



Appropriation Account 2014

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 2014 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 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 €38.19 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Services Office for the provision of HR shared service.

I rely on a letter of assurance from the Accounting Officer for the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Department, see note 5.4.

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 with the amounts recorded in the appropriation account, a fixed asset working group was established in 2013 to address the issues raised and continued its work during 2014. The work of the Group is focused on updating the fixed asset registers to account for physical inventory, asset tracking and the formal retirement of obsolete assets no longer in use. It is envisaged that this group will continue with its work throughout 2015 and 2016. During 2014, physical inventories were conducted in three of the Department's 363 locations together with asset existence test in one other location. An electronic inventory of computers and periphery equipment began in late 2014 with a view to completion by end of 2015. The total value of the inventories including the existence test and excluding the electronic inventory was €1.8 million.

A new Debt and Receipts Accounting System (DRAS) was introduced in the Department in November 2014. The system allows for the automatic recording of debt recovered in local Department of Social Protection (DSP) offices.

Amounts received in local offices and not yet lodged to the DSP bank account represent cash on hand. At 31 December 2014, the recorded balance of cash on hand was €364,619. This balance was produced by way of automatic postings from the DRAS system to the Department general ledger. It was not centrally verified against local office records.

Arrangements are now in place that local offices make monthly returns of cash in hand for central reconciliation to the Department's general ledger.

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 ten contracts to the value of €1 million which were not subject to a competitive procurement process. These exceptions occurred for business continuity reasons.

The Department is taking remedial action in respect of all these contracts. In seven out of the 10 cases procurements have completed, two are now in train and in the final case the work is now being supported in-house. Details of all these contracts are included in the Department's annual 40/2002 return to the Department of Public Expenditure and Reform, and to the Comptroller and Auditor General.

Significant financial risks

The appropriation account records all the assets and liabilities of Vote 37 together with explanatory notes and balances allowing for financial risk assessment at 31 December 2014. There are no significant financial risks in respect of contingent assets or liabilities not disclosed in the account.

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

21 September 2015

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 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 her control, for the efficiency and economy of administration by her 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 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 Social Protection. The appropriation account is in agreement with the books of account.

Regularity of expenditure

Chapter 16 of my report on the accounts of the public services for 2014 relates to welfare payments in excess of entitlement included in the 2014 account for Vote 37. I consider the estimated level of irregular payment to be material.

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 2014.

Reporting on matters arising from audit

My report on the accounts of the public services for 2014 refers to certain other matters relating to Vote 37. Chapter 15 refers to the funding of the Social Insurance Fund. Chapter 17 refers to irregularities in school meal scheme payments.

Seamus McCarthy
Comptroller and Auditor General

22 September 2015

Vote 37 Social Protection

Appropriation Account 2014

	2014		2013
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
Social Assistance Schemes, Services, Administration and Payment to Social Insurance Fund			
Administration	479,140	470,372	472,373
Pensions	940,000	954,411	952,457
Working age – income supports	3,970,170	4,053,150	4,395,017
Working age – employment supports	1,065,380	1,025,378	985,053
Illness, disability and carers	1,961,760	2,041,232	1,934,757
Children	2,283,860	2,264,756	2,251,807
Supplementary payments, agencies and miscellaneous services	713,140	720,155	802,139
Subvention to the Social Insurance Fund	685,470	541,798	1,314,130
Gross expenditure	12,098,920	12,071,252	13,107,733
<i>Deduct</i>			
Appropriations-in-aid	242,020	252,543	250,003
Net expenditure	11,856,900	11,818,709	12,857,730

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	38,190,523	228,556,326

Analysis of administration expenditure

	2014		2013
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i. Salaries, wages and allowances	290,611	297,315	301,091
ii. Travel and subsistence	5,150	4,453	4,897
iii. Training and development and incidental expenses	11,815	4,745	4,456
iv. Postal and telecommunications services	20,500	19,195	20,137
v. Office equipment and external IT services	32,628	32,813	25,585
vi. Office premises expenses	35,965	32,839	31,462
vii. Consultancy services	1,508	1,327	1,145
viii. Payments for agency services	74,814	70,941	76,901
ix. eGovernment related projects	6,149	6,744	6,371
x. <i>EU Presidency</i>	—	—	328
	479,140	470,372	472,373

