



Appropriation Account 2013

Vote 37

Social Protection

Introduction

As Accounting Officer for Vote 37, 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 Office of the Minister for Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund and for certain grants.

The expenditure outturn is compared with the sums

- (a) 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 and
- (b) provided for capital supply services in 2013 out of unspent 2012 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €228.56 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:

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a Bank Holiday, it may be necessary to issue payments early. At year-end payments issued early by electronic funds transfer by banks or early encashment by customers in Post Offices, which refer to the subsequent year, are recognised as prepayments.

Treatment of recovered overpayments

Recovery of debts in respect of general scheme overpayments are brought to account as follows:

- Debts recovered by way of monetary receipt are brought to account on a cash receipts basis.
- Debts recovered by way of deduction from scheme entitlements are off-set against scheme expenditure at the date of deduction.

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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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.

Following the identification, during the 2012 and 2013 audits, of deficiencies in regard to the reconciliation of the Department's asset registers and Capital Assets under Development (CAUD) with the amounts recorded in the appropriation account, a fixed asset working group was established in 2013 to address the issues raised. The main focus of the group is on the maintenance of the asset registers. Work to end 2013 has resulted in the identification of assets for retirement together with the requirement to carry out physical inventories on an ongoing basis. Physical inventories of assets with a value of €37,000 were conducted in two locations in 2013 and separate desk examinations of 100 old high value assets (total value of €64.7 million) were also carried out, resulting in the retirement of assets with a value of €9.4 million for 2013. As part of the normal business activity assets with a value of €4 million were separately retired. The Department has assets located in 453 locations. The group will also address issues with CAUD. It is envisaged that the group will continue with its work throughout 2014.

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 Department
- 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 Department 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. The Department is compliant with the exception of 22 contracts to the value of €2 million which were not subject to a competitive procurement process. These exceptions occurred for various reasons including business continuity, sole/limited supplier availability and multiple low value purchases which with aggregation exceed the procurement threshold.

The Department is taking remedial action in respect of these contracts including the initiating of formal procurement exercises where practicable. In 17 out of the 22 cases procurements have completed or are under way. The outstanding items are under active review. Details of all these contracts are included in the Department's annual Circular 40/2002 return to the Department of Public Expenditure and Reform.

Internal Audit and Audit Committee

I confirm that the Department 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 Department 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.

Niamh O'Donoghue
Accounting Officer
Department of Social Protection

12 September 2014

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

Vote 37 Social Protection

I have audited the appropriation account for Vote 37 Social Protection 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 by his Department 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 37 Social Protection 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 Department of Social Protection. The appropriation account is in agreement with the books of account.

Non compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2013.

Regularity of expenditure

Chapter 10 of my report on the accounts of the public services for 2013 relates to welfare payments in excess of entitlement included in the 2013 account for Vote 37. I consider the estimated level of irregular payment to be material.

Reporting on matters arising from audit

Chapters 11 and 12 of my report on the accounts of the public services for 2013 refer to certain other matters relating to Vote 37.

Seamus McCarthy
Comptroller and Auditor General

16 September 2014

Vote 37 Social Protection

Appropriation Account 2013

			2013	2012
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
Social Assistance Schemes, Services, Administration and Payment to Social Insurance Fund				
Administration				
	<i>Current year provision</i>	484,613		
	<i>Deferred surrender</i>	1,050	472,373	476,000
Pensions		957,300	952,457	963,211
Working age – income supports		4,408,570	4,395,017	4,532,929
Working age – employment supports		1,047,850	985,053	951,918
Illness, disability and carers		1,882,150	1,934,757	1,851,521
Children		2,232,430	2,251,807	2,376,547
Supplementary payments		821,797	802,139	890,454
Subvention to the Social Insurance Fund		1,486,177	1,314,130	2,084,009
Gross expenditure				
	<i>Current year provision</i>	13,320,887		
	<i>Deferred surrender</i>	1,050	13,107,733	14,126,589
		13,321,937	13,107,733	14,126,589
Deduct				
Appropriations-in-aid		235,651	250,003	244,824
Net expenditure				
	<i>Current year provision</i>	13,085,236		
	<i>Deferred surrender</i>	1,050	12,857,730	13,881,765
		13,086,286	12,857,730	13,881,765

