

Financial Statements 2022

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE
(A Company Limited by Guarantee and not having a Share Capital)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022**

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COUNCIL MEMBERS AND OTHER INFORMATION

COUNCIL MEMBERS as at 31st December 2022

Sean O'Driscoll (President and Chair)	
Alan Barrett	Anne O'Leary
Katy Hayward	Ciarán Ó hÓgartaigh*
Sandra McNally*	Rowena Pecchenino*
Gabriel Makhoul	Orlaigh Quinn
David Moloney	Pat Rabbitte
Ronan Murphy*	

Council Members are the Directors of the ESRI.

*Audit Committee Members

The ESRI Audit Committee is made up of four non-executive Council Members.

AUDITORS The Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

BANKERS Bank of Ireland
Lower Baggot Street
Dublin 2

Havbell
2 Grand Canal Square
Grand Canal Harbour
Dublin 2

SOLICITORS Hayes Solicitors
Lavery House
Earlsfort Terrace
Dublin 2

SECRETARY and
REGISTERED OFFICE Charles O'Regan
Whitaker Square
Sir John Rogerson's Quay
Dublin 2

The ESRI is a not for profit organisation and registered as a charity under registration number CHY5335.

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COUNCIL MEMBERS' REPORT 2022

The Council members present their report and the financial statements for the year ended 31 December 2022.

Principal activities

The Economic and Social Research Institute (ESRI) undertakes research designed to provide knowledge relevant to solving the major economic and social issues in Ireland.

Financial Review

The Institute aims to raise sufficient funding to ensure it covers its costs and deliver its research agenda. This was achieved in 2022 with an operating surplus of €381,817. The long-term strategy is to build financial sustainability through multi-annual programmes of research funded by government departments and agencies. These funding streams provide a greater degree of financial certainty when compared to one-off consultancy projects.

Principal Risks

The *Growing Up in Ireland* study is the Institute's largest research project (€1.6m). A decision was taken jointly by the ESRI, the Central Statistics Office (CSO) and the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) that the study would be transferred to the CSO after 2022. This decision recognised that the study is now of such importance that it should become more embedded in the State's official data collection systems. On foot of this decision, discussions began in 2019 between the three agencies on how the transfer would be managed. This will have a significant financial impact on the Institute after 2022. Replacement sources of income are being examined including the possibility of letting office space that will be available after the transfer and increasing Corporate membership.

Legal Status

The ESRI is a company limited by guarantee, incorporated in 1960 under the Companies Acts 1908-1959 and registered in Ireland under registration number 18269. The registered office is Whitaker Square, Sir John Rogerson's Quay, Dublin 2.

While the ESRI is a limited liability company, it is exempted from the obligation to use the word "limited" as part of its name. It is a not for profit organisation and registered as a charity under registration number CHY5335.

Health & Safety

The ESRI is committed to the implementation of the requirements of the Safety, Health and Welfare at Work Act, 2005 to ensure the health and safety of all employees and visitors to the Institute. A written safety statement has been prepared and is being implemented in accordance with the Act.

Equality

The ESRI is an equal opportunities employer.

Auditors

Under Section 5 of the Comptroller and Auditor General (Amendment) Act, 1993 it is the responsibility of the Comptroller and Auditor General to audit the financial statements of the Institute. In the opinion of the Council members there is no relevant audit information of which the company's auditors are unaware.

Governance

The ESRI enjoys full academic independence and is answerable ultimately to its subscribing members. The Council is the effective board of directors of the Institute. Council meetings are attended by the Company Secretary and two

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representatives of the Management Committee in a non-voting capacity. Apart from the Director of the Institute, who is an ex-officio member, ESRI Council members are not remunerated.

The regular day-to-day management, control and direction of the ESRI are the responsibility of the Director and the senior management team. The Director and the senior management team must follow the broad strategic direction set by the Council and must ensure that all Council members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks that may arise. The Director acts as a direct liaison between the Council and management of the ESRI.

The ESRI is subject to the rules that apply to state organisations in relation to prompt payments, disclosure, risk management and tax clearance. The ESRI also comes under the remits of the Office of the Ombudsman and the Ombudsman for Children.

Council Responsibilities

The role and responsibilities of the Council are set out in the ESRI's Articles of Association.

The following key matters are reserved for Council decision:

- Approval of the organisation's long-term objectives and operational strategy.
- Approval of significant acquisitions and investments.
- Approval of major contracts.
- Approval of the annual operating and capital expenditure budgets.
- Approval of the Annual Report and Financial statements.
- Appointment and remuneration of the Director.

The Council members are required to prepare financial statements which give a true and fair view of the financial position of the company and of the surplus or deficit of the company for the year. In preparing those financial statements, the council members are required to:

- select suitable accounting policies and then 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 company will continue in business.
- disclose and explain any material departures from applicable accounting standards.

The Council members confirm that they have complied with the above requirements. The Council members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent fraud and other irregularities.

The Council is responsible for approving the annual plan. An evaluation of the performance of the ESRI by reference to the annual plan was carried out on 28 February 2023.

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the company has employed appropriately qualified personnel and has maintained appropriate computerised accounting systems. The accounting records are located at the company's registered office at Whitaker Square, Sir John Rogerson's Quay, Dublin 2.

The Council considers that the financial statements of the ESRI give a true and fair view of the financial performance and the financial position of the ESRI at 31 December 2022.