Notes to the Appropriation Account

1 Operating Cost Statement 2014

	2014	2013
	€000	€000
Programme cost	11,600,880	12,635,360
Pay	297,315	301,091
Non pay	173,057	171,282
Gross expenditure	12,071,252	13,107,733
<i>Deduct</i>		
Appropriations-in-aid	252,543	250,003
Net expenditure	11,818,709	12,857,730
Changes in capital assets		
Purchases cash	(12,878)	
Depreciation	11,758	
Loss on disposals	4	(2,339)
Changes in assets under development		
Cash payments	(5,179)	(3,744)
Changes in net current assets		
Decrease in closing accruals	(11,633)	
Decrease in stock	24	
	(11,609)	(423)
Direct expenditure	11,800,805	12,851,224
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	43,369	35,670
Notional rents	10,377	10,770
Net programme cost	11,854,551	12,897,664

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.

	2014	2013
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 30	—
Vote 12 Superannuation and Retired Allowances	e 31,959	24,922
Vote 13 Office of Public Works	e 11,262	10,743
Vote 20 Garda Síochána	e 91	—
Central Fund - Ministerial pensions	e 27	5
	<u>43,369</u>	<u>35,670</u>

"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
Capital assets	2.2	56,749	54,336
Capital assets under development	2.3	<u>20,163</u>	<u>15,705</u>
		76,912	70,041
Current assets			
Stocks	2.5	447	471
Prepayments		67,300	53,080
Social Insurance Fund suspense account ^a		228,862	205,660
Other debit balances	2.6	67,795	32,376
Net Exchequer funding due	2.8	<u>23,563</u>	<u>(6,531)</u>
Total current assets		387,967	285,056
Less current liabilities			
Bank and cash	2.4	300,828	219,350
Accrued expenses		71,874	69,287
Other credit balances	2.7	<u>19,392</u>	<u>12,155</u>
Total current liabilities		392,094	300,792
Net current liabilities		<u>(4,127)</u>	<u>(15,736)</u>
Net assets		<u>72,785</u>	<u>54,305</u>
Represented by:			
State funding account	2.1	<u>72,785</u>	<u>54,305</u>

^a 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	2014 €000	2013 €000
Balance at 1 January		54,305	47,712
Adjustment	2.3	576	87
Disbursements from the Vote			
Estimate provision	Account	11,856,900	
Surplus to be surrendered	Account	<u>(38,191)</u>	
Net Vote		11,818,709	12,857,730
Expenditure (cash) borne elsewhere	1	43,369	35,670
Non cash expenditure – notional rent	1	10,377	10,770
Net programme cost	1	<u>(11,854,551)</u>	<u>(12,897,664)</u>
Balance at 31 December		<u>72,785</u>	<u>54,305</u>

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2014	286,592	34,179	320,771
Additions	13,165	1,010	14,175
Disposals	(4,789)	(100)	(4,889)
Cost or valuation at 31 December 2014	294,968	35,089	330,057
Accumulated depreciation			
Opening balance at 1 January 2014	238,800	27,635	266,435
Depreciation for the year	10,254	1,504	11,758
Depreciation on disposals	(4,788)	(97)	(4,885)
Cumulative depreciation at 31 December 2014	244,266	29,042	273,308
Net assets at 31 December 2014	50,702	6,047	56,749
Net assets at 31 December 2013	47,792	6,544	54,336

2.3 Capital Assets under Development
at 31 December

	In-house computer applications €000
Amounts brought forward at 1 January 2014	15,705
Adjustment ^a	576
Cash payments for the year ^b	5,179
Transferred to asset register	(1,297)
Balance at 31 December 2014	20,163

^a Adjustment refers to accounting for cash payments in previous year not previously disclosed.

