

SOCIAL AND FAMILY AFFAIRS

Account of the sum expended, in the year ended 31 December 2007, compared with the sum granted and of the sum which may be applied as appropriations-in-aid in addition thereto, for the salaries and expenses of the Office of the Minister for Social and Family Affairs, for certain services administered by that Office, and for certain grants including a grant-in-aid.

Service	Estimate Provision €000	Outturn €000	Closing Accruals €000
ADMINISTRATION			
A.1. SALARIES, WAGES AND ALLOWANCES	199,788	200,969	-
A.2. TRAVEL AND SUBSISTENCE	4,960	4,271	269
A.3. INCIDENTAL EXPENSES	18,509	7,871	(16)
A.4. POSTAL AND TELECOMMUNICATIONS SERVICES	17,160	16,758	(787)
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES	32,916	25,676	(534)
A.6. OFFICE PREMISES EXPENSES	8,630	9,239	327
A.7. CONSULTANCY SERVICES	4,020	1,035	(1)
A.8. PAYMENTS FOR AGENCY SERVICES	65,473	65,633	5,097
A.9. eGOVERNMENT - REACH	15,123	14,866	207
A.10. VALUE FOR MONEY AND POLICY REVIEWS	620	294	-
A.11. eGOVERNMENT RELATED PROJECTS	11,500	521	-
SOCIAL ASSISTANCE			
B. STATE PENSION (NON-CONTRIBUTORY)	917,680	920,167	-
C. BLIND PENSION	14,650	15,031	-
D. CHILD BENEFIT	2,258,900	2,232,974	-
E. JOBSEEKER'S ALLOWANCE	909,170	875,092	-
F. FARM ASSIST SCHEME	81,330	78,686	-
G. EMPLOYMENT SUPPORT SERVICES	151,402	145,024	-
H. PRE-RETIREMENT ALLOWANCE	127,950	124,490	-
I. ONE-PARENT FAMILY PAYMENT	939,950	962,425	-
J. WIDOWS'/ WIDOWERS' PENSION AND GUARDIAN'S PAYMENT (NON-CONTRIBUTORY)	23,080	24,287	-
K. SOCIAL ASSISTANCE AND OTHER ALLOWANCES	7,080	6,912	-
L. FAMILY INCOME SUPPLEMENT	152,450	140,020	-
M. CARER'S ALLOWANCE	342,410	361,257	-
N. SUPPLEMENTARY WELFARE ALLOWANCES	763,031	739,820	-
O. DISABILITY ALLOWANCE	892,640	901,131	-
P. RESPITE CARE GRANT	66,600	72,471	-
Q. FREE SCHEMES (ASSISTANCE)	287,845	285,750	9,070
R. MONEY ADVICE & BUDGETING SERVICE	17,674	14,578	-
S. GRANT TO FAMILY SUPPORT AGENCY	35,339	35,339	-
T.1. GRANT TO THE COMBAT POVERTY AGENCY (GRANT-IN-AID)	4,384	4,008	-
T.2. EU COMMUNITY ACTION PROGRAMME FOR EMPLOYMENT AND SOCIAL SOLIDARITY (PROGRESS) 2007-2013	123	42	-
U. GRANT TO COMHAIRLE	28,422	27,860	-
V. DORMANT ACCOUNTS - ECONOMIC AND SOCIAL DISADVANTAGE	1,000	-	-
W. MISCELLANEOUS SERVICES	<u>22,835</u>	<u>36,500</u>	-
Gross Total	8,424,644	8,350,997	13,632
<i>Deduct :-</i>			
X. APPROPRIATIONS-IN-AID	<u>179,509</u>	<u>169,723</u>	-
Net Total	<u>8,245,135</u>	<u>8,181,274</u>	<u>13,632</u>
SURPLUS TO BE SURRENDERED	€63,860,697		

The Statement of Accounting Policies and Principles and Notes 1 to 13 form part of this Account.

