



## **Appropriation Account 2013**

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**Vote 23**

**Property Registration Authority**

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## **Introduction**

As Accounting Officer for Vote 23, 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 Property Registration Authority.

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 €1.96 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 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 except for the following:

#### ***Statement of Capital Assets – Depreciation***

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

### **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 Authority.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive of the Authority. 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 Authority
- 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 Authority 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 Authority 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 Authority 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.

**Frank Treacy**  
Chief Executive Officer  
Property Registration Authority

26 March 2014

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

### **Vote 23 Property Registration Authority**

I have audited the appropriation account for Vote 23 Property Registration Authority 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 his control, for the efficiency and economy of administration in the Authority 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 23 Property Registration Authority 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 Property Registration Authority. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

26 June 2014

## Vote 23 Property Registration Authority Appropriation Account 2013

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Manage the Land Registry and the Registry of Deeds	32,246	30,550	32,280
<b>Gross expenditure</b>		32,246	30,550	32,280
<i>Deduct</i>				
B	<b>Appropriations-in-aid</b>	1,014	1,276	1,313
<b>Net expenditure</b>		31,232	29,274	30,967

### 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	1,957,579	1,694,060

### Analysis of administration expenditure

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	24,452	24,025	25,114
ii	Travel and subsistence	110	111	88
iii	Training and development and incidental expenses	4,180	4,063	4,347
iv	Postal and telecommunications services	950	601	708
v	Office equipment and external IT services	2,067	1,238	1,283
vi	Office premises expenses	462	499	729
vii	Consultancy services and value for money and policy reviews	25	13	11
		32,246	30,550	32,280

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Pay	24,025	25,114
Non pay	6,525	7,166
<b>Gross expenditure</b>	<b>30,550</b>	<b>32,280</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>1,276</b>	<b>1,313</b>
<b>Net expenditure</b>	<b>29,274</b>	<b>30,967</b>
<b>Changes in capital assets</b>		
Purchases cash	(226)	
Depreciation	2,157	
Loss on disposals	99	
	2,030	2,934
<b>Changes in net current assets</b>		
Increase in closing accruals	1	
Decrease in stock	57	
	58	(134)
<b>Direct expenditure</b>	<b>31,362</b>	<b>33,767</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	4,260	4,968
Notional rents	2,382	2,425
<b>Net programme cost</b>	<b>38,004</b>	<b>41,160</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 23 borne elsewhere.

	2013	2012
	€000	€000
Vote 12 Superannuation and Retired Allowances	e 3,501	3,503
Vote 13 Office of Public Works	e 500	1,199
Vote 24 Justice and Equality - Financial Shared Services Centre	e 259	266
	4,260	4,968

"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
<b>Capital assets</b>	2.2	1,834	3,866
<b>Current assets</b>			
Stocks	2.3	248	305
Prepayments		739	705
Accrued income		—	31
Other debit balances	2.4	459	51
Net Exchequer funding due	2.6	389	533
<b>Total current assets</b>		<b>1,835</b>	<b>1,625</b>
<b>Less current liabilities</b>			
Bank and cash		181	(131)
Accrued expenses		106	104
Other credit balances	2.5	667	715
<b>Total current liabilities</b>		<b>954</b>	<b>688</b>
<b>Net current assets</b>		<b>881</b>	<b>937</b>
<b>Net assets</b>		<b>2,715</b>	<b>4,803</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>2,715</b>	<b>4,803</b>

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		4,803	7,603
Disbursements from the Vote			
Estimate provision	Account	31,232	
Surplus to be surrendered	Account	(1,958)	
<b>Net vote</b>		<b>29,274</b>	<b>30,967</b>
Expenditure (cash) borne elsewhere	1	4,260	4,968
Non cash expenditure – notional rent	1	2,382	2,425
Net programme cost	1	(38,004)	(41,160)
<b>Balance at 31 December</b>		<b>2,715</b>	<b>4,803</b>



**2.2 Capital Assets**

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
<b>Gross assets</b>			
Cost or valuation at 1 January 2013	39,729	4,162	43,891
Additions	183	41	224
Disposals	(4,775)	(573)	(5,348)
Cost or valuation at 31 December 2013	35,137	3,630	38,767
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2013	36,194	3,831	40,025
Depreciation for the year	2,104	53	2,157
Depreciation on disposals	(4,775)	(474)	(5,249)
Cumulative depreciation at 31 December 2013	33,523	3,410	36,933
<b>Net assets at 31 December 2013</b>	<b>1,614</b>	<b>220</b>	<b>1,834</b>
<b>Net assets at 31 December 2012</b>	<b>3,535</b>	<b>331</b>	<b>3,866</b>

**2.3 Stocks**

	2013	2012
at 31 December	€000	€000
Stationery	97	120
Miscellaneous supplies	16	19
IT consumables	135	166
	248	305

**2.4 Other Debit Balances**

	2013	2012
at 31 December	€000	€000
Payroll suspense account (Paypath)	366	—
Suspense	93	44
Imprests	—	7
	459	51

<b>2.5 Other Credit Balances</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>
Amounts due to the State		
Income Tax	315	331
Retention Tax	1	—
Pay Related Social Insurance	141	144
Value Added Tax	9	8
	<u>466</u>	<u>483</u>
Payroll deductions held in suspense	169	200
Owed to OPW	32	32
	<u>667</u>	<u>715</u>