^b 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	2014	2013
	€000	€000
An Post balances	161,919	134,043
PMG balances	(476,506)	(388,568)
Commercial bank and cash	13,759	35,170
Orders outstanding	—	5
	<u>(300,828)</u>	<u>(219,350)</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 2014 the combined balance held by An Post in respect of Vote 37 and the SIF was €245,745,465. The combined corresponding balance at the end of 2013 was €243,576,310.

2.5 Stocks

at 31 December	2014	2013
	€000	€000
Stationery	402	453
IT consumables	45	18
	<u>447</u>	<u>471</u>

2.6 Other Debit Balances

at 31 December	2014	2013
	€000	€000
Advances to An Post for postage expenditure	1,209	933
Advances to OPW for office furniture, building and electrical work	1,218	4,315
Advances to Pobal	8,780	7,700
Scheme prepayments ^a	37,233	16,333
Other debit suspense	13,250	169
Due from Social Insurance Fund (SIF) in respect of SIF schemes	6,105	2,926
	<u>67,795</u>	<u>32,376</u>

^a At 31 December 2014 there were prepayments for Vote schemes of €37,232,786 of which €12,588,548 were made via An Post and €24,644,238 were made via bank electronic funds transfer. The increase in 2014 over 2013 is mainly due to prepayments made in respect of One-Parent Family Payment, Family Income Supplement and Carers Allowance.

2.7 Other Credit Balances

at 31 December	2014	2013
	€000	€000
Amounts due to the State		
Income Tax	2,731	2,739
Superannuation contributions	632	593
Pay Related Social Insurance	1,839	1,808
Interstat Value Added Tax	19	103
Professional Services Withholding Tax	439	377
Local Property Tax ^a	144	47
Extra Exchequer receipts	4	8
	<u>5,808</u>	<u>5,675</u>
Payroll deductions	2,875	2,776
Due to SIF in respect of Vote schemes	8,802	2,289
Other credit suspense items	1,907	1,415
	<u>19,392</u>	<u>12,155</u>

^a 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 Exchequer Funding due

at 31 December	2014	2013
	€000	€000
Surplus to be surrendered	38,191	228,556
Exchequer grant undrawn	(61,754)	(222,025)
Net Exchequer funding due	<u>(23,563)</u>	<u>6,531</u>

Represented by:**Debtors**

Debit balances: suspense	<u>296,657</u>	<u>238,036</u>
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Creditors

Banks and cash	(300,828)	(219,350)
Due to State	(5,808)	(5,675)
Credit balances: suspense	(13,584)	(6,480)
	<u>(320,220)</u>	<u>(231,505)</u>
	<u>(23,563)</u>	<u>6,531</u>

2.9 Commitments

at 31 December	2014	2013
	€000	€000

Total of legally enforceable commitments	43,038	33,844
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Multi-annual Capital Commitments

Project				2014	2013
	Expenditure	Expenditure	Subsequent	Total	Total
	to end 2013		years		
	€000	€000	€000	€000	€000
Public Services Card	10,055	6,303	11,439	27,797	27,797

Expenditure figures for 2014 and prior years relate only to future legally binding commitments for the Public Services Card. Expenditure to end of 2013 has been adjusted to reflect amounts not previously included that were identified during a review of expenditure.