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An external review of Council effectiveness was carried out in 2022. This included a high level review of the Audit and Risk Committee.

Council Structure

The Council currently consists of a Chairperson and ten other members. Members of the Council appointed since 2015 are appointed for an initial period of 3 years. The Council met 4 times in 2022. The table below details the appointment period for current members:

Council Member	Role	Date Appointed	Current Term End
Mr David Moloney	Member	23/11/2010	23/11/2025
Professor Alan Barrett	Member	01/07/2015	01/07/2025
Mr Ronan Murphy	Member	28/02/2017	28/02/2023
Mr Sean O'Driscoll (Chairperson)	Member	28/02/2017	28/02/2026
Professor Rowena Pecchenino	Member	28/02/2017	28/02/2023
Mr Pat Rabbitte	Member	28/02/2017	28/02/2023
Dr Orlaigh Quinn	Member	22/05/2018	22/05/2024
Mr Gabriel Makhoulf	Member	23/05/2020	23/05/2023
Professor Katy Hayward	Member	30/09/2021	30/09/2024
Professor Ciaran Ó hÓgartaigh	Member	30/09/2021	30/09/2024
Professor Sandra McNally	Member	30/09/2021	30/09/2024
Ms Anne O'Leary	Member	24/02/2022	24/02/2025

Note: Mr Alan Barrett is the current Director of the ESRI and sits on the Council for the duration of his term as Director.

The Council has established four committees, as follows:

- 1- Audit and Risk Committee:** comprises four Council members. The role of the Audit and Risk Committee (ARC) is to support the Council in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Council after each meeting.

The members of the Audit and Risk Committee are: Mr Ronan Murphy (Chairperson), Professor Rowena Pecchenino, Professor Ciarán Ó hÓgartaigh and Professor Sandra McNally. Professor Alan Barrett attends the ARC in his capacity as Director of the Institute. There were four meetings of the ARC in 2022.

- 2- Business and Operations Committee:** comprises four Council Members and the Director. The members of this committee are: Mr Pat Rabbitte (Chairperson), Professor Alan Barrett, Mr David Moloney, Professor Katy Hayward and Ms Anne O'Leary. There were three meetings of this committee in 2022.
- 3- Governance and Nominations Committee:** comprises five Council Members. The members of this committee are: Mr Sean O'Driscoll (Chairperson), Professor Alan Barrett, Professor Rowena Pecchenino, Dr Orlaigh Quinn and Mr Pat Rabbitte. There was one meeting of this Committee in 2022.
- 4- Membership Committee:** comprises three Council Members and the Director. The members of the committee are: Mr Sean O'Driscoll (Chairperson), Mr Ronan Murphy, Mr Gabriel Makhoulf, Professor Alan Barrett. There was no meeting of this committee in 2022.

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Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Council and Committee meetings for 2022 is set out below:

	Council	Audit and Risk Committee	Business and Operations Committee	Governance and Nominations Committee	Expenses
Number of Meetings	4	4	3	1	
Attendance					
Alan Barrett	4	4	3	1	-
Gabriel Makhoulouf	1	-	-	-	-
David Moloney	1	-	2	-	-
Ronan Murphy	4	4	-	-	-
Sean O'Driscoll	4	-	-	1	-
Rowena Pecchenino	3	4	-	1	-
Orlaigh Quinn	2	-	-	-	-
Pat Rabbitte	4	-	3	-	-
Katy Hayward	4	-	3	-	-
Ciaran Ó hÓgartaigh	3	4	-	-	€42
Sandra McNally	4	3	-	-	€183

Council Members do not receive a fee. Members are repaid expenses incurred in attending Council and other Committee meetings. Expenses of €225 were incurred on behalf of Council members.

Key Personnel Changes

Ms Anne O'Leary joined the Council as of February 2022

Disclosures required by the Code of Practice for the Governance of State bodies (2016)

The Council is responsible for ensuring that the ESRI has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the code") as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

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Consultancy Costs

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

	2022 €	2021 €
Legal	-	31,236
Financial	9,777	22,286
HR and Pension	30,782	28,558
Other	42,266	15,164
Membership	-	138,038
Total	82,825	235,282

Legal Costs and Settlements

No legal costs were incurred in 2022.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2022 €	2021 €
Domestic		
Council	225	-
Employees	3,439	-
International		
Council	-	-
Employees	56,855	3,252
Total	60,519	3,252

Hospitality Expenditure

The statement of income and expenditure includes the following expenditure:

	2022 €	2021 €
Staff Sports & Social fund / Hospitality	11,028	9,616
Client Hospitality	264	371
Total	11,292	9,987

Statement of Compliance

The ESRI has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exceptions:

The Procedures for the Identification and Selection of Board Members

The ESRI Council members are elected by the members of the Institute as set out in the Articles of Association and not appointed through the Public Appointments Service process.

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Information and Communications Technology Expenditure

The ESRI has been granted a derogation from Circular 02/2016 *Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service* as it could impose an unwarranted business burden on the ESRI.

Signed on behalf of the Council

Sean O'Driscoll
Chairperson of the Council

Date: 19 September 2023

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STATEMENT ON INTERNAL CONTROL

Scope of Responsibilities

On behalf of the Council of The Economic and Social Research Institute, I acknowledge our 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.

