

Appendix to the report

Responsibilities of the Corporate Enforcement Authority

The governance statement sets out the responsibilities of the Authority for

- the preparation of the financial statements in the form prescribed under section 944X of the Companies Act 2014
- 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 it determines 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 944X of the Companies Act 2014 to audit the financial statements of the Corporate Enforcement Authority 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.
- 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.

I 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.

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.

**Statement of Income and Expenditure
for the period ended 31 December 2022**

	Note	2022 €000
Income		
Grant Income Vote 32 - Sub-head C7		2,655
Appropriation-in-Aid		12
Total income		2,667
 Administrative expenses		
Staff Costs	2	1,531
Travel & Subsistence	3	21
Legal, Professional & Consultancy Services	4	732
Administration Costs	5	421
Auditor's Remuneration	6	11
Total administrative expenses		2,716
 (Deficit) / surplus for the year		(49)
 Other comprehensive income		 -
 Total recognised (deficit) / surplus for the year		(49)

Approved by:

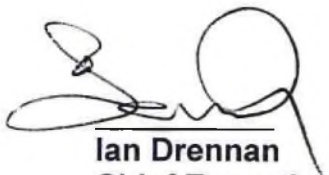


Ian Drennan
Chief Executive Officer
& Sole Appointed Member of the Authority
14 December 2023

**Statement of changes in Reserves and Capital Account
for the period ended 31 December 2022**

	Income Reserve	Capital Account	Net Assets
	€000	€000	€000
Balance - 7 July 2022	-	-	-
(Deficit) / Surplus for the year	(49)	-	(49)
Balance - 31 December 2022	(49)	-	(49)

Approved by:



Ian Drennan
Chief Executive Officer
& Sole Appointed Member of the Authority
14 December 2023

**Statement of Financial Position
as at 31 December 2022**

	Note	2022 €000
Non-current assets		
Property, plant & equipment	8	-
Software	9	-
		-
Current assets		
Inventory		12
Prepayments	10	243
Receivables	10	22
		277
Creditors: Amounts falling due within 1 year		
Payables	11	326
		326
Net current liabilities		(49)
Net Liabilities		(49)
Reserves		
Retained reserve		(49)
Capital account		-
Total Reserves & Capital Account		(49)

Approved by:



Ian Drennan
Chief Executive Officer
& Sole Appointed Member of the Authority
14 December 2023

Statement of Cashflows
for the period ended 31 December 2022

	2022
	€000
Cash (outflow) / inflow from operating activities	
(Deficit) / Surplus for the year	(49)
Increase in Payables	326
(Increase) in receivable	(265)
(Increase) in inventory	(12)
Depreciation & Amortisation	-
Net Cash inflow / (outflow) from operating activities	-
Payments to acquire tangible fixed assets	-
(Decrease) / increase in cash & cash equivalents in year	-
Reconciliation of net cash flow to movements in net funds	
Net funds at 7 July	-
Cash Flow for the year	-
Net funds at 31 December	-

Approved by:



Ian Drennan
Chief Executive Officer
& Sole Appointed Member of the Authority
14 December 2023

Notes to the Financial Statements For the period ended 31 December 2022

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the CEA are set out below. They have been applied consistently throughout the period ended 31 December 2022.

General Information

The CEA was established on 7 July 2022 under the Companies Act 2014.

Basis of Preparation

The financial statements for the period ended 31 December 2022 have been prepared under the historic cost convention in accordance with applicable legislation and with FRS 102, *The Financial Reporting Standard applicable in the United Kingdom and Ireland* issued by Financial Reporting Council in the UK for use in Ireland.

The financial statements are in the form approved by the Minister for Enterprise, Trade & Employment with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform under the Companies Act 2014.

In accordance with FRS 102, these Financial Statements comprise the Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves & Capital Account, Statement of Cash Flows, and Notes to the Financial Statements.

The financial statements are prepared in Euro which is the functional currency of the CEA. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the CEA's financial statements.

Going Concern

The financial position, financial performance and cash flows of the Authority, are detailed in the financial statements. The Authority has a reasonable expectation that the entity has adequate resources to continue in operational existence and discharge its mandate for the foreseeable future. Therefore, the Authority continues to adopt the going concern basis of accounting in preparing the financial statements.

Income

The CEA is fully funded by the Exchequer through its parent Department's Vote, i.e., Vote 32 Enterprise, Trade and Employment, subhead C7. Income is recognised in line with expenditure incurred in the performance of the organisation's functions in the financial period. Amounts received in excess of that amount, if applicable, are recognised as a creditor. Income applied for capital purchases, and which results in additions to fixed assets, is capitalised in the Capital account.

Non Current Assets – depreciation/amortisation

The CEA had use of fixed assets, the cost of which was incurred by the Department of Enterprise Trade & Employment ('DETE'), and in respect of which DETE has legal title. The original acquisition cost of these assets is recorded as €1,110,451. The notional Net Book Value of these assets at the reporting date, had they been capitalised and depreciated in accordance with CEA policies, would be €274,437.

Non-current assets are stated in the Statement of Financial Position at cost less accumulated depreciation. Depreciation is charged to the Statement of Income & Expenditure on a straight-line basis, with the charge being calculated over the relevant assets' expected useful lives:

Fixtures and Fittings	10% per annum
Office Equipment	20% per annum
Motor Vehicles	20% per annum
Computer and ICT Equipment	20% per annum
Software	20% per annum

Inventory

Stocks on hand at period end represent stocks of information technology consumables and office consumables and are stated at the lower of cost and net realisable value.

Capital Account

The Capital Account represents the unamortised value of funding applied for the purchase of fixed assets.