2.10 Matured Liabilities

at 31 December	2014	2013
	€000	€000

Estimate of matured liabilities not discharged at year end	20	68
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3 Programme Expenditure by Subhead

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

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Administration				
A.1	Administration – pay	290,611	297,315	301,091
A.2	Administration – non pay	188,529	173,057	171,282
Pensions				
A.3	State Pension (Non-Contributory)	940,000	954,411	952,457
Working Age – Income Supports				
A.4	Jobseeker's Allowance	2,820,000	2,923,291	3,108,974
A.5	One-Parent Family Payment	863,000	867,307	977,960
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension	16,350	16,464	16,735
A.7	Deserted Wife's Allowance	2,300	2,504	2,876
A.8	Basic Supplementary Welfare Allowance Payments	109,600	85,347	108,315
A.9	Farm Assist	91,600	93,632	99,178
A.10	Pre-retirement Allowance	24,000	24,319	34,555
A.11	Other Working Age – income supports	43,320	40,286	46,424
Working Age - Employment Supports				
A.12	Community Employment Programme	357,500	359,474	341,250
A.13	Rural Social Scheme	45,000	43,762	44,203
A.14	Tús – Community Work Placement Scheme	120,100	116,052	92,060
A.15	Jobs Initiative	21,500	23,364	24,924
A.16	Community Services Programme	45,110	43,028	44,853
A.17	Back to Work Allowance	112,600	118,825	119,505
A.18	National Internship Scheme – JobBridge	82,250	76,030	67,688
A.19	Back To Education Allowance	182,900	162,450	186,879
A.20	Other Working Age – Employment Supports	98,420	82,393	63,691

		2014	2013
		Estimate provision	Outturn
		€000	€000
Illness, Disability And Carers			
A.21	Disability Allowance	1,162,960	1,238,310
A.22	Blind Pension	14,500	14,428
A.23	Carer's Allowance	557,200	559,325
A.24	Domiciliary Care Allowance	105,100	110,669
A.25	Respite Care Grant	122,000	118,500
Children			
A.26	Child Benefit	1,913,300	1,902,353
A.27	Family Income Supplement	281,700	297,907
A.28	Back-To-School Clothing And Footwear Allowance	46,300	42,452
A.29	School Meals Schemes	37,000	16,572
A.30	Other Child Related Payments	5,560	5,472
Supplementary Payments, Agencies and Miscellaneous Services			
A.31	Rent Supplement	344,100	338,203
A.32	Mortgage Interest Supplement	17,920	20,878
A.33	Household Benefits Package	88,460	88,481
A.34	Free Travel	77,000	75,487
A.35	Fuel Allowance	136,900	147,869
A.36	Grant to the Citizens Information Board	46,000	45,000
A.37	Office of the Pensions Ombudsman	1,080	935
A.38	Miscellaneous services	1,680	3,302
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	685,470	541,798
Total		12,098,920	12,071,252
			13,107,733

Significant variations

Overall, the expenditure was €27.67 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)	7,070	There were savings on advertising and staff training. This subhead also included a contingency provision for 2014 that was not required.
Jobseeker's Allowance (A.4)	(103,291)	Overspend was due to higher average recipients (285,030) than provided for in the estimate (272,000). This was due to a higher percentage of jobseekers receiving a payment as a percentage of the Live Register. €10.3 million of the overspend arose from a decision to pay a Christmas bonus.
Deserted Wife's Allowance (A.7)	(204)	The estimate provided for an average of 240 recipients to be paid each week. The outturn was an average of 260 recipients which accounted for €200,000 of the variance. The balance was accounted for by higher than expected payment values and a Christmas bonus payment.
Basic Supplementary Welfare Allowance Payments (A.8)	24,253	There were five main reasons for the underspend (i) €13.4 million was due to lower number of recipients. The estimate provided for an average of 21,000 recipients to be paid each week. The outturn was 19,550 recipients. (ii) €5.7 million was due to lower average payment values. The estimate assumed that weekly payment values would be €177.93, the outturn was €171.82. (iii) €5.4 million due to lower inter-scheme adjustments. The estimate provided for inter-scheme adjustments with other schemes of -€84.4 million, the outturn was -€89.8 million. (iv) €145,000 was due to recovery of overpayments netted off against gross expenditure. (v) This was offset by €166,000 the cost of paying Christmas bonus to SWA Basic recipients. The 2014 Estimate made no provision for the Christmas bonus.
Other Working Age – income supports (A.11)	3,034	The estimate provided for an average of 404,380 for Exceptional Needs and Other Supplements payments to be paid on a once off basis. The outturn was 388,304. The average combined payment value was €4 less than anticipated. These combined reductions amounted to €1.2 million and €1.7 million respectively. The balance reflects minor savings.
Jobs Initiative (A.15)	(1,864)	The estimate provided for an average of 1,070 recipients to be paid each week. The outturn was 1,055. The average weekly cost for recipient was €36.24 more than anticipated. The combined decrease/increase amounted to €1.7 million of the variance. The balance is attributed to variances on inter-scheme adjustments and the payment of a Christmas bonus.