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 errors or irregularities are either prevented or would be detected in a timely period.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the ESRI for the year ended 31 December 2022 and up to the date of approval of the financial statements except for the internal control issue outlined below.

Capacity to Handle Risks

The ESRI has an Audit and Risk Committee (ARC) comprising three Council members with financial and audit expertise, one of whom is the Chair. The ARC met four times in 2022.

The ESRI has outsourced the internal audit function, which operates in accordance with a charter that takes account of the guidance set out in the Code of Practice for the Governance of State Bodies 2016. The work programme of the internal audit is informed by analysis of the risk to which the Institute is exposed. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Council.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the ESRI's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and control Framework

The Council has taken steps to ensure an appropriate control environment by

- clearly defining management responsibilities and
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.

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

- comprehensive budgeting system with an annual budget which is reviewed and agreed by the Council;
- regular reviews by the Council of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- formal project management disciplines;
- systems to safeguard the assets.

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Ongoing monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the management and the Council, where relevant, in a timely way. At least annually, the Internal Auditor provides the Council with a report of internal audit activity. The report includes the Internal Auditor's opinion on the sufficiency and operation of internal control to mitigate and/or manage risks.

I confirm that the following ongoing monitoring systems are in place:

- 1- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- 2- reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- 3- regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

I confirm that the ESRI has procedures in place to ensure compliance with current procurement rules and guidelines. The following extensions to current contracts were made in 2022:

Facilities Management Services

The contract for the current provider was extended to end 2023. The tender was deferred pending a review of the ESRI accommodation requirements following the transfer of the Growing up in Ireland Study and the adoption of Hybrid working in the Institute.

Legal Services

A new procurement process will be held in 2023 following the transfer of the Growing up in Ireland Study to the Central Statistics Office and the Department of Children Equality Disability Integration and Youth.

Printing

The use of a specific printing company was extended to allow for completion of the contract Growing up in Ireland study while transitioning out of working from home mandates.

IT Disaster Recovery

A new cloud-based system is being introduced in 2024. The contract with the current provider was extended to cover the transition period.

Surveys Framework

The framework expired in 2022 and extended to allow for the establishment of a new framework in 2023.

Pension Administration

The contract was extended to allow for the transfer of the ESRI AVC scheme to a Master Trust in 2023.

Review of Effectiveness

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

The Institute continues to develop its system of internal control through the refining of business continuity procedures and the ongoing development of the risk management framework.

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I confirm that for the year ended 31 December 2022 the Council has conducted a review of the effectiveness of the system of internal control. The review was finalised by the Council on 28/02/2023.

Internal Control Issues

The Audit of the 2022 Financial Statements identified non-compliant procurement expenditure. The updated position in relation to those is listed below.

Facilities Management Services

This is the contract for an integrated service for management of the building, plant and machinery. It was awarded in 2016 and was estimated at €500k- €800k over a 4 - year term. Expenditure in 2022 was €443k. The contract for the current provider has been extended until Mid - 2024. A Tender process was in progress in April 2020 but was suspended due to the pandemic and office shutdown. Due to the introduction of hybrid working and subsequent reduced use of office space along with broader strategic discussions on funding of the institute it was decided to extend the current contract. A decision will be made later in 2023 or early 2024 re the future use of the building and the outcome of this will inform whether a re-tender is warranted for this service.

Legal Services

This relates to provision of legal advisory services as and when required. A procurement process was undertaken in 2010 whereby proposals from a number of providers were considered. Due to the ad hoc nature of legal advice requirements, there was no specific value put on the contract. Total Expenditure in 2022 was €13,579. Retendering was deferred in more recent years as other higher value contracts were prioritised first for procurement and also the current provider had expertise in relation to the Growing Up in Ireland division. The Management Committee decided to wait until the Growing Up in Ireland division was transferred out of the ESRI at the end of 2022. A tender will be completed in 2023 for this service and is currently in draft form.

Surveys Framework

The ESRI operate a multi- party framework that provide services relating to social or economic surveys/data collection. Estimated value of the framework as per tender from 2018 was up to €750k over four years up to August 2022. Expenditure incurred in 2022 was €201,420. The framework was put in place in 2018 following a tender on eTenders and OJEU. It expired in the summer of 2022. There was some difficulty in redeveloping the specification as the nature and frequency of our survey requirements has changed since the previous tender. This caused the delay in retendering. A tender process for a multi-party framework was carried out in first half of 2023 and was advertised on eTenders and OJEU. Three companies have been placed on it. It will run for up to four years. Contract expiry dates are kept under and a procurement plan is drawn up each year. The complexity of the procurement process (i.e., frameworks) and changed nature of service may mean longer preparation time is required for the tender. This will be factored into the procurement plan for more complex tenders such as this.

IT disaster recovery

This relates to managed software that provides recovery IT site/ service should there be a loss of IT systems (business continuity function). An initial one-year contract was put in place in 2018. For €16,663 per annum. It has been decided to roll it over an annual basis since then. Expenditure in 2022 was €16,663. An alternative solution, integrating into existing software is being scoped. Testing and proof of concept will be reviewed and it is intended to be in place in 2024. Contract expiry dates are kept under review and a procurement plan drawn up each year.

Pension Administration

This contract relates to provision of pension administration services relating to all the ESRI pension schemes. It was awarded in 2017 for 5 years at €23,450 per annum. Expenditure in 2022 was €23,450. This service will be retendered in 2023. There was a delay as the current provider are completing AVC work which needs to be finalised prior to the retender process commencing. Contract expiry dates are kept under review and a procurement plan drawn up each year.