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2013	2012
	€	€
Surplus	228,556,326	201,170,217
Deferred surrender	—	(1,050,000)
Surplus to be surrendered	<u>228,556,326</u>	<u>200,120,217</u>

Analysis of administration expenditure

	Estimate provision		2013	2012
	Outturn		Outturn	Outturn
	€000	€000	€000	€000
i. Salaries, wages and allowances		299,809	301,091	303,369
ii. Travel and subsistence		5,692	4,897	5,088
iii. Training and development and incidental expenses		12,449	4,456	14,489
iv. Postal and telecommunications services		20,500	20,137	21,690
v. Office equipment and external IT services		32,004	25,585	25,413
vi. Office premises expenses				
	<i>Current year provision</i>	27,165		
	<i>Deferred surrender</i>	1,050	28,215	31,462
vii. Consultancy services		1,600	1,145	1,085
viii. Payments for agency services		77,562	76,901	83,358
ix. eGovernment related projects		7,400	6,371	2,938
x. EU Presidency		432	328	22
		485,663	472,373	476,000

Notes to the Appropriation Account

1 Operating Cost Statement 2013

	2013		2012
	€000	€000	€000
Programme cost		12,635,360	13,650,589
Pay		301,091	303,369
Non pay		171,282	172,631
Gross expenditure		13,107,733	14,126,589
<i>Deduct</i>			
Appropriations-in-aid		250,003	244,824
Net expenditure		12,857,730	13,881,765
Changes in capital assets			
Purchases cash	(12,342)		
Depreciation	10,002		
Loss on disposals	1	(2,339)	5,542
Changes in assets under development			
Cash payments		(3,744)	(2,555)
Changes in net current assets			
Decrease in closing accruals	(491)		
Decrease in stock	68		
		(423)	3,754
Direct expenditure		12,851,224	13,888,506
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		35,670	36,187
Notional rents		10,770	10,985
Net programme cost		12,897,664	13,935,678

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

		2013	2012
		€000	€000
Vote 12 Superannuation and Retired Allowances	e	24,922	28,054
Vote 13 Office of Public Works	e	10,743	8,128
Central Fund - Ministerial pensions	e	5	5
		<u>35,670</u>	<u>36,187</u>

"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	54,336	50,507
Capital assets under development	2.3	<u>15,705</u>	<u>13,364</u>
		70,041	63,871
Current assets			
Stocks	2.5	471	539
Prepayments		53,080	50,866
Social Insurance Fund suspense account ¹		205,660	129,790
Other debit balances	2.6	<u>32,376</u>	<u>38,625</u>
Total current assets		291,587	219,820
Less current liabilities			
Bank and cash	2.4	219,350	76,729
Accrued expenses		69,287	67,564
Other credit balances	2.7	12,155	15,574
Net liability to the Exchequer	2.8	<u>6,531</u>	<u>76,112</u>
Total current liabilities		307,323	235,979
Net current liabilities		<u>(15,736)</u>	<u>(16,159)</u>
Net assets		54,305	47,712
Represented by:			
State funding account	2.1	<u>54,305</u>	<u>47,712</u>

¹ Represents advances from Vote 37 to the Social Insurance Fund (SIF) subvention suspense account which were not expended by year end.

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		47,712	56,958
Adjustment ¹		87	(2,958)
Disbursements from the Vote			
Estimate provision	Account	13,086,286	
Surplus to be surrendered	Account	<u>(228,556)</u>	
Net Vote		12,857,730	13,881,765
FAS net asset transfer		—	453
Expenditure (cash) borne elsewhere	1	35,670	36,187
Non cash expenditure – notional rent	1	10,770	10,985
Net programme cost	1	<u>(12,897,664)</u>	<u>(13,935,678)</u>
Balance at 31 December		54,305	47,712

¹ Adjustment in respect of cash payments in previous years on assets being developed not previously included.

