



Appropriation Account 2014

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, 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 Department of the Taoiseach, including certain services administered by the Department and for payment of grants and grants-in-aid.

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 €1.52 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 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and Department of Justice and Equality for the provision of financial shared services. I rely on a letter of assurance from the Acting Secretary General of the Department of Justice and Equality.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

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 complied with the guidelines with the exception of twelve contracts to the value of €827,153 which were listed in my annual return in respect of Circular 40/2002. Four of these contracts with a value of €247,643 were included because they were rolled over from a previous year. Another four of these contracts with a value of €173,266 were included because they were not advertised on etenders and the spend in 2014 exceeded €25,000. Two other contracts with a value of €259,353 relate to proprietary information and communications technology goods and the remaining two contracts with a value of €146,891 were awarded without a competitive tender because they were deemed to be the most cost effective solution available.

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.

Martin Fraser

Accounting Officer
Department of the Taoiseach

28 March 2015

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

I have audited the appropriation account for Vote 2 Taoiseach 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 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 2 Taoiseach 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 Department of the Taoiseach. The appropriation account is in agreement with the books of account.

Seamus McCarthy
Comptroller and Auditor General

16 June 2015

Vote 2 Department of the Taoiseach

Appropriation Account 2014

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Supporting the work of the Taoiseach and Government			
	<i>Original</i>	20,301		
	<i>Supplementary</i>	2,000		
			22,301	20,835
				21,925
	Gross expenditure		22,301	20,835
	<i>Deduct</i>			
B	Appropriations-in-aid		878	935
	Net expenditure			
	<i>Original</i>	19,423		
	<i>Supplementary</i>	2,000		
			21,423	19,900
				20,965

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	1,522,914	1,182,599

Analysis of administration expenditure

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	11,422	11,238	11,323
ii	Travel and subsistence	385	404	350
iii	Training and development and incidental expenses	1,072	547	427
iv	Postal and telecommunications services	360	296	329
v	Office equipment and external IT services	960	731	658
vi	Office premises expenses	264	315	328
vii	Consultancy services and value for money and policy reviews	18	15	—
viii	<i>EU Presidency</i>	—	—	2,030
		14,481	13,546	15,445

Notes to the Appropriation Account

1 Operating Cost Statement 2014

	2014	2013
	€000	€000
Programme cost	7,289	6,480
Pay	11,238	11,960
Non pay	2,308	3,485
Gross expenditure	20,835	21,925
<i>Deduct</i>		
Appropriations-in-aid	935	960
Net expenditure	19,900	20,965
Changes in capital assets		
Purchases cash	(119)	
Depreciation	120	
	1	39
Changes in net current assets		
Decrease in closing accruals	(256)	
Increase in stock	(38)	
	(294)	409
Direct expenditure	19,607	21,413
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,047	4,226
Notional rents	1,395	1,082
Net programme cost	25,049	26,721

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 2 borne elsewhere.

	2014	2013
	€000	€000
Vote 12 Superannuation and Retired Allowances	e 2,663	2,455
Vote 13 Office of Public Works	e 537	710
Vote 20 Garda Síochána	e 179	190
Vote 24 Justice and Equality	e 117	222
Vote 36 Defence	e 58	50
Central Fund: Taoisigh and Ministerial pensions	493	599
	4,047	4,226

“e” indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
Capital assets	2.2	343	344
Current assets			
Bank and cash	2.3	1,173	1,431
Stocks	2.4	92	54
Prepayments		247	147
Other debit balances	2.5	288	72
Total current assets		1,800	1,704
Less current liabilities			
Accrued expenses		88	244
Other credit balances	2.6	391	432
Net liability to the Exchequer	2.7	1,070	1,071
Total current liabilities		1,549	1,747
Net current assets		251	(43)
Net assets		594	301
Represented by:			
State funding account	2.1	594	301