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Printing and postage for GUI contract

This contract relates to printing and postage services and associated work during the pandemic. There was no formal tender process. Three companies were requested to provide quotes in relation piece of work. Expenditure in 2022 was €117k of which €56k was for postage. Study material needed to be distributed to study participants/families, participating schools, and fieldwork interviewers. Much of this work would have been done in-house pre-pandemic. Given Working from Home mandates 2020 - 2022, an outsourced company had to be used. A number of providers were costed for an initial piece of work. There was uncertainty throughout the period on requirements and limited time to plan for changed operational aspects hence it was not tendered for over the period. The contracted company were also approved CSO Officer of Statistics for the purposes of processing household names and addresses of the study participants. (All personnel involved in handling data in relation to the GUI study were required to be appointed Officers of Statistics and sign a declaration of official secrecy). Services are no longer required on this contract as the survey is complete from ESRI perspective. The exceptional circumstances of the pandemic is the primary reason this wasn't tendered for. An additional step in procurement analysis and reporting has been incorporated into the process. A review of expenditure by supplier will be undertaken during the current year (in addition to after year-end). This will flag areas where cumulative expenditure by supplier is increasing on an ad hoc basis.

Signed on behalf of the Council.

Sean O'Driscoll
Chairperson of the Council

Date: 19 September 2023

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Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Economic and Social Research Institute

Opinion on the financial statements

I have audited the financial statements of the Economic and Social Research Institute (a company limited by guarantee and not having a share capital) for the year ended 31 December 2022 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the Economic and Social Research Institute at 31 December 2022 and of its income and expenditure for 2022
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

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 Institute 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.

Conclusions related to going concern

The Council members have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

- the appropriateness of the use by the Council members of the going concern basis of accounting and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern.

I have nothing to report in that regard.

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Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that, in my opinion,

- the information given in the Council members' report is consistent with the financial statements, and
- the Council members' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the Institute's accounting records were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Report of the C&AG (continued)

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of Council members' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

The Council members have presented a report and a statement on internal control with the financial statements. 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.

Non-Compliant procurement

The statement on internal control discloses that in 2022 the Economic and Social Research Institute incurred significant expenditure where the procedures followed did not comply with public procurement guidelines. The statement also sets out the steps taken or planned to address this matter.

Seamus McCarthy
Comptroller and Auditor General
22 September 2023

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Appendix to the Report

Responsibilities of the Council members

As detailed in the Council members' report, the Council members are responsible for

- the preparation of financial statements in the form prescribed under 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the Economic and Social Research Institute and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Institute to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted. I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

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STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		€	€
Income			
Oireachtas Grant -Department of Public Expenditure and Reform. Vote 11 Subhead A3		3,000,000	3,000,000
Research Income	2	9,240,063	8,364,265
Miscellaneous Income	3	<u>646,251</u>	<u>235,350</u>
Total Income		<u>12,886,314</u>	<u>11,599,615</u>
Expenditure			
Remuneration	4	9,580,993	8,835,332
Direct Project Expenses	5	1,370,124	1,039,755
Establishment	6	963,247	790,494
Administration	7	<u>590,133</u>	<u>626,306</u>
Total Expenditure		<u>12,504,497</u>	<u>11,291,887</u>
Surplus for the Year before Appropriations/Transfers		381,817	307,728
Transfer from Capital Reserve	19	<u>85,000</u>	<u>85,000</u>
Surplus for the Year after Appropriations /Transfers		466,817	392,728
Balance Brought Forward at 1 January	19	<u>1,774,746</u>	<u>1,382,018</u>
Balance Carried Forward at 31 December	19	<u>2,241,563</u>	<u>1,774,746</u>

The Statement of Cash Flows and notes numbered 1 to 22 form an integral part of these financial statements and should be read in conjunction therewith.

Sean O' Driscoll
Council Member:

Date: 19 September 2023

Alan Barrett
Council Member:

Date: 19 September 2023

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE
(A Company Limited by Guarantee and not having a Share Capital)

STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
	€	€
Surplus/(Deficit) for the Year after Appropriations/Transfers	466,817	392,728
Experience gains/(losses) on pension scheme liabilities	(2,008,000)	(558,000)
Change in pension liability assumptions	<u>24,932,000</u>	<u>(5,647,000)</u>
Total actuarial gain/(loss) in the year	22,924,000	(6,205,000)
Adjustment to deferred exchequer pension funding	(22,924,000)	6,205,000
Total Gains/(Losses) recognised for the year	<u>466,817</u>	<u>392,728</u>

The Statement of Cash Flows and notes numbered 1 to 22 form an integral part of these financial statements and should be read in conjunction therewith.

