



Appropriation Account 2014

Vote 16

Valuation Office

Introduction

As Accounting Officer for Vote 16, 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 2014 for the salaries and expenses of the Valuation Office, and certain minor services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2014, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.25 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.

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 Valuation Office. 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 Valuation Office
- 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 Valuation Office 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

I confirm that the Valuation Office 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 Valuation Office 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.

John O'Sullivan
Accounting Officer
Valuation Office

30 March 2015

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Valuation Office

I have audited the appropriation account for Vote 16 Valuation Office for the year ended 31 December 2014 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 Office 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 16 Valuation Office for the year ended 31 December 2014.

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 Valuation Office. The appropriation account is in agreement with the books of account.

Seamus McCarthy
Comptroller and Auditor General

14 August 2015

Vote 16 Valuation Office

Appropriation Account 2014

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of a State valuation service	9,345	7,863	8,181
B	Administration services for the Valuation Tribunal	850	432	406
Gross expenditure		10,195	8,295	8,587
<i>Deduct</i>				
C	Appropriations-in-aid	1,291	1,639	1,160
Net expenditure		8,904	6,656	7,427

Surplus for surrender

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

	2014	2013
	€	€
Surplus to be surrendered	2,248,406	1,693,542

Analysis of administration expenditure

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	7,153	6,898	7,223
ii	Travel and subsistence	340	182	195
iii	Training and development and incidental expenses	219	270	223
iv	Postal and telecommunications services	120	103	65
v	Office equipment and external IT services	650	475	489
vi	Office premises expenses	140	115	148
vii	Consultancy services and value for money and policy reviews	100	11	32
		8,722	8,054	8,375

Notes to the Appropriation Account

1 Operating Cost Statement 2014

		2014	2013
	Note	€000	€000
Programme cost		241	212
Pay		6,898	7,223
Non pay		1,156	1,152
Gross expenditure		8,295	8,587
<i>Deduct</i>			
Appropriations-in-aid		1,639	1,160
Net expenditure		6,656	7,427
Changes in capital assets			
Purchases cash		(38)	
Depreciation		177	
Loss on disposals		93	
		232	90
Changes in assets under development			
Cash payments		(161)	(121)
Changes in net current assets			
Decrease in closing accruals		(86)	
Decrease in stock		4	
		(82)	81
Direct expenditure		6,645	7,477
Net allied services expenditure (note 1.1)		4,492	4,642
Net programme cost		11,137	12,119

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 16 borne elsewhere.

	2014	2013
	€000	€000
Vote 12 Superannuation and Retired Allowances	3,639	3,749
Vote 13 Office of Public Works	853	893
	4,492	4,642

2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
Capital assets	2.2	449	519
Capital assets under development	2.3	—	8
		449	527
Current assets			
Stocks	2.5	39	43
Prepayments		105	82
Accrued income		91	3
Other debit balances	2.6	213	57
Net Exchequer funding due	2.8	95	7
Total current assets		543	192
Less current liabilities			
Bank and cash	2.4	153	(84)
Accrued expenses		103	96
Deferred income		73	55
Other credit balances	2.7	155	148
Total current liabilities		484	215
Net current assets		59	(23)
Net assets		508	504
Represented by:			
State funding account	2.1	508	504

2.1 State Funding Account	Note	2014 €000	2013 €000
Balance at 1 January		504	554
Disbursements from the Vote			
Estimate provision	Account	8,904	
Surplus to be surrendered	Account	(2,248)	
Net vote		6,656	7,427
Expenditure (cash) borne elsewhere	1.1	4,492	4,642
Fixed assets adjustment		(7)	—
Net programme cost		(11,137)	(12,119)
Balance at 31 December		508	504

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2014	2,803	1,211	4,014
Adjustment ^a	(2)	(1)	(3)
Additions	196	3	199
Disposals	(1,314)	(95)	(1,409)
Cost or valuation at 31 December 2014	1,683	1,118	2,801
Accumulated depreciation			
Opening balance at 1 January 2014	2,364	1,131	3,495
Adjustment	(3)	(1)	(4)
Depreciation for the year	165	12	177
Depreciation on disposals	(1,222)	(94)	(1,316)
Cumulative depreciation at 31 December 2014	1,304	1,048	2,352
Net assets at 31 December 2014	379	70	449
Net assets at 31 December 2013	439	80	519

^a Adjustment arises from the final reconciliation of the fixed assets records with the Office's general ledger.

2.3 Capital Assets under Development

at 31 December	In-house computer applications €000
Amounts brought forward at 1 January 2014	8
Written off ^a	(8)
Transferred to capital assets	(161)
Cash payments for the year	161
Amounts carried forward at 31 December 2014	—

^a The write off relates to development work in 2013 superseded by 2014 enhancements incorporating their functionality.