2.1 State Funding Account	Note	2014 €000	2013 €000
Balance at 1 January		301	749
Disbursements from the Vote			
Estimate provision	Account	21,423	
Surplus to be surrendered	Account	(1,523)	
Net vote		19,900	20,965
Expenditure (cash) borne elsewhere	1	4,047	4,226
Non cash expenditure – notional rent	1	1,395	1,082
Net programme cost	1	(25,049)	(26,721)
Balance at 31 December		594	301

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2014	2,202	573	2,775
Additions	105	14	119
Disposals	(81)	(1)	(82)
Cost or valuation at 31 December 2014	2,226	586	2,812
Accumulated depreciation			
Opening balance at 1 January 2014	1,964	467	2,431
Depreciation for the year	97	23	120
Depreciation on disposals	(81)	(1)	(82)
Cumulative depreciation at 31 December 2014	1,980	489	2,469
Net assets at 31 December 2014	246	97	343
Net assets at 31 December 2013	238	106	344

2.3 Bank and Cash

	2014 €000	2013 €000
at 31 December		
PMG balances and cash	1,149	1,242
Commercial bank accounts	24	189
	1,173	1,431

The Commercial bank account balance is presented separately and the comparative reclassified The Commercial bank account balance reflects €24,000 in 2014 (2013: €189,000) in respect of a commercial bank account operated by Department of Justice & Equality-Financial Shared Services.

2.4 Stocks

	2014 €000	2013 €000
at 31 December		
Gifts	10	9
Stationery	34	3
Publications	41	41
Consumables, etc.	7	1
	92	54

2.5 Other Debit Balances

	2014 €000	2013 €000
at 31 December		
Payroll suspense account	209	—
Recoupment of travel pass scheme	74	65
Other	5	7
	288	72

2.6 Other Credit Balances	2014	2013
at 31 December	€000	€000

Amounts due to the State

Income Tax	219	196
Pay Related Social Insurance	76	68
Value Added Tax	5	7
Professional Services Withholding Tax	18	15
Pensions suspense	4	4
	<hr/>	<hr/>
	322	290
Payroll deductions held in suspense	68	75
Other	1	67
	<hr/>	<hr/>
	391	432

2.7 Net Liability to the Exchequer	2014	2013
at 31 December	€000	€000

Surplus to be surrendered	1,523	1,182
Exchequer grant undrawn	(453)	(111)
	<hr/>	<hr/>
Net liability to the Exchequer	1,070	1,071

Represented by:

Debtors

Bank and cash	1,173	1,431
Debit balances: suspense	288	72
	<hr/>	<hr/>
	1,461	1,503

Creditors

Due to State	(322)	(290)
Credit balances: suspense	(69)	(142)
	<hr/>	<hr/>
	(391)	(432)
	<hr/>	<hr/>
	1,070	1,071

2.8 Commitments	2014	2013
at 31 December	€000	€000

Total of legally enforceable commitments	45	—
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2.9 Matured Liabilities

There were no matured liabilities undischarged at year end 2014 or in the previous year.

3 Programme Expenditure by Subhead

		2014		2013
		Estimate provision		Outturn
		€000	€000	€000
A	Supporting the work of the Taoiseach and Government			
A.1	Administration – pay		11,422	11,238
A.2	Administration – non pay		3,059	2,308
A.3	National Economic and Social Council (grant-in-aid)		1,990	1,807
A.4	Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)		1,460	3,697
A.5	Constitutional Convention		920	327
A.6	EU engagement		250	236
A.7	Irish personnel in EU and international institutions		1,200	644
A.8	Commission of Investigation			
	<i>Original</i>		—	
	<i>Supplementary</i>	2,000	2,000	578
—	<i>Referendum on abolition of the Seanad</i>		—	—
				1,193
			22,301	20,835
				21,925

Significant variations

Overall, the gross expenditure in relation to the programme was lower than provided. The significant variations were as follows:

Description	Less/(more) than provided €000	Explanation
Administration – non pay	751	Variance primarily due to under spend in subheads (iii) and (v) due to the deferral of a cross departmental communications project of €300,000 and of hardware and licencing upgrades of €194,000 to 2015.
National Economic and Social Council (grant-in-aid)	183	Variance mainly due to under spend on pay due to staff member on secondment to Government department.
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	(2,237)	Variance due to receipt of claims for third party legal representation costs of €2.5 million. There is no time limit on the submission of claims so it is not possible to know in advance what claims may be received in any given year.
Constitutional Convention	593	In late 2013, the Convention selected additional topics for consideration in 2014 and a full year of work was budgeted for. In the event, the Constitutional Convention concluded its full programme of work by spring 2014.
Irish personnel in EU and international institutions	556	Savings were due to delays in the uptake of twelve sanctioned secondment posts. Four were taken up in the first quarter with the remainder of posts taken up in the last quarter. Costs for secondees were also lower as in most areas assigned the European Commission met some of the costs. In addition, the secondees appointments were at a lower grade structure in the majority of cases.

Description	Less/(more) than provided €000	Explanation
Commission of Investigation	1,422	The Fennelly Commission was established by Government Order on 30 April 2014 and €2 million was allocated by way of a supplementary estimate on 7 May. After the Commission began its work, it became apparent that its actual requirements in 2014 were less than originally envisaged e.g. general costs in a number of areas, including staffing, legal fees, and IT and general administration were lower than originally estimated.

4 Receipts

4.1 Appropriations-in-aid		2014		2013
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	66	128	91
2.	Receipts from pension-related deductions on public service remuneration	812	807	869
Total		878	935	960

5 Employee Numbers and Pay

	2014	2013
Number of staff at year end (full time equivalents)	214	201
	2014	2013
	€000	€000
Pay	12,263	11,744
Higher, special or additional duties allowance	341	375
Overtime and extra attendance	365	464
Employer's PRSI	803	751
Total pay	13,772	13,334

The above analysis includes non-departmental staff charged to A.1 and other subheads.

The 2014 figures in the table above include core staff from the Department (183), National Economic and Social Council (NESC) (17), the Tribunal of Inquiry (1), the Fennelly Commission (1) and Seconded National Experts (12).

Included in the above details are payments to a recruitment agency in respect of the provision of a legal secretary to the Moriarty Tribunal.

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	39	14	20,614	26,940
Overtime and extra attendance	69	9	21,737	27,351

Certain individuals received extra remuneration in more than one category.

Certain individuals in NESDO received an allowance of 16.67% of salary in lieu of pension contributions.

5.2 Other Remuneration Arrangements

Ex-gratia payment of €29,698 (2013: €29,698) was made in respect of agreed retired benefit to one former employee.

5.3 Payroll Overpayments

The balance of payroll overpayments outstanding a year end was €13,080 (2013: €6,623).

6 Miscellaneous

6.1 Commissions and Inquiries

Commission, Committee or Special Inquiry

	Year of appointment	2014 €000	2013 €000
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	1997	3,697	2,513
Commission of Investigation (Fennelly Commission)	2014	578	—

Cumulative expenditure for the Tribunal of Inquiry (payments to Messrs Haughey and Lowry) to the end of December 2014 was €50.8 million.

There will be further payments associated with this Tribunal of Inquiry. Final costs cannot be determined at this point.

The commission of Investigation relates to the Fennelly Commission which was established by Government Order on 30 April 2014 to investigate certain matters relative to An Garda Síochána and other persons.

A total of €2 million was allocated to this subhead in 2014 following a supplementary estimate on 7 May. Following a formal request from the Fennelly Commission under section 6 (6) of the Commissions of Investigation Act 2004, the Taoiseach extended the timeframe for the Commission to report from the end of 2014 to 31 December 2015.

6.2 Official Gifts

The account includes the sum of €3,028 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2014 (2013: €9,053).