Sean O’Driscoll
Council Member:

Date: 19 September 2023

Alan Barrett
Council Member:

Date: 19 September 2023

THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE

(A Company Limited by Guarantee and not having a Share Capital)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022 €	2021 €
	<i>Notes</i>		
FIXED ASSETS			
Property, Plant and Equipment	8	<u>10,405,912</u>	<u>10,691,984</u>
CURRENT ASSETS			
Inventory		1,562	1,562
Receivables	9	3,009,727	1,808,725
Cash and cash equivalents	10	<u>2,934,861</u>	<u>3,648,672</u>
		<u>5,946,150</u>	<u>5,458,959</u>
CURRENT LIABILITIES			
Payables (Amounts falling due within one year)	11	<u>5,257,239</u>	<u>5,070,357</u>
NET CURRENT ASSETS		688,911	388,602
TOTAL ASSETS less CURRENT LIABILITIES		<u>11,094,823</u>	<u>11,080,586</u>
Long Term Loans (Amounts falling due after one year)	12	5,968,260	6,335,840
Long Term Pension Liability	17	(61,367,000)	(82,382,000)
Less Deferred Pension Asset	17	61,367,000	82,382,000
NET ASSETS		<u>5,126,563</u>	<u>4,744,746</u>
Representing			
Retained Revenue Reserves	19	2,241,563	1,774,746
Capital Reserve	19	<u>2,885,000</u>	<u>2,970,000</u>
		<u>5,126,563</u>	<u>4,744,746</u>

The Statement of Cash Flows and notes numbered 1 to 22 form an integral part of these financial statements and should be read in conjunction therewith.

Sean O'Driscoll
Council Member:

Date: 19 September 2023

Alan Barrett
Council Member:

Date: 19 September 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	€	€
Net Cash Flows from Operating Activities		
Excess Income over Expenditure	381,817	307,728
Depreciation and Impairment of Property, Plant and Equipment	387,200	392,581
(Increase)/Decrease in Receivables	(1,201,002)	(299,644)
Increase/(Decrease) in Payables	245,437	816,951
(Increase)/Decrease in Inventory	-	1,740
Interest payment on mortgage in year	<u>57,348</u>	<u>31,992</u>
Net cash inflow/(outflow) from Operating Activities	(129,200)	1,251,348
Cash Flows from Investing Activities		
Payments to acquire Property, Plant and Equipment	<u>(101,128)</u>	<u>(102,348)</u>
Net Cash Flows from Investing Activities	(101,128)	(102,348)
Cash Flows from Financing Activities		
Mortgage repayments in year	(426,135)	(437,585)
Interest payment on mortgage in year	<u>(57,348)</u>	<u>(31,992)</u>
Net Cash Flows from Financing Activities	(483,483)	(469,577)
Net Increase/(Decrease) in cash and cash equivalents	(713,811)	679,423
Cash and cash equivalents at 1 January	<u>3,648,672</u>	<u>2,969,249</u>
Cash and cash equivalents at 31 December	2,934,861	3,648,672

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting Policies

The principal accounting policies adopted by the Institute in determining the amounts included in the Statement of Financial Position and in determining the results for the year are as follows. They have all been applied consistently throughout the year and for the preceding year.

a) General Information

The Institute was established on 24 June 1960 as a Company Limited by Guarantee and was known then as the Economic Research Institute. The title of the Institute was later changed to the Economic and Social Research Institute. The head office is at Whitaker Square, Sir John Rogerson's Quay.

The Institute produces research that contributes to understanding economic and social change in the new international context and that informs public policymaking and civil society in Ireland.

b) Statement of Compliance

The financial statements of the Institute for the year ended 31 December 2022 have been prepared in compliance with the applicable legislation, and with FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council in the UK.

c) 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 under the Companies Acts and the generally accepted accounting principles (GAAP). The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Institute's financial statements.

d) Revenue

Oireachtas Grants

Revenue is recognised on an accruals basis; one exception to this is the case of Oireachtas Grants which are recognised on a cash receipts basis.

Research Income

Research income represents the value of work completed on individual projects during the year. Where the value of work completed on a project exceeds the amounts received or invoiced, the difference is included in the Statement of Financial Position under receivables as work in progress. If the value of work completed is less than the amounts received, the difference is included in the Statement of Financial Position under creditors as deferred income.

Capital Grants

Capital grants from the Department of Public Expenditure and Reform received towards the cost of tangible assets are transferred to the Capital Reserve and amortised in line with depreciation on the associated assets.

e) Property, Plant and Equipment

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

Computer equipment	33.3%
Other equipment, fixtures and fittings	20%
Building	2%

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

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

f) 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 Institute 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.

g) 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

A defined benefit scheme is in place for all employees of the ESRI, as appropriate. The assets of the Institute's pension schemes were transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010 under the provisions of the Financial Measures (Miscellaneous Provisions) Act 2009. The scheme continues to operate for existing members with no change to benefits or associated provision for members.

The Institute 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 Department of Public Expenditure and Reform. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable.

The Institute is required to make an annual employer contribution to the Department of Public Expenditure and Reform in respect the schemes transferred to the NPRF.

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 Department of Public Expenditure and Reform.

The financial statements reflect at fair value the assets and liabilities arising from the Institute'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.

h) Loans

Loans are recognised initially at the transaction price (present value of cash payable, including transaction costs). Loans are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Loans are classified as current liabilities unless there is a right to defer settlement of the loan for at least 12 months from the reporting date.

i) 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 suffer 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.

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.

