



Appropriation Account 2013

Vote 14

State Laboratory

Introduction

As Accounting Officer for Vote 14, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2013 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €574,375 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the State Laboratory. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an audit committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the State Laboratory
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the State Laboratory ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal Audit and Audit Committee

I confirm that the State Laboratory has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the State Laboratory is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Ita Kinahan
Accounting Officer
State Laboratory

20 February 2014

Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas

Vote 14 State Laboratory

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2013 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration by the State Laboratory and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 14 State Laboratory for the year ended 31 December 2013.

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 State Laboratory. The appropriation account is in agreement with the books of account.

Seamus McCarthy

Comptroller and Auditor General

26 June 2014

Vote 14 State Laboratory Appropriation Account 2013

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Government analytical laboratory and advisory service	8,824	8,489	8,305
Gross expenditure	8,824	8,489	8,305
<i>Deduct</i>			
B Appropriations-in-aid	705	944	797
Net expenditure	8,119	7,545	7,508

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2013	2012
	€	€
Surplus to be surrendered	574,375	888,200

Analysis of administration expenditure

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	5,099	4,805	4,901
ii Travel and subsistence	35	20	22
iii Training and development and incidental expenses	229	220	184
iv Postal and telecommunications services	70	63	65
v Office equipment and external IT services	1,987	1,979	1,757
vi Office premises expenses	1,390	1,388	1,362
vii Consultancy services and value for money and policy reviews	14	14	14
	8,824	8,489	8,305

Notes to the Appropriation Account

1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Pay	4,805	4,901
Non pay	3,684	3,404
Gross expenditure	8,489	8,305
<i>Deduct</i>		
Appropriations-in-aid	944	797
Net expenditure	7,545	7,508
Changes in capital assets		
Purchases cash	(745)	
Depreciation	722	
	(23)	266
Changes in net current assets		
Increase in closing accruals	69	
Increase in stock	(6)	
	63	25
Direct expenditure	7,585	7,799
Net allied services expenditure (note 1.1)	754	748
Notional rents	1,344	1,465
Total Operating Cost	9,683	10,012

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 14 borne elsewhere.

	2013	2012
	€000	€000
Vote 7 Finance	e 23	23
Vote 12 Superannuation and Retired Allowances	e 731	725
	754	748

"e" indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
Capital assets	2.2	1,301	1,278
Current assets			
Bank and cash		74	48
Stocks	2.3	166	161
Prepayments		633	697
Accrued income		46	61
Other debit balances		113	16
Total current assets		1,032	983
Less current liabilities			
Accrued expenses		75	86
Other credit balances	2.4	168	169
Net Liability due to Exchequer	2.5	19	(105)
Total current liabilities		262	150
Net current assets		770	833
Net assets		2,071	2,111
Represented by:			
State funding account	2.1	2,071	2,111

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		2,111	2,402
Disbursements from the Vote			
Estimate provision	Account	8,119	
Surplus to be surrendered	Account	(574)	
Net vote		7,545	7,508
Expenditure (cash) borne elsewhere	1	754	748
Non cash expenditure – notional rent	1	1,344	1,465
Net programme cost	1	(9,683)	(10,012)
Balance at 31 December		2,071	2,111

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Motor vehicles €000	Total €000
Gross assets				
Cost or valuation at 1 January 2013	11,913	538	20	12,471
Additions	745	—	—	745
Disposals	(267)	—	—	(267)
Cost or valuation at 31 December 2013	<u>12,391</u>	<u>538</u>	<u>20</u>	<u>12,949</u>
Accumulated depreciation				
Opening balance at 1 January 2013	10,751	422	20	11,193
Depreciation for the year	668	54	—	722
Depreciation on disposals	(267)	—	—	(267)
Cumulative depreciation at 31 December 2013	<u>11,152</u>	<u>476</u>	<u>20</u>	<u>11,648</u>
Net assets at 31 December 2013	<u>1,239</u>	<u>62</u>	<u>—</u>	<u>1,301</u>
Net assets at 31 December 2012	<u>1,162</u>	<u>116</u>	<u>—</u>	<u>1,278</u>

2.3 Stocks

	2013 €000	2012 €000
at 31 December		
Chemicals and laboratory consumables	145	141
Stationery and IT consumables	21	20
	<u>166</u>	<u>161</u>

2.4 Other Credit Balances

	2013 €000	2012 €000
at 31 December		
Amounts due to the State		
Income Tax	55	57
Pay Related Social Insurance	30	29
Universal Social Charge	20	20
Relevant Contracts Tax	—	4
Value Added Tax on intra-EU acquisitions	25	47
	<u>130</u>	<u>157</u>
Payroll deductions held in suspense	38	—
Miscellaneous	—	12
	<u>168</u>	<u>169</u>

2.5 Net Liability due to the Exchequer	2013	2012
at 31 December	€000	€000
Surplus to be surrendered	574	888
Exchequer grant undrawn	(555)	(993)
Net liability due to the Exchequer	<u>19</u>	<u>(105)</u>

Represented by:**Debtors**

Bank and cash	74	48
Debit balances: suspense	113	16
	<u>187</u>	<u>64</u>

Creditors

Due to State	(130)	(157)
Credit balances: suspense	(38)	(12)
	<u>(168)</u>	<u>(169)</u>
	<u>19</u>	<u>(105)</u>

2.6 Commitments	2013	2012
at 31 December	€000	€000
Total of legally enforceable commitments	12	46

3 Programme Expenditure by Subhead

		<u>2013</u>		<u>2012</u>
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Government Analytical Laboratory and Advisory Service			
A.1	Administration - pay	5,099	4,805	4,901
A.2	Administration - non pay	3,725	3,684	3,404
		<u>8,824</u>	<u>8,489</u>	<u>8,305</u>

Significant variations

An explanation is provided in the case of each expenditure subhead where the outturn varied from the amount estimated by more than €100,000, and by more than 25%. No outturn of the Vote met this criteria in 2013.

4 Receipts

4.1 Appropriations-in-aid	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts for various analyses, examinations, tests etc.	400	649	498
2. Receipts from pension-related deductions on public service remuneration	305	295	299
Total	705	944	797

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
Receipts for various analyses, examinations, tests etc.	(249)	The excess receipts arise from Coroners fees. As this is a demand led service, it is difficult to accurately predict the income.

4.2 Extra receipts payable to the Exchequer

	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
Exchequer extra receipts	17	17	—

The State Laboratory had extra receipts of €17,430.94 in respect of the sale of platinum that was no longer required for laboratory use.

5 Employee Numbers and Pay

	2013	2012
Number of staff at year end (full time equivalents)	83	83
	2013	2012
	€000	€000
Pay	4,510	4,596
Higher, special or additional duties allowance	20	26
Overtime	—	4
Employer's PRSI	275	275
Total Pay	4,805	4,901

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2013 €	Maximum individual payment 2012 €
Higher, special or additional duties	6	1	12,344	8,722
Overtime and extra attendance	—	—	—	1,644