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2013	287,563	32,752	320,315
Adjustment ¹	1,123	—	1,123
Additions	10,865	1,844	12,709
Disposals	(12,959)	(417)	(13,376)
Cost or valuation at 31 December 2013	286,592	34,179	320,771
Accumulated depreciation			
Opening balance at 1 January 2013	243,259	26,549	269,808
Adjustment ²	(2,054)	—	(2,054)
Depreciation for the year	10,554	1,502	12,056
Depreciation on disposals	(12,959)	(416)	(13,375)
Cumulative depreciation at 31 December 2013	238,800	27,635	266,435
Net assets at 31 December 2013	47,792	6,544	54,336
Net assets at 31 December 2012	44,304	6,203	50,507

¹ Adjustment arose from capital assets under development which were completed in previous years and capitalised in 2013.

² Adjustment refers to a change in depreciation on software assets from 5 years to 10 years together with a depreciation charge for assets included in adjustment¹ above.

2.3 Capital Assets under Development

at 31 December

	In-house computer applications €000
Amounts brought forward at 1 January 2013	13,364
Adjustment ¹	87
Cash payments for the year ²	3,744
Transferred to asset register	(1,490)
Balance at 31 December 2013	15,705

¹ Adjustment refers to accounting for cash payments in previous years not previously included.

² Cash payments do not include in-house developed software which is fully developed during the course of the year.

2.4 Bank and Cash

at 31 December	2013	2012
	€000	€000
An Post balances	134,043	157,020
PMG balances	(388,568)	(364,601)
Other bank and cash	35,170	131,001
Orders outstanding	5	(149)
	<u>(219,350)</u>	<u>(76,729)</u>

An Post accounts are pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2013 the combined balance held by An Post in respect of Vote 37 and the SIF was €243,576,310. The combined corresponding balance at the end of 2012 was €184,131,631.

During 2012, a settlement was reached by the Department (DSP) with An Post in regard to historic differences regarding lost and missing manual payment vouchers. In 2013 and early 2014, settlement was reached with An Post with the approval of the Department of Public Expenditure and Reform (DPER) in regard to differences in respect of electronic payments going back to 2009. This resolution resulted in a reduction in expenditure of €95,948 to DSP's books of account of which €61,984 was Vote related and €33,964 was SIF related.

Following detailed internal investigations carried out by the Department, the sum of €55,348 was adjusted in DSP's books of account in 2013 to address historic bank differences being carried forward each year since 2009. €12,450 of this amount is Vote related and €42,898 is SIF related. In addition, an amount of €124,017 in respect of bank differences carried forward from 2009 in two Payment and Agency Reconciliation Platform (PARP) suspense accounts were also cleared, of which €56,733 was Vote related (see note 2.6) and €67,284 was SIF related. These adjustments increased expenditure in the year, were sanctioned by DPER and address bank related differences referenced by the Comptroller and Auditor General in previous audits.

2.5 Stocks

at 31 December	2013	2012
	€000	€000
Stationery	453	521
IT consumables	18	18
	<u>471</u>	<u>539</u>

2.6 Other Debit Balances

at 31 December	2013	2012
	€000	€000
Advances to An Post for postage expenditure	933	1,014
Advances to OPW for office furniture, building and electrical work	4,315	5,707
Payment and Agency Reconciliation Platform suspense	—	57
Advances to Pobal	7,700	6,785
Scheme Prepayments ¹	16,333	23,093
Other debit suspense	169	500
Due from Social Insurance Fund (SIF) in respect of SIF schemes	2,926	1,469
	<u>32,376</u>	<u>38,625</u>

¹ At 31 December 2013 there were prepayments for Vote schemes of €16,332,606 of which €6,270,036 were made via An Post and €10,062,570 were made via bank EFT.

2.7 Other Credit Balances

at 31 December	2013	2012
	€000	€000
Amounts due to the State		
Income Tax	2,739	2,776
Superannuation contributions	593	659
Pay Related Social Insurance	1,808	1,777
Interstat Value Added Tax	103	65
Professional Services Withholding Tax	377	142
Local Property Tax ¹	47	—
Extra Exchequer receipts	8	1
	<u>5,675</u>	<u>5,420</u>
Payroll deductions	2,776	2,843
Due to SIF in respect of Vote schemes	2,289	6,306
Other credit suspense items	1,415	1,005
	<u>12,155</u>	<u>15,574</u>

¹ Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct DSP to make deductions from certain scheme payments in respect of liable persons for Local Property Tax. DSP also make voluntary deductions from staff salaries. These deductions commenced in 2013 and are paid to the Revenue Commissioners in the month following deduction.