2. Research Income

	2022	2022	2022	2022	2021
	State	Semi-State	Non-State/EC	Total	Total
	€	€	€	€	€
Commissioned Research	268,250	578,511	19,362	866,123	978,009
Research Grants	-	622,981	844,414	1,467,395	1,052,924
Research Programmes	2,945,463	1,326,311	218,179	4,489,953	4,119,619
Growing up in Ireland Survey	<u>2,416,592</u>	-	-	<u>2,416,592</u>	<u>2,213,713</u>
	<u>5,630,305</u>	<u>2,527,803</u>	<u>1,081,955</u>	<u>9,240,063</u>	<u>8,364,265</u>

3. Miscellaneous Income

	2022	2021
	€	€
Members' subscriptions	-	24,985
Rental income	316,272	156,695
Fundraising Income	290,520	53,333
Teaching Income	38,000	-
Other Income	<u>1,459</u>	<u>337</u>
	<u>646,251</u>	<u>235,350</u>

4. Remuneration

4.1 Aggregate Employee Benefits

	2022	2021
	€	€
Short Term Benefits Note 4.3	7,950,548	7,287,530
Retirement Benefit Costs	718,178	715,998
Other Fees and Permanent Health Insurance Costs	76,918	73,812
Employer Contribution to Social Welfare	<u>835,349</u>	<u>757,992</u>
	<u>9,580,993</u>	<u>8,835,332</u>

4.2 The number of persons employed (full-time equivalents) in the financial year was 114 (2021:109). Total includes 89 (2021:89) permanent staff (full-time equivalents). This does not include staff employed on short-term contracts for interviewing. Full-time equivalent figure at 31/12/22 was 94 (2021:93).

4.3 Staff Short-Term Benefits:

	2022	2021
	€	€
Basic Pay	7,556,617	6,918,297
Allowances	<u>393,931</u>	<u>369,233</u>
	<u>7,950,548</u>	<u>7,287,530</u>

4.4 From 1 January 2019 onwards, members of public service defined benefit pension schemes pay an additional superannuation contribution (ASC) arising from the Public Service Stability Agreement (2018- 2020) and the Public Service Pay and Pensions Act 2017. ASC replaced the pension-related deduction (PRD) which ceased at the end of 2018. While PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pensionable remuneration. €280,843 of ASC was paid over to the Department of Public Expenditure and Reform in 2022 (2021: €254,260).

4.5 The charge to salaries includes costs of €2,244 (2021: €2,179) incurred in respect of the production of the Economic and Social Review by Economic and Social Studies. (See Note 15)

4.6 Remuneration of Key Management Personnel

Director

	2022	2021
	€	€
Salary	195,340	186,215
Superannuation Provision	48,835	46,554
Income Continuance Provision	<u>3,907</u>	<u>3,724</u>
	<u>248,082</u>	<u>236,493</u>

Pension entitlements do not exceed the standard entitlements provided in the model public sector defined benefit superannuation scheme.

The Director's travel and subsistence expenses in 2022 amounted to €1,038 (2021: €801).

No bonuses or perquisites were paid to the Director in 2022.

Management Committee

The Management Committee consists of the Heads of the three Research Divisions (Economic, Social and Growing up in Ireland), the Head of Finance, the HR Manager and the Strategy and Operations Manager.

	2022	2021
	€	€
Salary	696,615	665,784
Allowances	<u>59,616</u>	<u>55,816</u>
Total	756,231	721,600

4.7 Board Fees and Expenses

The members of the ESRI Board do not receive fees. Board members do not travel on official business as members of the Institute. They are entitled to claim travel and subsistence for their attendance at board meetings. Expenses incurred by the Board members in 2022 amounted to €225 (2021: €0).

4.8 Employee benefits breakdown

Range of total employee benefits - Number of employees

From	To	2022	2021
€60,000	€69,999	9	10
€70,000	€79,999	6	5
€80,000	€89,999	8	14
€90,000	€99,999	9	4
€100,000	€109,999	5	6
€110,000	€119,999	3	3
€120,000	€129,999	5	5
€130,000	€139,999	1	1
€140,000	€149,999	1	1
€150,000	€159,999	2	-
€160,000	€169,999	-	3
€170,000	€179,999	3	-
€180,000	€189,999	-	1
€190,000	€199,999	1	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime, allowances and other payments made on behalf of the employee but exclude employer's PRSI.

5. Direct Project Expenses

	2022	2021
	€	€
Consultants and Network Partners	111,800	52,545
Field Staff Fees	749,087	721,616
Other Direct Costs	448,943	262,342
Travel- Domestic	3,439	-
Travel- Foreign	<u>56,855</u>	<u>3,252</u>
	<u>1,370,124</u>	<u>1,039,755</u>

6. Establishment Costs

	2022	2021
	€	€
Rent & Rates	725	900
Interest Costs	57,348	31,992
Heat, light, maintenance and cleaning	517,974	365,021
Depreciation	<u>387,200</u>	<u>392,581</u>
	<u>963,247</u>	<u>790,494</u>

7. Administration

	2022	2021
	€	€
Printing and Stationery	16,992	16,216
Postage, insurance, telephone and general expenses ¹	159,041	127,347
Computer Costs (including license fees)	235,216	208,278
Travel	62,862	9,612
Library books and subscriptions	15,697	12,071
Professional Fees- Legal	-	31,236
-Tax and Financial	9,777	22,286
-Pension and HR	30,782	28,558
-Other	42,266	153,202
Audit Fees	<u>17,500</u>	<u>17,500</u>
	<u>590,133</u>	<u>626,306</u>

