



Appropriation Account 2014

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, 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 Central Statistics Office (CSO).

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 €1.97 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:

Depreciation

Some office equipment assets are being depreciated at 10%.

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 Office.

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

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 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 Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with relevant guidelines. The Office is compliant with the exception of four contracts to a total value of €194,277 which were listed in my annual return in respect of Circular 40/2002. Two of these contracts are placed with sole suppliers and it is intended to put tenders in place for the other two going forward.

Shared Services

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

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 HR Shared Services to this Office.

Internal Audit and Audit Committee

I confirm that the 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 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.

Pádraig Dalton

Accounting Officer
Central Statistics Office

30 March 2015

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

I have audited the appropriation account for Vote 4 Central Statistics 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 4 Central Statistics 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 Central Statistics Office. The appropriation account is in agreement with the books of account.

Seamus McCarthy
Comptroller and Auditor General

14 August 2015

Vote 4 Central Statistics Office

Appropriation Account 2014

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of annual statistical programme	41,520	39,472	40,329
	Gross expenditure	41,520	39,472	40,329
<i>Deduct</i>				
B	Appropriations-in-aid	1,943	1,866	3,308
	Net expenditure	39,577	37,606	37,021

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	1,971,466	2,737,115

Analysis of administration expenditure

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	31,276	30,684	31,521
ii	Travel and subsistence	889	932	986
iii	Training and development and incidental expenses	1,626	1,118	1,023
iv	Postal and telecommunications services	1,020	616	754
v	Office equipment and external IT services	3,908	3,977	3,447
vi	Office premises expenses	1,110	822	758
vii	Consultancy services and value for money and policy reviews	111	54	24
viii	Collection of statistics	1,580	1,269	1,816
		41,520	39,472	40,329

Notes to the Appropriation Account

1 Operating Cost Statement 2014

	2014	2013
	€000	€000
Pay	30,684	31,521
Non pay	8,788	8,808
Gross expenditure	39,472	40,329
<i>Deduct</i>		
Appropriations-in-aid	1,866	3,308
Net expenditure	37,606	37,021
Changes in capital assets		
Purchases cash	(742)	
Depreciation	3,714	
Loss on disposals	2	
	2,974	3,236
Changes in assets under development		
Cash payments	(1,281)	(1,441)
Changes in net current assets		
Decrease in closing accruals	(99)	
Increase in stock	(1)	
	(100)	14
Direct expenditure	39,199	38,830
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	6,162	5,746
Notional rents	1,395	1,345
Net programme cost	46,756	45,921

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 4 borne elsewhere.

	2014	2013
	€000	€000
Vote 9 Office of the Revenue Commissioners	1,746	1,802
Vote 12 Superannuation and Retired Allowances	3,576	3,025
Vote 13 Office of Public Works	840	919
	6,162	5,746

2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
Capital assets	2.2	10,608	12,688
Capital assets under development	2.3	1,436	1,026
		12,044	13,714
Current assets			
Stocks	2.5	82	81
Prepayments		970	904
Accrued income		348	311
Other debit balances	2.6	709	264
Net Exchequer funding due	2.8	898	760
Total current assets		3,007	2,320
Less current liabilities			
Bank and cash	2.4	655	130
Accrued expenses		196	169
Other credit balances	2.7	952	894
Total current liabilities		1,803	1,193
Net current assets		1,204	1,127
Net assets		13,248	14,841
Represented by:			
State funding account	2.1	13,248	14,841

2.1 State Funding Account	Note	2014 €000	2013 €000
Balance at 1 January		14,841	16,523
Adjustment		—	127
Disbursements from the Vote			
Estimate provision	Account	39,577	
Surplus to be surrendered	Account	(1,971)	
Net vote		37,606	37,021
Expenditure (cash) borne elsewhere	1	6,162	5,746
Non cash expenditure – notional rent	1	1,395	1,345
Net programme cost	1	(46,756)	(45,921)
Balance at 31 December		13,248	14,841

2.2 Capital Assets

	Land and buildings €000	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets				
Cost or valuation at 1 January 2014	34	59,414	3,445	62,893
Additions	—	1,636	—	1,636
Disposals	—	(2,239)	(3)	(2,242)
Cost or valuation at 31 December 2014	34	58,811	3,442	62,287
Accumulated depreciation				
Opening balance at 1 January 2014	34	47,013	3,158	50,205
Depreciation for the year	—	3,606	108	3,714
Depreciation on disposals	—	(2,238)	(2)	(2,240)
Cumulative depreciation at 31 December 2014	34	48,381	3,264	51,679
Net assets at 31 December 2014	—	10,430	178	10,608
Net assets at 31 December 2013	—	12,401	287	12,688

2.3 Capital Assets under Development

	In-house computer applications
at 31 December	2014 €000
Amounts brought forward at 1 January	1,026
Cash payments for the year	1,281
Transferred to asset register	(871)
Balance at 31 December	<u>1,436</u>

2.4 Bank and Cash

	2014 €000	2013 €000
at 31 December		
PMG balance	(688)	(145)
Commercial bank	32	14
Petty cash	1	1
	<u>(655)</u>	<u>(130)</u>

2.5 Stocks

	2014 €000	2013 €000
at 31 December		
Stationery	60	52
IT consumables	16	23
Publications	6	6
	<u>82</u>	<u>81</u>