Description	Less/(more) than provided €000	Explanation
Back to Work Allowance (A.17)	(6,225)	The estimate provided for an average of 10,900 recipients to be paid each week and the outturn was 11,022. The average weekly payments value was also €6.09 more than anticipated. The combined increases accounted for €1.26 million and €3.5 million respectively. The balance of the variance is attributed to the payment of a Christmas bonus of €600,000 and inter-scheme adjustments of €300,000.
National Internship Scheme – JobBridge (A.18)	6,220	The reason for the lower expenditure was lower recipient numbers. The estimate provided for an average of 6,740 recipients to be paid each week. The outturn was 6,165 recipients which accounted for an underspend of €7 million. This was offset by higher expenditure of €300,000 arising from higher average payment values and also €400,000 arising from the payment of a Christmas bonus.
Back To Education Allowance (A.19)	20,450	Underspend was due to the average number of recipients, 20,670, being lower than the estimate provision of 23,700.
Other Working Age – Employment Supports (A.20)	16,027	This subhead provides for a range of 16 mainly small Employment Support schemes. €12.9 million of the underspend was due to slower rollout of Gateway than provided for in the estimate. Gateway is a County and City Council work placement scheme designed to provide short-term working opportunities for unemployed people.
Disability Allowance (A.21)	(75,350)	There were five reasons for the overspend (i) €29 million due to higher recipient numbers. The estimate provided for 106,100 recipients while the outturn was 108,800. (ii) €12 million was due to higher average payment values. The estimate assumed that weekly payment values would be €202.37, the outturn was €204.46. (iii) €28.8 million was due to higher inter-scheme adjustments from other schemes. (iv) €5.7 million was due to payment of a Christmas bonus. The original 2014 REV estimate did not provide for a Christmas bonus. (v) Less €160,000 due to recovery of overpayments netted off against gross expenditure.
Domiciliary Care Allowance (A.24)	(5,569)	Overspend was mainly due to higher average recipients outturn of 26,220 compared to an estimate provision of 25,300.
Family Income Supplement (A.27)	(16,207)	Overspend was due to a combination of higher average payment values (€11.5 million) and higher recipient numbers (€4.5 million).
Back-To-School Clothing And Footwear Allowance (A.28)	3,848	Lower recipient numbers - €2.5 million. The estimate provided for 175,000 payments. The outturn was 165,600 payments. Lower average payment values - €1.4 million.

Description	Less/(more) than provided €000	Explanation
School Meals Schemes (A.29)	20,428	Prior to 2014, payments in respect of this scheme were made in advance of the calendar year in which the expenditure was incurred. Expenditure in 2014 was lower than provided for in the estimate because a provision for advance funding for 2015 was not made in 2014. The overall impact had no implications for the provision of the School Meals scheme in 2014 or 2015.
Mortgage Interest Supplement (A.32)	(2,958)	Overspend was mainly due to recipients outturn at an average of 6,150 compared to 5,500 provision in the estimate.
Fuel Allowance (A.35)	(10,969)	Higher recipients on Fuel Allowance of 284,200 compared to 258,900 provision in the estimate.
Office of the Pensions Ombudsman (A.37)	145	Underspend was due to a staff vacancy not being filled.
Miscellaneous services (A.38)	(1,622)	A token estimate was provided for ex-gratia payments to women from Magdalen Laundries and other Institutions.
Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005 (A.39)	143,672	Lower Exchequer Subvention to the Social Insurance Fund due to higher SIF income (€209.5 million) arising from higher PRSI receipts. This was offset by higher expenditure on SIF schemes (€65.8 million) due partly from the decision to pay a Christmas bonus (not provided for in the estimates) and higher recipients than provided for in the estimates on a range of schemes.