8. Property, Plant and Equipment

	<i>Computer equipment</i>	<i>Equipment, fixtures and fittings</i>	<i>Building</i>	<i>Total</i>
Cost:	€	€	€	€
At beginning of year	812,131	679,914	15,582,273	17,074,318
Additions	20,481	80,647	-	101,128
Disposals	102,782	-	-	102,782
	-----	-----	-----	-----
At end of year	729,830	760,561	15,582,273	17,072,664
Accumulated Depreciation:				
At beginning of year	730,598	673,338	4,978,398	6,382,334
Provided in year	54,244	21,311	311,645	387,200
Disposals	102,782	-	-	102,782
	-----	-----	-----	-----
At end of year	682,060	694,649	5,290,043	6,666,752
Net book value at beginning of year	<u>81,533</u>	<u>6,576</u>	<u>10,603,875</u>	<u>10,691,984</u>
Net book value at end of year	47,770	65,912	10,292,230	10,405,912

¹ Included in the figure are €69,906 (2021: €9,610) which relates to staff canteen and other staff related costs, conference and other events and €11,028 (2021: €9,616) which relates to a contribution to the employee's sports and social club activities.

9. Receivables

	2022	2021
	€	€
Revenue from projects	1,251,813	317,927
Work-in-progress	1,378,184	1,256,505
Other debtors and prepaid expenses	<u>379,730</u>	<u>234,293</u>
	<u>3,009,727</u>	<u>1,808,725</u>

10. Cash and Cash Equivalents

	2022	2021
	€	€
Bank Accounts	2,934,806	3,648,617
Cash	<u>55</u>	<u>55</u>
	<u>2,934,861</u>	<u>3,648,672</u>

11. Payables (amounts falling due within one year)

	2022	2021
	€	€
Payroll Taxes	299,511	313,693
Value Added Tax	170,557	367,249
Deferred Income	3,070,772	2,437,106
Trade Creditors	103,963	75,064
HPO Advanced Funds	711,810	711,810
Accrued Expenses	520,000	726,254
Havbell Mortgage	<u>380,626</u>	<u>439,181</u>
	<u>5,257,239</u>	<u>5,070,357</u>

No security has been provided by the Institute in respect of the above creditors with the exception of the Havbell Mortgage.

12. Long Term Loans (amounts falling due after one year)

	2022	2021
	€	€
Havbell mortgage: Euribor +1% Due after one year	<u>5,968,260</u>	<u>6,335,840</u>

The 30-year mortgage loan commenced in 2006. Havbell Limited have first legal charge over the property at Whitaker Square, Sir John Rogerson's Quay, Dublin 2

13. Taxation

The company is exempted from liability to corporation tax under Section 227 Schedule 4 of the Taxes Consolidation Act 1997.

14. Commitments – Capital and Others

The Institute had no capital or other commitments at the reporting date.

15. Related Company

At 31 December 2022 the following related undertaking was in existence.

Economic and Social Studies (ESS):

This is an associated company established in 1969 at the initiative of the ESRI to foster and promote the education of the Irish public in the social and economic sciences with particular reference to economic and social conditions in or affecting Ireland. The main activity of ESS is the publication of the *Economic and Social Review* journal. The ESRI provides administration services to ESS on a pro-bono basis (See Note 4.5).

During the year, the ESRI paid expenses of €12,192 on behalf of ESS. As at 31 December 2022, ESS owed the ESRI €187,532.

The ESRI and ESS are considered connected parties due to common Council members.

16. Contingent Liabilities and Other Matters

The Council Members are not aware of any material contingent liabilities at the reporting date.

17. Pensions

(a) Pension Liability and Asset

As outlined in Accounting Policy (g) above, the assets of the Institute's pension schemes were transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010 in accordance with the provisions of the *Financial Measures (Miscellaneous Provisions) Act 2009*.

Following the transfer of scheme assets, the Institute is required to pay the Department of Public Expenditure and Reform an annual pension contribution after taking account of pension benefits paid by the Institute. The Act enables the Minister to make good any deficiency in the relevant pension scheme if contributions paid by members and employer are insufficient to meet the obligations of that scheme.

The ESRI is subject to the Public Service Pensions (Single Scheme and other Provisions) Act 2012. Since 2012 new entrants joining the Institute become members of the Single Public Services Pension Scheme. Section 44 of the Act provides for payments from the Exchequer or vote to the employer for scheme obligations.

The Institute has adapted the treatment and disclosures required by the accounting standard Financial Reporting Standard 102 (Retirement Benefits) to reflect the arrangements in operation. While the funding arrangement operates on a net pay over basis with the Department, the Institute believes the nature of the arrangement is akin to a full reimbursement of the pension liability when those liabilities fall due for payment and therefore recognise its right to the reimbursement to a separate asset in an amount equal to the liability at the year-end.

The FRS 102 pension liability at 31 December 2022 is €61,367,000 (2021: €82,382,000) based on an actuarial valuation of the pension liabilities in respect of Institute staff as at 31 December 2022 carried out by a qualified independent actuary for the purpose of FRS 102.

A deferred funding asset of €61,367,000 equal to the liability at 31 December 2022 is recognised as a separate asset in the Statement of Financial Position.

Movement in Pension Liability	2022	2021
	€	€
Present Value of Scheme Obligations at beginning of year	82,382,000	74,604,000
Current Service Cost	2,499,000	2,579,000
Interest Cost	1,200,000	713,000
Actuarial (Gain)/Loss	(22,924,000)	6,205,000
Benefits Paid	<u>(1,790,000)</u>	<u>(1,719,000)</u>
Present Value of Scheme Obligations at end of year	<u>61,367,000</u>	<u>82,382,000</u>

The net effect on the Statement of Income and Expenditure and Retained Revenue Reserves of the above is nil.