NOTES

1 OPERATING COST STATEMENT FOR 2007

	€000	€000	€000
Net Outturn			8,181,274
Changes in Capital Assets			
Purchases Cash	(12,586)		
Depreciation	9,680		
Loss on Disposals	<u>107</u>	(2,799)	
Assets under Development			
Cash Payments		(19,426)	
Changes in Net Current Assets			
Increase in Closing Accruals	1,496		
Increase in Stock	<u>(155)</u>	<u>1,341</u>	<u>(20,884)</u>
Direct Expenditure			8,160,390
Expenditure Borne Elsewhere			
Net Allied Services Expenditure	32,738		
Notional Rents	<u>16,489</u>		<u>49,227</u>
Operating Cost			<u>8,209,617</u>

2 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2007

	€000	€000	€000
Capital Assets (Note 3)			33,164
Assets under Development (Note 4)			<u>55,321</u>
			88,485
Current Assets			
Stocks (Note 12)		1,499	
Prepayments		2,109	
Other Debit Balances:			
Due from Social Insurance Fund in respect of Jobseeker's and Free Scheme Payments	10,922		
Advances to An Post for postage expenditure	771		
Advances to OPW for office furniture and electrical work	220		
Suspense	4,307		
Other Recoupable Expenditure	<u>571</u>	16,791	
PMG Balance and Cash ¹	27,497		
Orders Outstanding	<u>(6,654)</u>	<u>20,843</u>	
Total Current Assets		<u>41,242</u>	
Current Liabilities			
Net Liability to the Exchequer (Note 5)		22,727	
Accrued Expenses		15,741	
Other Credit Balances:			
Due to State (Note 13)	3,768		
Payroll Deductions	1,991		
Suspense	<u>9,148</u>	<u>14,907</u>	
Total Current Liabilities		<u>53,375</u>	
Net Current Liabilities			<u>(12,133)</u>
Net Assets			<u>76,352</u>

¹PMG balances plus balances held in suspense accounts e.g. An Post.

3 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2007

	Office Equipment €000	Furniture and Fittings €000	Totals €000
Cost or Valuation at 1 January 2007	163,272	24,745	188,017
Additions	14,389	1,704	16,093
Disposals	<u>(617)</u>	<u>(418)</u>	<u>(1,035)</u>
Gross Assets at 31 December 2007	<u>177,044</u>	<u>26,031</u>	<u>203,075</u>
Accumulated Depreciation:			
Opening Balance at 1 January 2007	144,247	16,912	161,159
Depreciation for the year	7,991	1,689	9,680
Depreciation on Disposals	<u>(605)</u>	<u>(323)</u>	<u>(928)</u>
Cumulative Depreciation at 31 December 2007	<u>151,633</u>	<u>18,278</u>	<u>169,911</u>
Net Assets at 31 December 2007	<u>25,411</u>	<u>7,753</u>	<u>33,164</u>

4 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2007

	In House Computer Applications €000
Amounts brought forward at 1 January 2007	39,464
Cash Payments for the Year ¹	19,426
Transferred to Asset Register	<u>(3,569)</u>
Amounts carried forward at 31 December 2007	<u>55,321</u>

¹Cash payments do not include in-house developed software which is fully developed during the course of the year.

5 NET LIABILITY TO THE EXCHEQUER**Reconciliation of Surplus to be Surrendered at year end to Debtor and Creditor Balances held at 31 December 2007**

	€000	€000
Surplus to be surrendered		63,861
Exchequer Grant Undrawn		<u>(41,134)</u>
Net Liability to the Exchequer		<u>22,727</u>
Represented by:		
Debtors		
Debit Balances: Suspense	16,791	
Net PMG position and cash	<u>20,843</u>	37,634
Creditors		
Due to State	(3,768)	
Credit Balances: Suspense	<u>(11,139)</u>	<u>(14,907)</u>
		<u>22,727</u>

6 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

	€
Conscience Money	16,182
Witness Expenses	<u>6,681</u>
	<u>22,863</u>

7 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN OUTTURN AND ESTIMATE PROVISION