4 Receipts

4.1 Appropriations-in-aid

		2014		2013
		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	177,280	177,600
Appropriations-in-aid: Other				
2.	Recoveries of Social Assistance overpaid	23,500	36,336	31,377
3.	Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	9,500	7,309	10,515
4.	Receipts under "Liability to Maintain Family" provisions in Part 12 of the Social Welfare Act 2005	400	409	393
5.	Receipts from the General Register Office	500	487	558
6.	Receipts from European Social Fund for activation and participation of people with disabilities	1,200	—	14
7.	Receipts from pension-related deduction on public service remuneration	16,480	15,503	16,672
8.	Receipts from EURES European Job Mobility Fund	260	425	—
9.	Receipts from National Training Fund (Community Employment)	7,400	7,400	7,400
10.	Receipts from Pensions Board – staff superannuation	790	779	801
11.	Receipts from Department of Health – Drugs Task Force supports (Employment Programme)	1,080	1,028	1,095
12.	Homeless Unit operational costs – contributions from external agencies	200	366	163
13.	Miscellaneous	3,280	5,071	3,415
14.	Receipts from the European Commission for the Youth Guarantee Scheme	150	150	—
Total		242,020	252,543	250,003

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	(12,836)	The amount of overpayments related to Vote 37 schemes recovered by way of cash receipts has increased from €12.3 million in 2010 to €33 million in 2014. The 2014 revised estimate was prepared before the 2013 outturn was known, making it difficult to predict the significant increase in the level of recoveries in 2014.
Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance	2,191	Receipts under this heading tend to be variable and are difficult to predict.

Description	Less/(more) than provided €000	Explanation
Receipts from European Social Fund for activation and participation of people with disabilities	1,200	Expected ESF drawdown did not materialise in 2014. Claim for €3.6 million now expected in second half of 2015.
Receipts from pension-related deduction on public service remuneration	977	Lower pension-related deductions due to pay reductions under Haddington Road agreement that were not provided for in the estimate.
Receipts from EURES European Job Mobility Fund	(165)	This is a small item with receipts higher than estimate. It is difficult to accurately predict timing of these receipts.
Homeless Unit operational costs – contributions from external agencies	(166)	This is a small item with receipts higher than estimate. It is difficult to accurately predict timing of these receipts.
Miscellaneous	(1,791)	Mainly due to cancelled and out of date cheques. Receipts under this heading tend to be variable and are difficult to predict.

4.2 Extra receipts payable to the Exchequer

	2014 €000	2013 €000
Balance at 1 January	8	1
Conscience money	7	20
Witness expenses recovered	2	4
Pensions Authority fines	2	34
Transferred to Exchequer	(15)	(51)
Balance at 31 December	4	8

5 Employee Numbers and Pay

	2014	2013
Number of staff at year end (full time equivalents)		
Department	6,551	6,660
Agencies	120	129
	6,671	6,789

	2014	2013
Remuneration of All Staff (Department and agencies)	€000	€000
Pay	300,155	304,848
Higher, special or additional duties allowance	796	765
Other allowances	422	491
Overtime	3,018	3,881
Employer's PRSI	17,294	17,238
Total pay	321,685	327,223

5.1 Department staff only

The following remuneration arrangements refer to pay element Subheads A.1 (i), A.2 (viii), A.2 (ix), A.20 and A.37.

	2014	2013
	€000	€000
Pay	293,178	297,384
Higher, special or additional duties allowance	739	747
Other allowances	422	491
Overtime	3,016	3,880
Employer's PRSI	16,649	16,534
Total pay	314,004	319,036

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	441	18	18,589	19,585
Other allowances	61	17	13,806	13,806
Overtime	2,001	19	17,881	21,852

Certain individuals received extra remuneration in more than one category.