2.4 Bank and Cash	2014	2013
at 31 December	€000	€000
PMG balances and cash	(171)	75
Commercial bank account balance	18	9
	<u>(153)</u>	<u>84</u>

2.5 Stocks	2014	2013
at 31 December	€000	€000
Valuation Office consumable stocks	39	43
	<u>39</u>	<u>43</u>

2.6 Other Debit Balances	2014	2013
at 31 December	€000	€000
Recoupable travel pass scheme	54	57
Recoupable prefunding Office of Public Works	16	—
Payroll advance	143	—
	<u>213</u>	<u>57</u>

2.7 Other Credit Balances	2014	2013
at 31 December	€000	€000
Amounts due to the State		
Income Tax	105	105
Pay Related Social Insurance	44	38
Value Added Tax	—	1
Professional Services Withholding Tax	6	4
	<u>155</u>	<u>148</u>
Payroll deductions held in suspense	—	—
	<u>155</u>	<u>148</u>

2.8 Net Exchequer Funding Due	2014	2013
at 31 December	€000	€000

Surplus to be surrendered	2,248	1,694
Exchequer grant undrawn	(2,343)	(1,701)
Net Exchequer funding due	(95)	(7)

Represented by:**Debtors**

Bank and cash	—	84
Debit balances: suspense	213	57
	213	141

Creditors

Bank and cash	(153)	—
Due to State	(155)	(148)
Credit balances: suspense	—	—
	(308)	(148)
	(95)	(7)

2.9 Commitments	2014	2013
at 31 December	€000	€000

Total of legally enforceable commitments	74	191
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3 Programme Expenditure by Subhead

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Provision of a State Valuation Service			
A.1	Administration - pay	6,703	6,661	6,984
A.2	Administration - non pay	1,569	1,156	1,153
A.3	Fees to counsel and other legal expenses	73	46	44
A.4	National revaluation projects	1,000	—	—
		<u>9,345</u>	<u>7,863</u>	<u>8,181</u>

Significant variations

Overall, the gross expenditure in relation to Programme A was €1.48 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Administration non pay	413	The outturn for 2014 on many of the non pay subheads was lower than anticipated partly as a result of efficiencies achieved and partly as a result of the larger part of the national revaluation programme being concentrated on appeals to the Commissioner in relation to the Dublin City area during the year, resulting in savings on travel and subsistence expenses in particular. Spending in the ICT area for new revaluation projects which are dependent on legislative change was deferred. Expenditure on consultancy was kept to a minimum during 2014 yielding considerable savings on this subhead.
National revaluation projects	1,000	Expenditure on specific national revaluation projects in 2014 was contingent on the enactment of enabling legislation which was not enacted during the year. The provision has been included again in the 2015 estimate.

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	Administration Services for the Valuation Tribunal			
B.1	Administration - pay	450	237	238
B.2	Valuation Tribunal	400	195	168
		<u>850</u>	<u>432</u>	<u>406</u>

Significant variations

Overall, the gross expenditure in relation to Programme B was €418,000 lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Administration pay	213	Work on the appeals to the Tribunal in respect of the revaluation of Dublin City and Waterford City and County did not commence until the final quarter of the year. Provision had been made to engage staff on a temporary basis in anticipation of a large volume of appeals. The volume of appeals was lower than expected, due to a reduction in the revision programme, thus reducing the staff numbers required. Those additional staff members were not engaged until October/November 2014.
Valuation Tribunal	205	Due to the concentration of effort in the Valuation Office on the Dublin City and Waterford Revaluation in 2013 and subsequent Appeals to the Commissioner early in 2014, resulting in a reduced Revision service to Local Authorities, there was a consequent reduction in the number of appeals to the Valuation Tribunal in relation to revision cases in 2014. This resulted in savings on members fees and associated expenses.

4 Receipts

4.1 Appropriations-in-aid	2014		2013
	Estimated	Realised	Realised
	€000	€000	€000
1. Valuation Tribunal appeal fees	60	232	6
2. Valuation certificates	158	118	130
3. Valuation revision fees	600	612	483
4. Fees from appeals to the Commissioner	—	258	32
5. Miscellaneous receipts	65	10	63
6. Receipts from pension related deduction on public service remuneration	408	409	446
Total	1,291	1,639	1,160

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
Valuation Tribunal appeal fees	(172)	Receipts in respect of Valuation Tribunal appeals fees in respect of an unexpected number of valuation tribunal appeals relating to the revaluation of the Dublin City council and Waterford areas were received in the final quarter of 2014. It is difficult to estimate accurately the number of appeals which will be received.
Fees from appeals to the Commissioner	(258)	A provision to abolish the appeal to the Commissioner is included in amending valuation legislation, the enactment of which was anticipated during 2014. Consequently no provision was made to receive fees for such appeals. The enactment of this legislation is anticipated in 2015.

5 Employee Numbers and Pay

	2014	2013
Number of staff at year end (full time equivalents)	120	125
	2014	2013
	€000	€000
Pay	6,330	6,647
Higher, special or additional duties allowance	153	120
Overtime	10	24
Employer's PRSI	405	432
Total Pay	6,898	7,223

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2014 €	Maximum individual payment 2013 €
Higher, special or additional duties	28	2	33,452	24,403
Overtime and extra attendance	4	—	5,260	9,109

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

5.2 Other Remuneration Arrangements

Payments of €4,125 were paid to retired civil servants who were employed on contract on specialised tasks.

6 Miscellaneous Items

6.1 Write-offs

Amounts written off during the year:

	2014	2013
	€000	€000
Suspense account balance re income tax	—	4
Unpaid fees due from local authorities	—	4
	<u>—</u>	<u>8</u>

6.2 Legal Costs

Legal costs paid during the year are categorised as follows:

	2014	2013
	€000	€000
Compensation costs	46	44
	<u>46</u>	<u>44</u>

6.3 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 he has since been working towards the development of a detailed plan for the establishment of the new entity, proposed to be called Tailte Éireann. Subject to the passing of necessary legislation, the governing structure of 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. The merger is not expected to have an impact on the carrying value of the Valuation Office assets or liabilities.