<b>2.6 Net Exchequer funding due</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	1,958	1,694
Exchequer grant undrawn	(2,347)	(2,227)
Net Exchequer funding due	<u>(389)</u>	<u>(533)</u>

**Represented by:****Debtors**

Debit balances: suspense	<u>459</u>	<u>44</u>
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**Creditors**

Bank and cash	(181)	138
Due to State	(466)	(483)
Credit balances: suspense	(201)	(232)
	<u>(848)</u>	<u>(577)</u>
	<u>(389)</u>	<u>(533)</u>

<b>2.7 Commitments</b>	<b>2013</b>	<b>2012</b>
at 31 December	<b>€000</b>	<b>€000</b>
Total of legally enforceable commitments	3,014	6,045

The Authority entered into an agreement on 2 July 2012 with Ordnance Survey Ireland, the national mapping agency, as a sole supplier for the provision of mapping data. Under the agreement, the Authority made payments of €3.4 million in 2012 and €3 million in 2013, and are scheduled to make a further payment of €3 million in 2014. This payment schedule may be subject to review pending the progress made in the merger process as described in Note 6.2.

**2.8 Matured Liabilities**

There were no matured liabilities undischarged at the year end 2013 or in the previous year.

### 3 Programme Expenditure by Subhead

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>A Manage the Land Registry and the Registry of Deeds</b>			
A.1 Administration - pay	24,452	24,025	25,114
A.2 Administration - non pay	7,794	6,525	7,166
	<u>32,246</u>	<u>30,550</u>	<u>32,280</u>

#### Significant variations

Overall, the gross expenditure in relation to the programme was €1.7 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Salaries, wages and allowances	427	Average staff numbers in the Authority reduced by 26 during the year. Savings in salaries also occurred as a result of the implementation of the Haddington Road Agreement from 1 July 2013 onwards.
Postal and telecommunications services	349	Savings arose due to lower costs achieved following retendering of certain telecommunications contracts. Savings on postage arise as a result of increased usage of electronic communications.
Office equipment and external IT services	829	In addition, savings have been achieved in ICT maintenance contracts. There was an underspend on ICT capital due to the deferral of projects including hardware upgrades and document management as a result of internal resources being assigned to other key projects.

## 4 Receipts

4.1 Appropriations-in-aid	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from pension-related deductions on public service remuneration	1,014	1,276	1,313

### 4.2 Extra receipts payable to the Exchequer

	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
Land Registry fees	35,250	35,543	26,031
Registry of Deeds fees	1,400	1,034	1,140
Ground rent fees	80	57	69
	<u>36,730</u>	<u>36,634</u>	<u>27,240</u>

In December 2012, the Minister for Justice and Equality introduced a new Land Registry fees order. The impact of this fees order was to bring about increases in fees charged both for applications for registration and inspection services. Therefore, while there was an overall decrease in the volume of applications, the impact of the increased fees led to an overall increase in yield.

## 5 Employee Numbers and Pay

	<b>2013</b>	<b>2012</b>
<b>Number of staff at year end</b> (full time equivalents)	518	544
	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Pay	22,500	23,539
Higher, special or additional duties allowance	12	8
Other allowances	83	81
Overtime	164	156
Employer's PRSI	1,266	1,330
<b>Total Pay</b>	<b>24,025</b>	<b>25,114</b>

### 5.1 Allowances and Overtime Payments

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2013 €</b>	<b>Maximum individual payment 2012 €</b>
Higher, special or additional duties	1	1	11,506	7,721
Other allowances	38	—	7,870	7,870
Overtime	60	1	10,796	12,515

Certain individuals received extra remuneration in more than one category.

## 6 Miscellaneous

### 6.1 Compensation Costs

#### Section 120 Compensation

All titles registered on the Land Register are guaranteed by the State. Section 120 of the Registration of Title Act 1964 provides for the payment of compensation to a person who suffers a loss through reliance on the Register where the loss is not caused or substantially contributed to by the act, neglect or default of himself or his agent. Nineteen Section 120 compensation payments (2012 - 26) were paid in 2013, the total costs of which are set out below.

#### Personal Injury Compensation

A compensation payment of €76,000 was made in respect of the settlement of a personal injury claim in respect of one employee. Related legal costs borne by the PRA in this case amounted to €41,429. In addition legal costs amounting to €7,532 were paid in respect of a second case. No compensation payment arose in respect of this case.

	2013	2012
	€000	€000
Section 120 compensation costs	75	58
Personal Injury compensation	76	—
Legal fees in relation to personal injury claims	49	—
	200	58

### 6.2 Merger

As part of the Public Service Reform Programme, a Government decision was made on 31 October 2012 to proceed with the merger of the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. The Chief Executive Designate for the new organisation was appointed on 1 July 2013 and since then a number of working groups, led by senior management in the three entities have been working towards the development of a detailed plan for the establishment of the new entity. Subject to the passing of necessary legislation, the governing structure of the new entity, to be called Tailte Éireann, will have a statutory board. Each of the core functions of Tailte Éireann (registration, valuation and survey) will be headed by a statutory officer who will report to the Chief Executive who, in turn, will report to the Board. Staff of the new organisation will be civil servants and the organisation will be funded through a Vote structure. Preparation of the draft scheme of the Bill to establish Tailte Éireann is underway and it is intended that the scheme will be presented to Government at the earliest opportunity. The merger is not expected to have an impact on the carrying value of the Authority's assets or liabilities.