2.8 Net Liability to the Exchequer

at 31 December	2013	2012
	€000	€000
Surplus to be surrendered	228,556	200,120
Deferred surrender	—	1,050
	<u>228,556</u>	<u>201,170</u>
Exchequer grant undrawn	(222,025)	(125,058)
Net liability to the Exchequer	<u>6,531</u>	<u>76,112</u>

Represented by:**Debtors**

Debit balances: suspense	<u>238,036</u>	<u>168,415</u>
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Creditors

Banks and cash	(219,350)	(76,729)
Due to State	(5,675)	(5,420)
Credit balances: suspense	(6,480)	(10,154)
	<u>(231,505)</u>	<u>(92,303)</u>
	<u>6,531</u>	<u>76,112</u>

2.9 Commitments

at 31 December	2013	2012
	€000	€000
Total of legally enforceable commitments	33,844	32,370

Multi-annual Capital Commitments

Project	Expenditure to end 2012	Expenditure in 2013	Subsequent Years	Total 2013	Total 2012
	€000	€000	€000	€000	€000
Public Services Card	6,025	3,830	17,942	27,797	27,797

Expenditure figures for 2012 and prior years relate only to projects with future legally binding commitments. Expenditure to end of 2012 has been adjusted to reflect amounts not previously included that were identified during a review of expenditure.

2.10 Matured Liabilities

The total amount of matured liabilities undischarged at 31 December 2013 was €67,949.

3 Programme Expenditure by Subhead

A. Social Assistance Schemes, Services, Administration and Payment to Social Insurance Fund

		2013		2012
		Estimate provision		Outturn
		€000	€000	€000
Administration				
A.1	Administration – pay		299,809	301,091
A.2	Administration – non pay			303,369
	<i>Current year provision</i>	184,804		
	<i>Deferred surrender</i>	<u>1,050</u>	185,854	171,282
				172,631
Pensions				
A.3	State Pension (Non-Contributory)		957,300	952,457
				963,211
Working Age – Income Supports				
A.4	Jobseeker's Allowance		3,098,210	3,108,974
				3,054,741
A.5	One-Parent Family Payment		934,700	977,960
				1,057,753
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension		16,400	16,735
				17,670
A.7	Deserted Wife's Allowance		2,960	2,876
				3,546
A.8	Basic Supplementary Welfare Allowance Payments		161,400	108,315
				180,291
A.9	Farm Assist		99,450	99,178
				108,170
A.10	Pre-retirement Allowance		33,100	34,555
				46,091
A.11	Other Working Age – income supports		62,350	46,424
				64,667
Working Age - Employment Supports				
A.12	Community Employment Programme		351,550	341,250
				330,399
A.13	Rural Social Scheme		45,000	44,203
				45,242
A.14	Tús – Community Work Placement Scheme		96,200	92,060
				67,055
A.15	Jobs Initiative		25,100	24,924
				25,794
A.16	Community Services Programme		46,060	44,853
				45,390
A.17	Back to Work Allowance		126,400	119,505
				127,203
A.18	National Internship Scheme – JobBridge		81,760	67,688
				54,739
A.19	Back To Education Allowance		189,300	186,879
				199,567
A.20	Other Working Age – Employment Supports		86,480	63,691
				56,529

	Estimate provision €000	2013 Outturn €000	2012 Outturn €000	
Illness, Disability And Carers				
A.21	Disability Allowance	1,115,200	1,140,916	1,087,513
A.22	Blind Pension	15,300	14,823	15,747
A.23	Carer's Allowance	534,200	554,801	509,671
A.24	Domiciliary Care Allowance	106,800	104,272	102,237
A.25	Respite Care Grant	110,650	119,945	136,353
Children				
A.26	Child Benefit	1,911,720	1,899,922	2,046,955
A.27	Family Income Supplement	229,600	261,758	223,608
A.28	Back-To-School Clothing And Footwear Allowance	48,800	47,976	65,679
A.29	School Meals Schemes	37,000	36,775	35,005
A.30	Child Related Payments	5,310	5,376	5,300
Supplementary Payments				
A.31	Rent Supplement	403,400	372,909	422,536
A.32	Mortgage Interest Supplement	41,820	35,063	55,082
A.33	Household Benefits Package	107,485	113,130	143,732
A.34	Free Travel	77,000	75,477	75,518
A.35	Fuel Allowance	142,000	155,599	144,692
A.36	Grant to the Citizens Information Board	47,310	46,387	45,743
A.37	Office of the Pensions Ombudsman	1,005	974	977
A.38	Miscellaneous services	1,777	2,600	2,174
Subvention To The Social Insurance Fund				
A.39	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005	1,486,177	1,314,130	2,084,009
Total		13,321,937	13,107,733	14,126,589