(b) Pension Costs

The pension costs of the year as measured under FRS 102 amounted to €3,699,000. These are offset by a corresponding amount of funding receivable. The net impact on the Statement of Income and Expenditure and Retained Revenue Reserves is as set out below.

	2022	2021
	€	€
Current Service Cost	2,499,000	2,579,000
Interest	1,200,000	713,000
Pension payments not offset	51,661	53,163
Adjustment to Deferred Funding	(3,699,000)	(3,292,000)
Employer contributions	<u>666,517</u>	<u>662,835</u>
	<u>718,178</u>	<u>715,998</u>

The Institute made payments of €51,661 to individual defined benefit plans (pre 1974 employees) from its own resources which are not offset against the amount payable under the *Financial Measures (Miscellaneous Provisions) Act 2009*.

(c) Contributions Paid to the Department of Public Expenditure and Reform

The Institute paid over total contributions of €1,077,013 (2021: €1,065,914) to the Department of Public Expenditure and Reform before taking account of pension benefits amounting to €1,649,938 (2021: €1,644,616) paid in the year. The difference between benefits paid by the Institute over contributions due in 2022 of €572,925 was refunded to the Institute.

The total contributions were made up of employer contributions of €666,517 (2021: €662,835) and employee contributions of €410,496 (2021: €403,079). The employee contributions included Single Pension Scheme Contributions of €170,771 (2021: €152,219).

(d) Description of Scheme and Actuarial Assumptions

Pension benefits are conferred by the ESRI under three pension schemes:

- Supervisors, Clerical and Other Administrative Staff
- Research Staff Scheme

These are defined benefit schemes. Employer and employee contributions are paid to the Department of Public Expenditure and Reform. Pensions of both schemes are subject to the pension reduction provisions of the *Financial Emergency Measures in the Public Interest (No.2) Act 2010*.

- Single Public Service Pension Scheme

This is a defined benefit scheme. Employee contributions are paid to the Department of Public Expenditure and Reform.

Actuarial Assumptions

The principal Financial Assumptions used at 31 December 2022 and 31 December 2021 are shown in the table below.

The assumptions as at the reporting date are used to determine the Pension Asset/Liability at that date and the pension expense for the following year.

Valuation Date	31/12/2022	31/12/2021
Discount Rate	3.65%	1.45%
Salary Increase	3.15%	2.7%
Pension Increase	3.15%/2.65%	2.7%/2.2%
Inflation (CPI)	2.65%	2.2%

e) Funding of pensions

Estimated employer and employee pension contributions of €904,935 will be due to the Department of Public Expenditure and Reform in respect of 2023 before deduction of estimated pension benefits of €1,636,145 which will be paid by the Institute in 2023. The net difference of €731,210 will be due to the ESRI from the Department.

18. Irish Fiscal Advisory Council

The Irish Fiscal Advisory Council (Fiscal Council) is an independent statutory body established in June 2011 by the Irish Government. It assesses the appropriateness of the Government's macroeconomic projections, budgetary projections and fiscal stance. The Council also examines the extent of compliance with legislated fiscal rules. The Institute provides administrative support to the Council.

An amount of €26,489 is included in the financial statements in Receivables representing an amount due to the ESRI by the Fiscal Council at 31 December 2022 in relation to administrative support provided during the year.

19. Reserves

	Retained Revenue Reserves €	Capital Reserve €	Total Reserves €
Balance as at 1 st January 2022	1,774,746	2,970,000	4,744,746
Surplus for the Year after pension appropriation to DPER	381,817	-	381,817
Transfer from Capital Reserve	<u>85,000</u>	<u>(85,000)</u>	<u>-</u>
Balance as at 31 st December 2022	<u>2,241,563</u>	<u>2,885,000</u>	<u>5,126,563</u>

The capital reserve represents capital grants received from the Department of Finance in 2008 and the Economic and Social Research Trust in 2016 to assist the Institute in the funding of its premises. The grant amounts are amortised in line with depreciation on the building.

20. Related Party Disclosures

Key management personnel in the ESRI consist of the Director and the members of the Council. Total Compensation paid to key management personnel, including Council members expenses and total Director remuneration, amounted to €249,345 (2021: €235,305).

For a breakdown of the remuneration and expenses paid to key management personnel, please refer to Note 4.6 and Note 4.7.

The Council adopted procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Board Members and these procedures have been adhered to in the year. There were no transactions in the year in which the Council Members had an interest.

21. Events after the Reporting Date and Going Concern

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Council and management are monitoring the Covid-19 situation, on an ongoing basis. Staff returned to the office from May 2022 and a hybrid working model is in operation for a trial period. Covid-19 has not impacted on the ESRI cash flows. The performance and operations of the ESRI are being monitored closely and regular cash flow forecasts are provided to the Council and to ESRI's parent department [DPER].

After making enquiries and on the basis that the Oireachtas grant continues at the appropriate level, the Directors consider that the Institute has adequate resources to continue operating for the foreseeable future. For this reason, they have continued to use the going concern basis in preparing the financial statements.

22. Approval of Financial Statements

The Financial Statements were approved by the Council on 28 February 2023.



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