



## **Appropriation Account 2014**

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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 2014 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 2014, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.36 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. The Authority complied with the guidelines with the exception of seven contracts to the value of €3.736 million (including VAT) which were listed in my annual return in respect of Circular 40/2002. Of this amount, one contract in the amount of €3 million relates to payments to Ordnance Survey Ireland, the national mapping agency. Of the remainder, two contracts to the value of €198,020 relate to services available from sole suppliers, two contracts to the value of €195,807 are in respect of extensions of existing contracts and two contracts to the value of €342,475 are in respect of proprietary contracts.

### ***Shared Services***

I have fulfilled my responsibilities in relation to the requirements of the Service Level Agreement between this Office and the Department of Justice and Equality for the provision of Financial Shared Services. I rely on a letter of assurance from the Accounting Officer of the Department of Justice and Equality that the appropriate controls are exercised in the provision of shared services to this Office.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Department.

### ***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 2015

## **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 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 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 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 Property Registration Authority. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

29 July 2015

## Vote 23 Property Registration Authority

### Appropriation Account 2014

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Manage the Land Registry and the Registry of Deeds	31,087	29,923	30,550
	<b>Gross expenditure</b>	<b>31,087</b>	<b>29,923</b>	<b>30,550</b>
<i>Deduct</i>				
B	<b>Appropriations-in-aid</b>	<b>979</b>	<b>1,177</b>	<b>1,276</b>
	<b>Net expenditure</b>	<b>30,108</b>	<b>28,746</b>	<b>29,274</b>

#### 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	1,361,979	1,957,579

#### Analysis of administration expenditure

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	23,773	23,082	24,025
ii	Travel and subsistence	110	106	111
iii	Training and development and incidental expenses	4,100	4,079	4,063
iv	Postal and telecommunications services	800	654	601
v	Office equipment and external IT services	1,817	1,508	1,238
vi	Office premises expenses	462	469	499
vii	Consultancy services and value for money and policy reviews	25	25	13
		<b>31,087</b>	<b>29,923</b>	<b>30,550</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2014

	2014	2013
	€000	€000
Pay	23,082	24,025
Non pay	6,841	6,525
<b>Gross expenditure</b>	<b>29,923</b>	<b>30,550</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>1,177</b>	<b>1,276</b>
<b>Net expenditure</b>	<b>28,746</b>	<b>29,274</b>
<b>Changes in capital assets</b>		
Purchases cash	(622)	
Depreciation	1,210	
Loss on disposals	—	
	588	2,030
<b>Changes in net current assets</b>		
Increase in closing accruals	115	
Increase in stock	(9)	
	106	58
<b>Direct expenditure</b>	<b>29,440</b>	<b>31,362</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	4,728	4,260
Notional rents	2,637	2,382
<b>Net programme cost</b>	<b>36,805</b>	<b>38,004</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.

	2014	2013
	€000	€000
Vote 12 Superannuation and Retired Allowances	e 3,624	3,501
Vote 13 Office of Public Works	e 788	500
Vote 24 Justice and Equality - Financial Shared Services Centre	e 316	259
	<b>4,728</b>	<b>4,260</b>

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

## 2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
<b>Capital assets</b>	2.2	<b>1,246</b>	<b>1,834</b>
<b>Current assets</b>			
Bank and cash <sup>a</sup>	2.3	1,598	1,092
Stocks	2.4	257	248
Prepayments		702	739
Other debit balances	2.5	390	93
Net Exchequer funding due	2.7	456	389
<b>Total current assets</b>		<b>3,403</b>	<b>2,561</b>
<b>Less current liabilities</b>			
Accrued expenses		184	106
Other credit balances	2.6	2,444	1,574
<b>Total current liabilities</b>		<b>2,628</b>	<b>1,680</b>
<b>Net current assets</b>		<b>775</b>	<b>881</b>
<b>Net assets</b>		<b>2,021</b>	<b>2,715</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>2,021</b>	<b>2,715</b>

<sup>a</sup> The commercial bank account balance is presented separately and the comparative has been reclassified.

2.1 State Funding Account	Note	2014 €000	2013 €000
Balance at 1 January		2,715	4,803
Disbursements from the Vote			
Estimate provision	Account	30,108	
Surplus to be surrendered	Account	(1,362)	
Net vote		28,746	29,274
Expenditure (cash) borne elsewhere	1	4,728	4,260
Non cash expenditure – notional rent	1	2,637	2,382
Net programme cost	1	(36,805)	(38,004)
<b>Balance at 31 December</b>		<b>2,021</b>	<b>2,715</b>

**2.2 Capital Assets**

	Office and IT equipment €000	Furniture and fittings €000	Total €000
<b>Gross assets</b>			
Cost or valuation at 1 January 2014	35,137	3,630	38,767
Additions	601	21	622
Disposals	(273)	(11)	(284)
Cost or valuation at 31 December 2014	35,465	3,640	39,105
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2014	33,523	3,410	36,933
Depreciation for the year	1,160	50	1,210
Depreciation on disposals	(273)	(11)	(284)
Cumulative depreciation at 31 December 2014	34,410	3,449	37,859
<b>Net assets at 31 December 2014</b>	<b>1,055</b>	<b>191</b>	<b>1,246</b>
<b>Net assets at 31 December 2013</b>	<b>1,614</b>	<b>220</b>	<b>1,834</b>

**2.3 Bank and Cash**

	2014 €000	2013 €000
at 31 December		
PMG balances and cash	(353)	(181)
Commercial bank accounts	1,951	1,273
	1,598	1,092

The commercial bank account balance includes €91,000 in 2014 (2013: €366,000) in respect of a commercial bank account operated by Department of Justice and Equality – Financial Shared Services. Extra exchequer receipt balances are also included and the comparative figures have been adjusted accordingly.