Significant variations

Overall, the expenditure was €214.2 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Training and development and incidental expenses (A.2.iii)	7,993	There were savings on advertising and staff training. This subhead included a contingency provision for 2013 that was not required
Consultancy Services (A.2.vii)	455	Anticipated expenditure on some consultancy did not occur.
Basic Supplementary Welfare Allowance Payments (A.8)	53,085	Improved processing times on primary schemes resulted in less recourse to SWA Basic Payments.
Other Working Age – income supports (A.11)	15,926	<p>(i) Exceptional Needs Payments: The estimate provided for a fall in the number of once-off payments of 19,000 (10%) arising from a review and standardisation of ENP payments across the country. The number of payments was 69,000 (35%) lower than estimated because the impact of standardisation was greater than anticipated.</p> <p>(ii) Other Supplements: There has been a trend decline in claims since 2011. The estimate provided for a fall in the number of payments of 6,750 (2%) on the basis of emerging trends at the time of preparation of the estimate. In the event, the number of payments was 55,805 (15%) lower than the estimate.</p> <p>(iii) Humanitarian Aid: Expenditure on this scheme is subject to the timing of submission of claims for assistance following natural disasters. It is difficult to predict the timing of claims and payments arising from humanitarian aid initiatives confirmed by Government. In the event, there was a lower level of payments, mainly for relocation expenses, than provided for in the estimate.</p>
Back to Work Allowance (A.17)	6,895	The estimate provided for a fall in the number of recipients of 125 (1%) on the basis of analysis of trend data available at the time of preparation of the estimate. In the event, the number of recipients was 770 (6%) lower than estimated because the trend reduction in recipient numbers was faster than provided for in the estimate.
National Internship Scheme – JobBridge (A.18)	14,072	The average numbers were approximately 1,100 (16.5%) lower than the expected uptake of places provided for in Budget 2013.

Description	Less/ (more) than provided €000	Explanation
Other Working Age – Employment Supports (A.20)	22,789	<p>Gateway: This was a new scheme introduced in 2013 and was slower to come on stream than provided for in the estimate. Only €0.25 million of an allocation of €15.74 million was realised in 2013, accounting for just under €15.5 million of the total A.20 subhead variance.</p> <p>Technical Assistance Training (TAT) towards training for Back To Work Allowance participants: The estimate provided for an increase in expenditure of €1.0 million (30%) but the outturn showed decrease of €0.2 million (6%). In the event, expenditure was €1.2 million lower than estimated because take-up was lower than provided for in the estimate.</p> <p>Technical Employment Support Grant: The estimate provided for an increase in expenditure of €1.65 million (38%) but the outturn showed decrease of €0.08 million (1.7%). In the event, expenditure was €1.73 million lower than estimated because take-up was lower than provided for in the estimate.</p> <p>JobsPlus: This was a new scheme introduced in 2013 that was slower to come on stream than provided for in the estimate. Only €1 million of an allocation of €2 million was realised in 2013.</p> <p>Disability Activation and Employment Supports: This scheme was expected to show a significant increase in activation levels but was slower to come on stream than provided for in the estimate. Only €2.8 million of an allocation of €5.2 million was spent in 2013.</p>
Respite Care Grant (A.25)	(9,295)	The estimate provided for a small increase in the number of recipients of 270 (0.3%) on the basis of analysis of trend data available at the time of preparation of the estimate. In the event, the number of recipients was 6,200 (7.7%) higher than estimated because the trend increase in recipient numbers was faster than provided for in the estimate.
Family Income Supplement (A.27)	(32,158)	Backlogs were cleared much quicker than expected leading to higher recipient numbers.
Rent Supplement (A.31)	30,491	The estimate provided for an average of 87,200 recipients in payment. The outturn averaged at 80,475 recipients in payment. This was due to a number of factors including a lower Live Register than provided for in the estimate and the impact of U25 budget reduction measures on Rent Supplement.
Mortgage Interest Supplement (A.32)	6,757	The average numbers were 750 (7.1%) lower than expected. The average weekly values were €7.80 lower than expected because of the greater than expected effect of previous budget measures increasing the minimum contribution and deferring payment of this scheme.