5.2 Agency

The remuneration referred to below relates to the Citizens Information Board, the Pensions Authority and the Pensions Ombudsman

	2014	2013
	€000	€000
Pay	6,977	7,464
Higher, special or additional duties allowance	57	18
Other allowances	—	—
Overtime	2	1
Employer's PRSI	645	704
Total pay	7,681	8,187

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	9	2	15,556	10,872
Other allowances	—	—	—	—
Overtime	5	—	971	235

5.3 Other Remuneration Arrangements

Redundancy payments of €28,512 were paid to eight staff under the Redundancy Payments Acts 1967 to 2007.

Two retired members of staff were re-employed in 2014; one by way of open competition and another in the public interest. They were paid salaries of €32,206 and €29,033 respectively. Pension abatement was applied.

5.4 Overpayments

Salary overpayments were €197,373 (73 cases) at 31 December 2013 and were €1,216,085 (756 cases) at 31 December 2014. The increase in salary overpayments arises from operational difficulties with our shared service provider PeoplePoint since the transfer of operational HR functions to PeoplePoint during February 2014.

6 Miscellaneous

6.1 Recovery of Overpayments

The summary position on assistance overpayments at 31 December 2014 was as follows:

	2014		2013	
		Outturn		Outturn
	€000	€000	€000	€000
Overpayments outstanding at 1 January		323,936		280,614
Net overpayments attributed to				
Fraud	45,045		53,927	
Claimant error	30,943		30,098	
Departmental error	3,146		3,488	
Estate cases	16,101		14,925	
		<u>95,235</u>		<u>102,438</u>
		419,171		383,052
Less:				
Amounts recovered ^a		(64,369)		(54,780)
Amounts written off as irrecoverable		<u>(8,597)</u>		<u>(4,336)</u>
Overpayments outstanding at 31 December		<u>346,205</u>		<u>323,936</u>

^a The amount recovered includes

- €36,335,988 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 (2013: €31,377,120). These amounts are accounted for under appropriations-in-aid.
- €28,033,299 withheld from assistance entitlements, which is accounted for as a reduction in scheme expenditure (2013: €23,402,882).

6.2 Compensation and Legal Costs

Legal costs paid during the year are categorised as follows:

	2014	2013
	€000	€000
Legal fees	668	407
Compensation costs	168	236
Magdalen Laundries	1,915	—
	2,751	643

Compensation and associated legal and miscellaneous costs totalling €63,763 were paid in thirteen cases of personal injury claims in respect of employees. The payments ranged from €32 to €33,007.

Payments totalling €158,973 and ranging from €1,206 to €97,289 in respect of legal expenses, damages and costs in eight instances were made in relation to personal injuries sustained on Departmental property and other cases.

Total payments of €160,339 were paid in legal costs ranging from €332 to €50,000 in respect of six cases taken against the Department. The cases related to amendment of the birth register (two cases), pension entitlements, refusal to marry in the State, theft of a client's file from a Departmental office and a breach of personal data (this last case involved a departmental employee).

Ex-gratia payments, loss of purchasing power payments and legal costs totalling €2,367,494 and ranging from €0.30 to €40,115 were made in respect of Carer's allowance, Jobseeker's allowance, Supplementary Welfare allowance basic payment, Rent Supplement, State Pension (Non-Contributory), Domiciliary Care allowance, Disability allowance, Family income supplement, Magdalen Laundries and other institutions and the Office of Pensions Ombudsman.

6.3 EU Funds

Funding of €2,504,296 was received from the EU Commission in respect of the Fund for European Aid to the Most Deprived (FEAD). FEAD supports countries in actions to provide material assistance to the most deprived.