Sub-head	Less/(More) Than Provided €000	Explanation
A.3.	10,638	Under Government Decision, the Minister for Finance advised each Minister to agree with his/her Accounting Officer a contingency amount to be held back to cater for unforeseen circumstances that may arise in 2007. The saving on this subhead is due mainly to the Department's contingency not being required in 2007.
A.7.	2,985	The underspend was primarily due to slower than anticipated progress in a number of projects due to greater complexities than originally anticipated.
A.10.	326	The saving was mainly due to salaries costs being less than expected. The number of staff working on Value for Money reviews during 2007 was lower than expected and as a result, salaries were not drawn from this subhead.
A.11.	10,979	The preparation of the scoping, phasing and interface requirements for tender documents has taken much longer to develop than was anticipated due to the technical complexities involved and the interdependencies, both internal and external, with other major information technology projects.
J.	(1,207)	The excess was due mainly to the number of recipients being higher than estimated.
L.	12,430	The saving was due mainly to the number of recipients being lower than estimated.
M.	(18,847)	The excess was due mainly to the number of recipients being higher than estimated.
P.	(5,871)	The excess was due to the number of grants being higher than expected.
R.	3,096	The underspend was primarily due to slower than expected progress in a number of initiatives, including the launch of MABS National Telephone Helpline, the establishment of the MABS Training Unit in MABS National Development Limited and a delay in the commencement of a number of consultancy projects.
T.1.	376	Expenditure on administration, research and EU projects was lower than anticipated.
T.2.	81	Requests for Exchequer funding under the PROGRESS programme for Irish partners were less than anticipated. In some cases, applications from Ireland to participate in the programme were unsuccessful.
V.	1,000	The allocation under this subhead was not drawn down in 2007 as the project for which provision was made, the training of Carers, did not progress to the stage where a drawdown of funding was required.
W.	(13,665)	The excess arose almost entirely on school meals (local projects) and was due to more schools and students participating in the scheme than expected.
X.	9,786	As a consequence of the savings on the Administration Subheads (A.1. to A.11.), the repayment from the Social Insurance Fund of its share of the underlying expenses was reduced.

8 APPROPRIATIONS-IN-AID

	Estimated €	Realised €
1. Recovery of administration expenses from the Social Insurance Fund	160,500,000	151,000,000
2. Recoveries of Social Assistance overpaid	9,400,000	10,359,261
3. Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	5,600,000	5,790,519
4. Receipts under "Liability to Maintain Family" provisions in Part 12 of the Social Welfare Consolidation Act, 2005	1,800,000	1,505,493
5. Dormant Account Receipts	1,000,000	-
6. Miscellaneous	<u>1,209,000</u>	<u>1,067,456</u>
Total	<u>179,509,000</u>	<u>169,722,729</u>

Explanation of Variation

1. Administration costs less than anticipated.
- 2.3.4. Receipts under these headings cannot be accurately forecasted.
5. No receipts were received as the associated scheme did not progress as quickly as expected.
6. Receipts under these headings cannot be accurately forecasted.

9 COMMITMENTS

Commitments likely to materialise in subsequent years amount to €44,009,470.

10 DETAILS OF EXTRA REMUNERATION

	Amount Paid €	Number of Recipients	Recipients of €6,350 or more	Max. Individual Payment of €6,350 or more €
Higher, special or additional duties	605,015	423	20	18,511
Overtime and extra attendance	5,118,782	2,230	196	28,145
Shift and roster allowances	382,454	47	33	13,419
Miscellaneous (Delegates Allowance)	<u>31,565</u>	24	1	6,969
Total extra remuneration	<u>6,137,816</u>			

Note: Certain individuals received extra remuneration in more than one category.

11 MISCELLANEOUS ITEMS

As agreed with the Department of Finance under the delegated Administrative Budget Scheme, a carry forward from 2007 of savings of €8,318,000 is included in the estimate for 2008.

A total of €38,475 was spent on the Input scheme (DP6/84) with awards made to 86 officers.

A total of €324,694 was spent on merit awards as allowed for under the Administrative Budget Scheme, comprising 62 individual awards ranging from €350 to €750 and 53 team awards ranging from €100 to €500 per team member.

Payments totalling €234,000 were paid to 77 staff in respect of a decentralisation training allowance as per Department of Finance Circular 19/2007.