Description	Less/ (more) than provided €000	Explanation
Household Benefits Package (A.33)	(5,645)	Electricity allowance was €4 million over budget because the Budget 2013 restructuring measure did not reduce average values as much as expected. Telephone allowance was €3 million over budget because the reduction in average values did not occur as quickly as expected.
Fuel Allowance (A.35)	(13,599)	An additional week was paid in April to alleviate hardship caused by an unseasonably cold spring. Higher than expected recipient numbers (2,880) and higher than expected average payment values also contributed to the variance.
Miscellaneous services (A.38)	(823)	In December 2013, the Government decided to provide additional grants to three voluntary organisations - €770,000 to St. Vincent de Paul, €100,000 to Crosscare and €130,000 to Protestant Aid to assist these organisations to meet the increased demand for services for those most in need.
Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005 (A.39)	172,047	Social Insurance Fund (SIF) income was €205 million higher than expected due to higher PRSI receipts. This was partially offset by expenditure on SIF schemes being €34 million higher than expected. Consequently, the Exchequer Subvention to the Social Insurance Fund was €172 million lower than expected.

4 Receipts

4.1 Appropriations-in-aid

	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
Social Insurance Fund Transfer to Vote 37			
1. Recovery of administration expenses from the Social Insurance Fund	177,280	177,600	177,600
Appropriations-in-aid: Other			
2. Recoveries of Social Assistance overpaid	16,500	31,377	21,477
3. Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	9,200	10,515	9,256
4. Receipts under "Liability to Maintain Family" provisions in Part XII of the Social Welfare (Consolidation) Act 2005	400	393	435
5. Receipts from the General Register Office	500	558	567
6. Receipts from European Social Fund for activation and participation of people with disabilities	250	14	—
7. Receipts from pension-related deduction on public service remuneration	17,165	16,672	16,820
8. Receipts from EURES European Job Mobility Fund	460	—	223
9. Receipts from National Training Fund (Community Employment)	7,400	7,400	5,919
10. Receipts from Pensions Board – staff superannuation	650	801	861
11. Receipts from Department of Health – Drugs Task Force supports (Employment Programme)	1,225	1,095	1,308
12. Homeless Unit operational costs – contributions from external agencies	240	163	—
13. Miscellaneous	4,381	3,415	3,813
— Receipts from the European Globalisation Fund	—	—	6,354
— Dormant Accounts Receipts	—	—	191
Total	235,651	250,003	244,824

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%.

Description	Less/ (more) than provided €000	Explanation
Recoveries of Social Assistance overpaid	(14,877)	Improved recovery procedures introduced in Budget 2013.
Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	(1,315)	The 2013 estimate was constructed having regard to the emerging outturn for 2012 and it is difficult to accurately predict receipts in any year.
Receipts from European Social Fund for activation and participation of people with disabilities	236	The claim schedule was not available when the estimates were constructed. Activity carried out in 2012 and 2013 will now be claimed for in 2014.
Receipts from Pensions Board – staff superannuation	(151)	€134,000 of receipts were expected to be received in 2014 but were received in December 2013.

Description	Less/ (more) than provided €000	Explanation
Receipts from EURES European Job Mobility Fund	460	The EURES activity year is usually from June to the end of May. However, EURES funding is due to come to an end in 2014, thus the activity year is of 18 months duration until the end of December 2014. No receipts were received in 2013; the final grant is due to be received in June 2015.
Receipts from Department of Health – Drugs Task Force supports (Employment Programme)	130	Not as much claimed as expected due to the fact that four projects estimated to be funded in 2013 were funded in 2012.
Miscellaneous	966	Outturn was broadly in line with the 2012 outturn. However, receipts in the first 10 months of 2012, on which the 2013 estimate was based, suggested a higher outturn for 2012 than what eventually materialised.