**2.4 Stocks**

	2014 €000	2013 €000
at 31 December		
Stationery	140	97
Miscellaneous supplies	16	16
IT consumables	101	135
	257	248

**2.5 Other Debit Balances**

	2014 €000	2013 €000
at 31 December		
Payroll suspense account (Paypath)	355	—
Suspense	35	93
	390	93

<b>2.6 Other Credit Balances</b>	<b>2014</b>	<b>2013</b>
at 31 December	<b>€000</b>	<b>€000</b>

Amounts due to the State		
Income Tax	305	315
Retention Tax	1	1
Pay Related Social Insurance	137	141
Value Added Tax	24	9
Extra receipts payable to the Exchequer	1,860	907
	<u>2,327</u>	<u>1,373</u>
Payroll deductions held in suspense	85	169
Owed to OPW	32	32
	<u>2,444</u>	<u>1,574</u>

<b>2.7 Net Exchequer Funding Due</b>	<b>2014</b>	<b>2013</b>
at 31 December	<b>€000</b>	<b>€000</b>

Surplus to be surrendered	1,362	1,958
Exchequer grant undrawn	(1,818)	(2,347)
Net Exchequer funding due	<u>(456)</u>	<u>(389)</u>

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

Bank and cash	1,598	1,092
Debit balances: suspense	390	93
	<u>1,988</u>	<u>1,185</u>

**Creditors**

Due to State	(2,327)	(1,373)
Credit balances: suspense	(117)	(201)
	<u>(2,444)</u>	<u>(1,574)</u>
	<u>(456)</u>	<u>(389)</u>

<b>2.8 Commitments</b>	<b>2014</b>	<b>2013</b>
at 31 December	<b>€000</b>	<b>€000</b>

Total of legally enforceable commitments	266	3,014
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The Authority entered into an agreement in 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 both 2013 and 2014. In the context of the impending merger involving both organisations and Valuation Office (Note 6.2), the contract will be renewed on an annual basis pending the completion of the merger. As a result, no multi annual contractual commitment arises for this service at end December 2014.

**2.9 Matured Liabilities**

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

### 3 Programme Expenditure by Subhead

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>A</b>	<b>Manage the Land Registry and the Registry of Deeds</b>			
A.1	Administration - pay	23,773	23,082	24,025
A.2	Administration - non pay	7,314	6,841	6,525
		<u>31,087</u>	<u>29,923</u>	<u>30,550</u>

#### Significant variations

Overall, the gross expenditure in relation to the programme was €1.16 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
Salaries, wages and allowances	691	Expenditure on salaries, wages and allowances was lower as a result of a further reduction in staff numbers throughout 2014.
Post and telecom services	146	Expenditure on post and telecoms is reducing as a result of new telecommunications arrangements.
Office equipment and external IT services	309	Expenditure on external IT services was reduced as a result of the cessation of a large IT support contract.

## 4 Receipts

4.1 Appropriations-in-aid		2014		2013
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from pension-related deductions on public service remuneration	979	1,177	1,276

### 4.2 Extra receipts payable to the Exchequer

	2014	2013
	€000	€000
Opening balance at 1 January	907	820
Land Registry fees received	45,799	35,543
Registry of Deeds fees received	1,206	1,034
Ground Rents fees received	59	57
Paid over to Exchequer	(46,111)	(36,547)
Closing balance at 31 December	1,860	907

Fees are paid over to the Exchequer on a weekly basis. Fees in the amount of €1.4 million were paid to the Exchequer on 7 January 2015.

The increased level of fees received reflects increased activity in the property market, particularly in respect of transfer sales transactions. As a result, increased levels of applications for registration were lodged in the Land Registry in 2014.

## 5 Employee Numbers and Pay

	2014	2013
<b>Number of staff at year end</b> (full time equivalents)	502	518
	2014	2013
	€000	€000
Pay	21,628	22,500
Higher, special or additional duties allowance	14	12
Other allowances	81	83
Overtime	124	164
Employer's PRSI	1,235	1,266
<b>Total Pay</b>	<b>23,082</b>	<b>24,025</b>

### 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	2	1	11,002	11,506
Other allowances	35	—	7,718	7,870
Overtime	43	—	8,908	10,796

Certain individuals received extra remuneration in more than one category.

### 5.2 Overpayments arising due to delays in salary instructions

	2014	2013
	€000	€000
at 31 December		
Staff overpayments outstanding	178	30

## 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. Twenty three Section 120 compensation payments (2013: 19) were paid in 2014, the total costs of which are set out below.

#### Personal Injury Compensation

There were no personal injury claim payments in 2014.

	2014	2013
	€000	€000
Section 120 compensation costs	108	75
Personal injury compensation	—	76
Legal fees in relation to personal injury claims	—	49
	<u>108</u>	<u>200</u>

### 6.2 Merger

As part of the Public Service Reform Programme, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. As a result, a new organisation, to be called Tailte Éireann will be created. 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.

The establishment of the new entity requires primary legislation. To that end, on 22 January 2015, the Minister for Justice and Equality published the Heads and General Scheme of the Tailte Éireann Bill, which provides for the merger. Tailte Éireann will have responsibility for several important functions, including the State property registration system, the State mapping and surveying infrastructure, the State property valuation service and the development and maintenance of State geospatial information. The merger is not expected to have an impact on the carrying value of the Authority's assets or liabilities.