

Appropriation Account 2015

Vote 17

Public Appointments Service

Introduction

As Accounting Officer for Vote 17, 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 2015 for the salaries and expenses of the Public Appointments Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2015, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €195,848 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 Public Appointments Service.

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of the Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Public Appointments Service and the National Shared Service Office for the provision of payroll 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 payroll shared services to the Public Appointments Service.

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 Public Appointments Service
- 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 Public Appointments Service 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. Two exceptions, with a combined value of €151,544, arose during 2015. Both related to Oracle support and software licensing and have been reported under Circular 40/2002. These two exceptions arose because there was only a single suitable supplier available for the proprietary software.

Internal Audit and Audit Committee

I confirm that the Public Appointments Service 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 Public Appointments Service 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.

Fiona Tierney
Accounting Officer
Public Appointments Service

24 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

I have audited the appropriation account for Vote 17 Public Appointments Service for the year ended 31 December 2015 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 the Public Appointments Service 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 17 Public Appointments Service for the year ended 31 December 2015.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Public Appointments Service. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

10 May 2016

Vote 17 Public Appointments Service

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Civil and Public Service - Redeployment/Recruitment/Selection			
	<i>Original</i> 8,525			
	<i>Supplementary</i> 380			
		8,905	8,802	7,169
Gross expenditure				
	<i>Original</i> 8,525			
	<i>Supplementary</i> 380			
		8,905	8,802	7,169
	<i>Deduct</i>			
B	Appropriations-in-aid	321	414	337
Net expenditure				
	<i>Original</i> 8,204			
	<i>Supplementary</i> 380			
		8,584	8,388	6,832

Surplus for surrender

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

	2015	2014
	€	€
Surplus to be surrendered	195,848	154,866

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
€000		€000	€000	€000
i	Salaries, wages and allowances	5,789	5,218	4,437
ii	Travel and subsistence	45	86	55
iii	Training and development and incidental expenses			
	<i>Original</i>	60		
	<i>Supplementary</i>	50		
		110	281	174
iv	Postal and telecommunications services	120	109	117
v	Office equipment and external IT services	850	748	847
vi	Office premises expenses	260	184	215
vii	Recruitment costs – research and corporate governance	35	56	13
viii	Recruitment costs – advertising and testing	856	1,023	761
ix	Recruitment costs – interview boards			
	<i>Original</i>	510		
	<i>Supplementary</i>	330		
		840	1,097	550
		8,905	8,802	7,169

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	2015	2014
	€000	€000
Pay	5,218	4,437
Non pay	3,584	2,732
Gross expenditure	8,802	7,169
<i>Deduct</i>		
Appropriations-in-aid	414	337
Net expenditure	8,388	6,832
Changes in capital assets		
Purchases cash	(144)	
Depreciation	456	
	312	391
Changes in net current assets		
Increase in closing accruals	76	
Decrease in stock	5	
	81	(204)
Direct expenditure	8,781	7,019
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	3,186	3,130
Net programme cost	11,967	10,149

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 17 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Finance	e —	21
Vote 9 Office of the Revenue Commissioners	e 45	45
Vote 12 Superannuation and Retired Allowances	e 898	905
Vote 13 Office of Public Works	e 2,232	2,154
Vote 18 Shared Services	11	5
	<u>3,186</u>	<u>3,130</u>

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

2 Balance Sheet as at 31 December 2015

		2015	2014
	Note	€000	€000
Capital assets	2.2	1,170	1,482
Current assets			
Bank and cash	2.3	129	79
Stocks	2.4	147	152
Prepayments		339	358
Accrued income		50	112
Other debit balances	2.5	81	116
Net Exchequer funding due	2.6	38	(40)
Total current assets		784	777
Less current liabilities			
Accrued expenses		87	92
Other credit balances	2.7	248	155
Total current liabilities		335	247
Net current assets		449	530
Net assets		1,619	2,012
Represented by:			
State funding account	2.1	1,619	2,012

2.1 State Funding Account	Note	2015	2014
		€000	€000
Balance at 1 January		2,012	2,199
Disbursements from the Vote			
Estimate provision	Account	8,584	
Surplus to be surrendered	Account	(196)	
Net vote		8,388	6,832
Expenditure (cash) borne elsewhere	1.1	954	976
Non cash expenditure – notional rent	1.1	2,232	2,154
Net programme cost	1	(11,967)	(10,149)
Balance at 31 December		1,619	2,012

2.2 Capital Assets

	Office and IT equipment €000	Furniture and fittings €000	Building Improvement €000	Total €000
Gross assets				
Cost or valuation at 1 January 2015	8,576	653	692	9,921
Additions	130	14	—	144
Disposals	(107)	—	(1)	(108)
Cost or valuation at 31 December 2015	8,599	667	691	9,957
Accumulated depreciation				
Opening balance at 1 January 2015	7,153	594	692	8,439
Depreciation for the year	440	16	—	456
Depreciation on disposals	(107)	—	(1)	(108)
Cumulative depreciation at 31 December 2015	7,486	610	691	8,787
Net assets at 31 December 2015	1,113	57	—	1,170
Net assets at 31 December 2014	1,423	59	—	1,482