A total of €589,895 in respect of the European Globalisation Fund (EGF) was received from the EU (administered by the Department of Education and Skills) for former TalkTalk employees. 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 €424,892 was received from the EU in respect of EURES (European Employment Services) to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member states by the Public Employment Service.

A total of €150,000 was received from the EU in respect of the Ballymun Youth Guarantee (BYG) Project. BYG is a project funded under an EU flagship initiative launched in September 2010, "Youth on the Move", that supports access to employment for unemployed persons between the ages of 18 and 24 years through access to career guidance, education, training programmes and work experience. This project is one of sixteen projects being run concurrently in various EU Member States.

Funding of €3,961 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 dealing with old age benefits.

6.4 Possible Misappropriation

There were two cases of possible misappropriation of public monies by employees with a current estimated value of €3,387. These possible misappropriations occurred in 2004 in one case, and 2012 in the other.

6.5 Late Payment Interest

	2014	2013
Total of interest payments due	€9,841	€21,117
Recipients of €10,000 or more	—	—

6.6 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

	2014	2013
	€m	€m
Vote 37 Gross Expenditure	12,071	13,108
<i>Less non scheme expenditure</i>		
Administration	(470)	(472)
SIF subvention	(542)	(1,314)
Grant to Citizens Information Board	(45)	(46)
Grant to Pensions Ombudsman	(1)	(1)
Miscellaneous services	(3)	(3)
Vote 37 scheme expenditure	11,010	11,272
SIF gross expenditure	8,771	8,949
<i>Less non scheme expenditure</i>		
Administration	(271)	(273)
National Training Levy	(338)	(317)
SIF scheme expenditure	8,162	8,359
Total Department scheme expenditure	19,172	19,631

Scheme Expenditure Breakdown		
	2014	2013
	€m	€m
Payments by Scheme and Category		
Pensions		
State Pensions	5,214	5,074
Widows'/Widowers'/Surviving Civil Partners' Pension	1,378	1,358
Bereavement Grant	4	20
Total	6,596	6,452
Working Age Income Supports		
Jobseeker's Allowance	2,923	3,109
One Parent Family Payment	867	978
Jobseeker's Benefit	420	560
Redundancy and Insolvency Benefit	88	148
Maternity Benefit	270	293
Basic Supplementary Welfare Allowance	85	108
Farm Assist	94	99
Deserted Wife's Benefit	79	80
Other Working Age - Income Supports	40	46
Pre-Retirement Allowance	24	35
Treatment Benefits	29	33
Widows'/Widowers'/Surviving Civil Partners' Pension (Non Contributory)	16	17
Deserted Wife's Allowance	3	3
Adoptive Benefit	1	1
Health and Safety Benefit	1	1
Total	4,940	5,511
Supplementary Payments		
Rent Supplement	338	373
Household Benefits Package	232	290
Fuel Allowance	218	229
Free Travel	75	75
Mortgage Interest Supplement	21	35
Total	884	1,002
Working Age Employment Supports		
Employment Programmes	359	341
Back to Education Allowance	163	187
Back to Work Allowance	119	119
TÚS Community Work Placement Scheme	116	92
National Internship Scheme - JobBridge	76	68
Other Working Age - Employment Supports	82	64
Community Services Programme	43	45
Rural Social Scheme	44	44
Jobs Initiative	23	25
Partial Capacity Benefit	10	7
Total	1,035	992

	2014	2013
	€m	€m
Illness, Disability and Carers		
Disability Allowance	1,238	1,141
Illness Benefit	626	649
Invalidity Pension	652	708
Carer's Payment	583	577
Respite Care Grant	118	120
Domiciliary Care Allowance	111	104
Disablement Benefit	77	76
Blind Pension	14	15
Injury Benefit	17	15
Total	3,436	3,405
Children		
Child Benefit	1,902	1,900
Family Income Supplement	298	262
Back to School Clothing and Footwear Allowance	42	48
School Meals	17	37
Child Related Payments	22	22
Total	2,281	2,269
Net Expenditure on all Schemes	19,172	19,631