Compensation and associated legal and miscellaneous costs totalling €89,956 were paid in 8 cases of personal injury claims by employees.

Payments totalling €20,122 in respect of legal expenses and damages were made to 3 people in respect of personal injuries sustained on Departmental property.

A settlement of €84,200 was made to an employee in respect of a case in the Labour Court.

A settlement of €10,000 was made to a former employee in respect of a Circuit Court case.

Ex gratia payments and legal costs totalling €96,536 were made in respect of Back to Education Allowance, State Pension (Non-Contributory), Jobseekers Allowance and Child Benefit.

In addition to expenditure under Subhead A.1. Salaries, Wages and Allowances, A.2. Travel and Subsistence, A.3. Incidental Expenses, A.5. Office Machinery and Other Office Supplies and Related Services and A.7. Consultancy Services, a sum of €61,109 was received from the Change Management Fund, Subhead M. of the Vote for the Office of the Minister for Finance.

A member of staff received €9,734 in respect of membership of the Legal Aid Board.

From 1 January 2008 the annual subvention to the Pensions Board in respect of the development and regulation costs associated with the Personal Retirement Savings Account (PRSA) Scheme has been discontinued and it will run on a self-financing basis. From 2001 to 2007 €8,150,277 was paid in subventions from the Miscellaneous Services Subhead of the Department's Vote on a temporary and recoverable basis. The Department of Finance has sanctioned the Department's proposal that it will not seek to recover the subvention from the Pensions Board (S73/17/91 and S73/81/92 (Pt1)).

A refund of €449,937 was received from Border Action in respect of social inclusion elements of the Peace and Reconciliation Programme. As at 31 December, 2007, a balance of €3,826,703 was outstanding in the Peace and Reconciliation suspense account. Sanction was received from the Department of Finance to clear the remaining balance from the suspense account and charge it to the Miscellaneous Services Subhead of the Department's Vote in 2008 (S73/9/02).

Recoveries of Assistance overpayments amounting to €10,359,261 in cash refunds and by withholding from the Social Insurance Fund (Benefit) entitlements have been accounted for under Subhead X. In addition, recoveries amounting to €6,477,527 were made by deductions from Assistance entitlements.

The summary position on Assistance overpayments at 31 December 2007 was as follows:

	€	€
Overpayments outstanding at 1 January 2007	119,036,697	
Migration of amounts previously written off ¹	43,778,057	
Net Overpayments recorded in 2007	<u>31,638,726</u>	194,453,480
Less:		
Amounts recovered in 2007	16,836,788	
Amounts written off as irrecoverable	<u>2,733,065</u>	<u>19,569,853</u>
Overpayments outstanding at 31 December 2007		<u>174,883,627</u>

¹ The amount of €43,778,057 arises mainly because of the migration of debt to the new Overpayments and Debt Management computer system. This amount had previously been written off for accounting purposes only.

12 STOCKS

Stocks at 31 December 2007 comprised:	€000
Stationery Supplies	1,430
IT Consumables	<u>69</u>
	<u>1,499</u>

13 DUE TO THE STATE

The amount due to the State at 31 December 2007 consisted of:	€000
Income Tax	1,929
Notional Service	21
CSWOP Schemes	253
Pay Related Social Insurance	1,039
Interstat Value Added Tax	58
Withholding Tax	<u>468</u>
	<u>3,768</u>

BERNADETTE LACEY
Accounting Officer
DEPARTMENT OF SOCIAL AND FAMILY AFFAIRS
31 MARCH 2008

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Social and Family Affairs for 2007 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Appropriation Account has been prepared in accordance with the Statement of Accounting Policies and Principles on pages v-viii. The responsibilities of the Accounting Officer and the Comptroller and Auditor General, and the basis of the audit opinion are set out on pages iii-v.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Social and Family Affairs. The Appropriation Account is in agreement with the books of account.

In my opinion the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2007. Attention is drawn to Chapter 12 of the report for 2007 prepared by me pursuant to Section 3 of the Act.



JOHN BUCKLEY
Comptroller and Auditor General
19 September 2008