2.3 Bank and Cash

at 31 December

	2015 €000	2014 €000
PMG balance	119	35
Commercial bank account balance	10	43
Petty cash	—	1
	129	79

2.4 Stocks

at 31 December

	2015 €000	2014 €000
Test materials	125	129
IT consumables/stationery	22	23
	147	152

2.5 Other Debit Balances

at 31 December

	2015 €000	2014 €000
Salary suspense	20	92
Advances to OPW	11	—
Recoupable travel pass scheme	48	23
Other debit balance suspense items	2	1
	81	116

2.6 Net Liability to the Exchequer

	2015	2014
at 31 December	€000	€000
Surplus to be surrendered	196	155
Exchequer grant undrawn	(234)	(115)
Net liability from the Exchequer	<u>(38)</u>	<u>40</u>

Represented by:**Debtors**

Bank and cash	129	79
Debit balances - suspense	81	116
	<u>210</u>	<u>195</u>

Creditors

Due to State	(236)	(154)
Credit balances suspense	(12)	(1)
	<u>(38)</u>	<u>40</u>

2.7 Other Credit Balances

	2015	2014
at 31 December	€000	€000

Amounts due to the State

Income Tax	148	92
Pay Related Social Insurance	65	39
Local Property Tax	1	1
Professional Services Withholding Tax	7	7
Value Added Tax	15	15
	<u>236</u>	<u>154</u>
Credit balances - suspense	12	1
	<u>248</u>	<u>155</u>

2.8 Commitments

	2015	2014
at 31 December	€000	€000

Total of legally enforceable commitments	112	103
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3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Civil and Public Service- Redeployment/Recruitment/Selection			
A.1	Administration - pay		5,789	5,218
A.2	Administration - non pay			4,437
	Original	2,736		
	Supplementary	380	3,116	3,584
			8,905	8,802
				7,169

Explanation of significant variations

Overall, the expenditure in relation to Programme A was €103,000 lower than provided. This was mainly due to the following:

Description	Less/(more) than estimated €000	Explanation
Administration pay	571	The higher activity level required the reallocation of available funds from pay to non pay and as a consequence certain planned additions were deferred into 2016
Administration-non pay	(468)	The Public Appointments Service's core recruitment activities are demand led and in 2015 it experienced a significantly higher than anticipated level of demand across all of its work areas leading to an outturn 30% greater than the original estimate. The office's planning systems allowed it to anticipate the over spend and as a consequence certain additional new staff hires were deferred into 2016. The resulting surplus in its staff costs was then used to offset the deficit in recruitment costs thereby allowing for a supplementary estimate that, at €380,000 was less than the absolute amount of the recruitment overspend.

4 Receipts

4.1 Appropriations-in-aid	2015		2014
	Estimated €000	Realised €000	Realised €000
1. Miscellaneous	25	131	89
2. Receipts from pension-related deductions on public service remuneration	296	283	248
	321	414	337

Explanation of significant variations

An explanation is provided 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 estimated €000	Explanation
Miscellaneous	(106)	Receipts due in 2014 in relation to reimbursements of certain expenses by clients were received in 2015 and as such were treated as appropriation in aid

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	113	92
	2015	2014
	€000	€000
Pay	4,728	4,031
Higher, special or additional duties allowance	43	69
Overtime	81	57
Employer's PRSI	366	280
Total Pay	5,218	4,437

The staff compliment, at full time equivalent, as per the revised estimates was 107 while the outturn was 113. The Expenditure Control Framework did not apply in 2015, having been removed in that year's budget and subsequently replaced by delegated sanction allowing for staffing adjustments up to and including principal officer level within the estimate provided.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	11	—	1,898	6,339
Other allowances	10	—	8,320	7,626
Overtime and extra attendance	81	2	11,567	10,220
No of individuals who received extra remuneration in more than one category	13	2	14,779	16,558

5.2 Other Remuneration Arrangements

A total of €26,291 was paid as fees to four members of the Board of Public Appointments Service in 2015 (2014: €26,291).

5.3 Payroll overpayments

Overpayments at the year end were €2,775 (1 case) (2014 €1,037, 2 cases). Of this €2,775 have recovery plans in place.

6 Miscellaneous

6.1 Legal costs

					2015	2014
	Number of cases	Legal costs paid by the Service €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
Claims by members of the public						
<i>Injunction proceedings in relation to the constitution of an interview panel.</i>	1	—	21	—	21	2