4.2 Extra receipts payable to the Exchequer

	2013 €000	2012 €000
Conscience money	19	9
Witness expenses	3	6
Pensions Board fines	28	74
	<u>50</u>	<u>89</u>

Table shows amounts received and paid to the Exchequer in the year.

Further receipts of €7,613 comprised of €6,000 in Pensions Board fines, €933 in anonymous receipts and €680 in witness expenses were received in 2013 – these were paid to the Exchequer in 2014.

5 Employee Numbers and Pay

	2013	2012
Number of staff at year end (full time equivalents)		
Department	6,660	6,533
Agencies	129	142
	6,789	6,675

The figures for 2012 have been restated to show full time equivalents.

	2013	2012
	€000	€000
Pay	304,848	304,904
Higher, special or additional duties allowance	765	686
Other allowances	491	460
Overtime	3,881	5,466
Employer's PRSI	17,238	17,249
Total pay	327,223	328,765

2012 amounts do not include figures for the Office of the Pensions Ombudsman which were borne under subhead A.39.

5.1 Department

	2013	2012
	€000	€000
Pay	297,384	297,904
Higher, special or additional duties allowance	747	674
Other allowances	491	460
Overtime	3,880	5,465
Employer's PRSI	16,534	16,592
Total pay	319,036	321,095

The remuneration arrangements refer to the pay element Subheads A.1(i), A.2(viii), A.2(ix), A.2(x).

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	455	12	19,585	19,585
Other allowances	130	17	13,806	13,806
Overtime	2,113	43	21,852	23,985

Certain individuals received extra remuneration in more than one category.

5.2 Agency

	2013	2012
	€000	€000
Pay	7,464	7,000
Higher, special or additional duties allowance	18	12
Other allowances	—	—
Overtime	1	1
Employer's PRSI	704	657
Total pay	8,187	7,670

2012 amounts do not include figures for the Office of the Pensions Ombudsman which were borne under subhead A.39.

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	8	1	10,872	11,144
Other allowances	—	—	—	—
Overtime	4	—	235	976

The agencies included above are the Citizens Information Board, the Pensions Board and, for 2013, the Pensions Ombudsman.

5.3 Other Remuneration Arrangements

Redundancy payments of €39,025 were paid to 12 staff under the Redundancy Payments Acts 1967 to 2007.

A retired member of staff was re-employed by the Department in the public interest and was paid a salary of €90,306. Pension abatement was applied.

6 Miscellaneous

6.1 Recovery of Overpayments

The summary position on assistance overpayments at 31 December 2013 was as follows:

	2013	2012
	Outturn	Outturn
	€000	€000
Overpayments outstanding at 1 January	280,614	252,807
Net overpayments recorded		
Fraud	53,927	32,111
Claimant error	45,023	34,745
Departmental error	3,488	4,205
	<u>102,438</u>	<u>71,061</u>
	383,052	323,868
Less:		
Amounts recovered ¹	(54,780)	(40,176)
Amounts written off as irrecoverable	(4,336)	(3,078)
Overpayments outstanding at 31 December	<u><u>323,936</u></u>	<u><u>280,614</u></u>

¹ The amount recovered includes

- €31,377,120 in cash receipts which arise as a result of cash recoveries and amounts paid from the SIF to Vote 37 in respect of overpayments recovered by withholding benefit payments. These amounts are accounted for under appropriations-in-aid.
- €23,402,882 withheld from assistance entitlements, which is accounted for as a reduction in scheme expenditure.

6.2 Compensation and Legal Costs

Legal costs paid during the year are categorised as follows:

	2013	2012
	€000	€000
Legal fees	407	236
Compensation costs	236	210
	<u>643</u>	<u>446</u>

Compensation and associated legal and miscellaneous costs totalling €153,534 were paid in ten cases of personal injury claims in respect of employees. The payments ranged from €552 to €63,331.

Payments totalling €141,038 and ranging from €207 to €72,065 in respect of legal expenses, damages and costs in thirteen instances were made in relation to personal injuries sustained on Departmental property and other cases.

Total payments of €5,000 were paid in legal costs in relation to one case of alleged bullying in respect of a Departmental employee.