Operating Leases – Accommodation

With effect from 1 January 2023, rents due under leases are paid to the lessor by the Office of Public Works ('OPW') and are recouped by the OPW from the CEA on a quarterly basis by agreement. Rents are charged to the Statement of Income & Expenditure in the year to which they relate. OPW bore the said rental cost in the current period ended 31st December 2022 pending re-allocation of related exchequer funding.

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. Seconded members of An Garda Síochána are employees of the Minister for Justice.

Pensions

The employees of the CEA are civil servants and are members of various defined benefit schemes which are administered by the Department of Public Expenditure, National Development Plan Delivery and Reform. Pension liabilities arising from their service with the CEA will be met in the future from funds available to that Department and are, therefore, not recognised as liabilities in the Statement of Financial Position.

Certain staff of the CEA are members of 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, National Development Plan Delivery and Reform.

Deficit/surplus for the Year

As detailed in the accounting policies, Exchequer funding is recognised on a cash receipts basis and represents the gross payments made by DETE on behalf of the CEA, offset in some instances by receipts remitted to the DETE. Other income and expenditure in the financial statements is recognised on an accruals basis. As a result, the surplus/deficit on the Statement of Comprehensive Income, does not represent a normal operating surplus/deficit. This is largely attributable to the variance between cash-based funding and expenditure accounted for on an accruals basis.

Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts, where applicable, is a specific provision and is established when there is objective evidence that the CEA 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.

Payables

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Key Management

Key management personnel (Senior Management Group) comprised the Sole Appointed Member of the Authority (CEO) and the eight Directors. Total remuneration, excluding employer's PRSI, paid to key management personnel (Senior Management Group) amounted to €432,854. Please refer to Note 2 for a breakdown of the remuneration and benefits paid to all staff, including the CEO. Payment to the CEO is also set out separately in Note 7.

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 reporting 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.

2. Staff Costs

Staff costs for the period, including the CEO's remuneration, were as follows:

	2022
	€000
Salaries	1,335
Employer's PRSI contribution	120
Holiday Accrual	76
	<hr/>
	1,531
	<hr/> <hr/>

The average number of employees, including the CEO and excluding seconded members of An Garda Síochána, during the period to 31 December 2022 was 40. The CEA's complement of full-time staff at 31 December 2022 was 39. All CEA employees, including the CEO, are paid in accordance with civil service salary scales. Overtime paid during the period of €1,411 is included in the above salaries cost.

Seconded members of An Garda Síochána are employees of the Minister for Justice. The average number of Gardaí seconded in during the period of account was 11.

Employee Short Term Benefits Breakdown

An analysis of total employee remuneration, based on their pay point as at 31 December 2022, for those earning over €60,000 is set out below:

Salary band (€)	Number of staff
60,000-69,999	3
70,000-79,999	6
80,000-89,999	5
90,000-99,999	4
100,000-109,999	-
110,000-119,999	4
120,000-129,999	-
130,000-139,999	-
140,000-149,999	-
150,000-159,999	-
160,000-169,999	1
Total	<hr/>
	23
	<hr/> <hr/>

The short-term benefits in relation to services rendered during the reporting period include salaries as at 31 December but exclude employer's PRSI. No other benefits such as holiday pay have been included.

3. Travel and Subsistence

	2022
	€000
National	14
International	7
	<u>21</u>

4. Legal, Professional and Consultancy Services

	2022
	€000
Consultancy & Professional Services Costs	
Recruitment Services	49
Health & Safety	3
Public Relations/Marketing	10
Translation	4
	<u>66</u>
Legal costs	
INM High Court Inspection	374
Legal costs - other	292
	<u>666</u>
Total	<u><u>732</u></u>

All consultancy costs are business-as-usual costs.

Legal costs arising from casework are a normal byproduct of the statutory functions of the Authority.

5. Administration Costs

	2022
	€000
Printing & Stationery	10
Information Technology	85
Hospitality	2
Training	57
Telecommunications	49
Accommodation costs	185
Subscriptions	2
Office Expenditure	4
Professional Reference Materials	17
Internal Audit & Risk Management	10
	<u>421</u>

6. Auditor's Remuneration

	2022
	€000
Audit of Financial Statements	11
	<u>11</u>

The Office of the Comptroller & Auditor General does not provide non-audit services to the CEA and no services other than statutory audit services were provided by the Comptroller & Auditor General during the year.

7. Chief Executive Officer's salary

	2022
	€000
Gross Salary for the six months period July to December 2022	<u>82</u>

The Chief Executive Officer is an established civil servant, and his pension entitlements do not extend beyond the terms of the public service pension scheme. The value of retirement benefits earned does not accrue to the CEA and, as such, is not reflected in these financial statements.

8. Non-Current Assets – Property Plant & Equipment

The CEA had use of fixed assets, the cost of which was incurred by DE TE, and in respect of which DE TE has legal title. The original acquisition cost of these assets is recorded as €833,093.

The notional Net Book Value of these assets at the reporting date, had they been capitalised and depreciated in accordance with CEA's policies, would be €234,136.

9. Non-Current Assets – Software

The CEA had use of software, the cost of which was incurred by DE TE, and in respect of which DE TE has legal title. The original acquisition cost of these assets is recorded as €277,358.

The notional Net Book Value of these assets at the reporting date, had they been capitalised and depreciated in accordance with CEA's policies, would be €40,301.

10. Receivables

	2022
	€000
Prepayments	243
Recharge accommodation costs	18
Other	4
	<u>265</u>

11. Payables

	2022
	€000
Accruals	319
Other	7
	<u>326</u>

12. Related Party Transactions / Disclosure of Interests

The CEA complies with the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure, National Development Plan Delivery and Reform in relation to the disclosure of interests by the Sole Appointed Member and staff of the Authority. Formal procedures exist to ensure adherence with the requirements of the Code.

13. Events after the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.