2.6 Other Debit Balances	2014	2013
at 31 December	€000	€000
Recoupable salary costs	629	—
Recoupable travel costs	15	29
Recoupable travel pass scheme	25	23
Other debit suspense items	40	212
	<u>709</u>	<u>264</u>

2.7 Other Credit Balances	2014	2013
at 31 December	€000	€000
Amounts due to the State		
Income Tax	322	314
Pay Related Social Insurance	208	202
Professional Services Withholding Tax	27	1
Value Added Tax	20	16
Pension contributions	68	66
Universal Social Charge	120	120
	<u>765</u>	<u>719</u>
Payroll deductions held in suspense	175	172
Other credit suspense items	12	3
	<u>952</u>	<u>894</u>

2.8 Net Exchequer Funding Due	2014	2013
at 31 December	€000	€000
Surplus to be surrendered	1,971	2,737
Exchequer grant undrawn	(2,869)	(3,497)
Net Exchequer funding due	<u>(898)</u>	<u>(760)</u>

Represented by:**Debtors**

Debit balances: suspense	709	264
	<u>709</u>	<u>264</u>

Creditors

Bank and cash	(655)	(130)
Due to State	(765)	(719)
Credit balances: suspense	(187)	(175)
	<u>(1,607)</u>	<u>(1,024)</u>
	<u>(898)</u>	<u>(760)</u>

2.9 Commitments	2014	2013
at 31 December	€000	€000
Procurement subheads	12,215	5,120
	<u>12,215</u>	<u>5,120</u>

The increase in commitments at 31 December 2014 is due to the contract for the establishment of the processing environment for the Census of Population 2016.

3 Programme Expenditure by Subhead

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Delivery of annual statistical programme			
A.1	Administration - pay	31,276	30,684	31,521
A.2	Administration - non pay	10,244	8,788	8,808
		<u>41,520</u>	<u>39,472</u>	<u>40,329</u>

Significant variations

Overall, the expenditure in relation to the Programme was €2.05 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Training and development and incidental expenses	508	The saving arose because of continued tight control of all expenditure in the subhead during the year. Much of the Office's learning and development needs were met from in-house resources.
Postal and communications services	404	Savings continue to be made on telecommunications costs. All costs associated with postage were minimised during 2014 with fewer reminder letters issued.
Office premises expenses	288	The saving was due to lower than expected office premises costs in all three CSO premises during 2014.

4 Receipts

4.1 Appropriations-in-aid

	2014		2013
	Estimated	Realised	Realised
	€000	€000	€000
1. European Union receipts	130	118	535
2. Miscellaneous	122	138	1,016
3. Receipts from pension-related deductions on public service remuneration	1,691	1,610	1,757
Total	1,943	1,866	3,308

5 Employee Numbers and Pay

	2014	2013
Number of staff at year end (full time equivalents)	616	621
	2014	2013
	€000	€000
Pay	28,632	29,465
Higher, special or additional duties allowance	55	48
Other allowances	67	63
Overtime	69	81
Employer's PRSI	1,861	1,864
Total Pay	30,684	31,521

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	37	—	2,474	4,259
Overtime and extra attendance	15	2	14,256	13,106
Shift and roster allowances	9	—	8,318	8,318

Certain individuals received extra remuneration in more than one category.

5.2 Payroll Overpayments	2014	2013
	€000	€000
Overpayments in salaries outstanding due to delays in the receipt of salary instructions	53	9

All overpayments are expected to be recouped from the individuals to whom they were paid.

6 Miscellaneous

6.1 Support for statistical endeavour

A sum of €10,000 was paid from Subhead A2 (Training and development and incidental expenses) to University College Cork by way of funding for the Donal McCarthy Scholarship 2014-2015. Two recipients of the scholarship will undertake a CSO/official statistics project. In addition, the Office awarded prize money of €3,200 in 2014 as part of the fourth John Hooper Medal for Statistics Competition. This competition was open to senior cycle second level students.

6.2 EU Funding

During 2014 a total of €118,000 in appropriations-in-aid was received from the European Union in respect of four contracts for the provision of statistical information on industry and services to EUROSTAT. Most of the €118,000 was charged to subhead A1. The moneys from the EU are recouped on a percentage of agreed cost basis in respect of these contracts.

6.3 Research Collaboration

A sum of €30,000 was paid from Subhead A2 (Training and development and incidental expenses) by way of once-off contribution to costs where CSO and the Irish Centre for High End Computing (ICHEC) are co-operating and contributing in an international research collaboration led by the United Nations Commission for Europe (UNECE).

6.4 Legal costs

	2014	2013
	€000	€000
Legal costs paid during the year are categorised as follows:		
Legal fees	6	2
Compensation costs	—	1
	<u>6</u>	<u>3</u>

Legal fees include medical, engineer and investigator fees.

6.5 Contingent Liability

The Supreme Court decided in October 2014 that the Balance of Payments (BOP) Order 2005 was ultra vires the power of the Minister of State at the Department of the Taoiseach. The Order was quashed.

As costs follow the event, costs were awarded in both the High Court and the Supreme Court cases against the CSO. The Chief States Solicitors Office subsequently argued successfully for off-set of some of the High Court costs. The actual amount of these costs is uncertain, as bills for costs are awaited.