Ex gratia payments, loss of purchasing power payments and legal costs totalling €342,772 and ranging from €13 to €60,764 were made in respect of Child Benefit, Carer's Allowance, Job Seekers Allowance, Supplementary Welfare Allowance Basic Payment, Rent Supplement, Exceptional Needs & Urgent Needs Payments, Domiciliary Care Allowance, Disability Allowance, Jobs Clubs and the Office of the Pensions Ombudsman.

6.3 EU Funds

Funding of €207,987 was received from the EU in respect of The EU Presidency. This amount was to cover costs for a Mutual Information System on Social Protection (MISSOC) meeting, a Social Investment Package (SIP) conference and a meeting of the Irish Presidency Heads of Public Employment Services (PES).

A total of €17,581 in respect of the European Globalisation Fund (EGF) was received from the EU. The EGF provides one-off time limited individual support to people across Ireland in certain companies and sectors that were made redundant as a result of globalisation.

An amount of €14,009 was received from the EU in respect of the Disability Activation Project. The project is a cross agency programme co-funded by the Department and the European Social Fund, Human Capital Investment Operational Programme 2007-2013.

6.4 Late Payment Interest

	2013	2012
	€	€
Total of interest payments due	497	72
Recipients of €10,000 or more	—	—

6.5 Contingent Liabilities

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Addendum
Department of Social Protection
Summary of Programme Expenditure

	2013	2012
	€m	€m
Vote 37 Gross Expenditure	13,108	14,127
<i>Less Non Scheme Expenditure:</i>		
Administration	(472)	(476)
SIF subvention	(1,314)	(2,084)
Grant to Citizens Information Board	(46)	(46)
Grant to Pensions Ombudsman	(1)	(1)
Miscellaneous services	(3)	(2)
Vote 37 Scheme Expenditure	11,272	11,518
SIF Gross Expenditure	8,949	9,169
<i>Less Non Scheme Expenditure:</i>		
Administration	(273)	(277)
National Training Levy	(317)	(299)
SIF Scheme Expenditure	8,359	8,593
Total Department Scheme Expenditure	19,631	20,111

Scheme Expenditure Breakdown

	2013	2012
	€m	€m
Payments by Scheme and Category		
Pensions		
State Pensions	5,074	4,912
Widows'/Widowers'/ Surviving Civil Partners' Pension	1,358	1,351
Bereavement Grant	20	20
Total	6,452	6,283
Working Age Income Supports		
Jobseeker's Allowance	3,109	3,055
One Parent Family Payment	978	1,058
Jobseeker's Benefit	560	737
Redundancy and Insolvency Benefit	148	323
Maternity Benefit	293	303
Basic Supplementary Welfare Allowance	108	180
Farm Assist	99	108
Deserted Wife's Benefit	80	84
Other Working Age - Income Supports	46	65
Pre-Retirement Allowance	35	46
Treatment Benefits	33	19
Widows' /Widowers'/ Surviving Civil Partners' Pension (Non Contributory)	17	18
Deserted Wife's Allowance	3	3
Adoptive Benefit	1	—
Health and Safety Benefit	1	1
Total	5,511	6,000
Supplementary Payments		
Rent Supplement	373	423
Household Benefits Package	290	369
Fuel Allowance	229	212
Free Travel	75	75
Mortgage Interest Supplement	35	55
Total	1,002	1,134
Working Age Employment Supports		
Employment Programmes	341	330
Back to Education Allowance	187	200
Back to Work Allowance	119	127
TÚS Community Work Placement Scheme	92	67
National Internship Scheme - JobBridge	68	55
Other Working Age - Employment Supports	64	57
Community Services Programme	45	45
Rural Social Scheme	44	45
Jobs Initiative	25	26
Partial Capacity Benefit	7	2
Total	992	954

	2013	2012
	€m	€m
Illness, Disability and Carers		
Disability Allowance	1,141	1,087
Illness Benefit	649	774
Invalidity Pension	708	604
Carer's Payment	577	534
Respite Care Grant	120	136
Domiciliary Care Allowance	104	102
Disablement Benefit	76	77
Blind Pension	15	16
Injury Benefit	15	16
Total	3,405	3,346
Children		
Child Benefit	1,900	2,047
Family Income Supplement	262	224
Back to School Clothing and Footwear Allowance	48	66
School Meals	37	35
Child Related Payments	22	22
Total	2,269	2,394
Net Expenditure on all Schemes	19,631	20,111