

Appropriation Account 2015

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2015 for the salaries and expenses of the Department of the Taoiseach, including certain services administered by the Department and for payment of grants.

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 €4.64 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

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

Shared Services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Department of the Taoiseach and the Financial Shared Services Centre Killarney for the provision of financial shared services. A Service Management Agreement between the Department of the Taoiseach and the National Shared Service Office for the provision of human resource services and payroll services is currently under discussion, with a draft agreement close to finalisation. I rely on a letter of assurance from the relevant Accounting Officers of those Votes that the appropriate controls are exercised in the provision of shared services to the Department of the Taoiseach.

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

Financial control environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of four contracts to the value of €434,391 which were listed in my annual return in respect of Circular 40/2002. Two of these contracts, with a value of €249,946, were included because they were rolled over from a previous year. In addition, one of these contracts with a value of €68,968 relates to communications technology. The remaining contract, with a value of €115,477 was awarded without a competitive tender. However, a detailed inter-departmental cost benefit analysis was performed to ensure the proposed contract award represented good value for money.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Martin Fraser
Accounting Officer
Department of the Taoiseach

21 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 2 Department of the Taoiseach

I have audited the appropriation account for Vote 2 Department of the Taoiseach 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 his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 2 Department of the Taoiseach 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 Department of the Taoiseach. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

17 June 2016

Vote 2 Department of the Taoiseach Appropriation Account 2015

		2015	2014
		Estimate provision	Outturn
		€000	€000
Programme expenditure			
A	Supporting the work of the Taoiseach and Government	27,892	20,835
	Gross expenditure	27,892	20,835
	<i>Deduct</i>		
B	Appropriations-in-aid	870	935
	Net expenditure	27,022	19,900

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	4,643,451	1,522,914

Analysis of administration expenditure

		2015	2014
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	12,336	11,238
ii	Travel and subsistence	535	404
iii	Training and development and incidental expenses	1,072	547
iv	Postal and telecommunications services	360	296
v	Office equipment and external IT services	1,160	731
vi	Office premises expenses	316	315
vii	Consultancy services and value for money and policy reviews	18	15
		15,797	13,546

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	2015		2014
	€000	€000	€000
Programme cost		8,811	7,289
Pay		12,012	11,238
Non pay		2,465	2,308
Gross expenditure		23,288	20,835
<i>Deduct</i>			
Appropriations-in-aid		909	935
Net expenditure		22,379	19,900
Changes in capital assets			
Purchases cash	(109)		
Depreciation	110		
		1	1
Changes in net current assets			
Increase in closing accruals	140		
Decrease in stock	(3)		
		137	(294)
Direct expenditure		22,517	19,607
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,161	4,047
Notional rents		1,395	1,395
Net programme cost		28,073	25,049

1.1 Net Allied Services Expenditure

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

		2015	2014
		€000	€000
Vote 12 Superannuation and Retired Allowances	e	2,648	2,663
Vote 13 Office of Public Works	e	514	537
Vote 18 Shared Services	e	14	—
Vote 20 Garda Síochána		256	179
Vote 24 Justice and Equality	e	63	117
Vote 36 Defence	e	72	58
Central Fund: Taoisigh and Ministerial pensions	e	594	493
		4,161	4,047

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

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	342	343
Current assets			
Bank and cash	2.3	574	1,173
Stocks	2.4	95	92
Prepayments		333	247
Other debit balances	2.5	273	288
Total current assets		1,275	1,800
Less current liabilities			
Accrued expenses		314	88
Other credit balances	2.6	654	391
Net liability to the Exchequer	2.7	193	1,070
Total current liabilities		1,161	1,549
Net current assets		114	251
Net assets		456	594
Represented by:			
State funding account	2.1	456	594

2.1 State Funding Account	Note	2015 €000	2014 €000
Balance at 1 January		594	301
Disbursements from the Vote			
Estimate provision	Account	27,022	
Surplus to be surrendered	Account	(4,643)	
Net vote		22,379	19,900
Expenditure (cash) borne elsewhere	1	4,161	4,047
Non cash expenditure – notional rent	1	1,395	1,395
Net programme cost	1	(28,073)	(25,049)
Balance at 31 December		456	594

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2015	2,226	586	2,812
Additions	105	4	109
Disposals	(97)	—	(97)
Cost or valuation at 31 December 2015	2,234	590	2,824
Accumulated depreciation			
Opening balance at 1 January 2015	1,980	489	2,469
Depreciation for the year	89	21	110
Depreciation on disposals	(97)	—	(97)
Cumulative depreciation at 31 December 2015	1,972	510	2,482
Net assets at 31 December 2015	262	80	342
Net assets at 31 December 2014	246	97	343

2.3 Bank and Cash

	2015 €000	2014 €000
at 31 December		
PMG balances and cash	528	1,149
Commercial bank accounts	46	24
	574	1,173

2.4 Stocks

	2015 €000	2014 €000
at 31 December		
Gifts	11	10
Stationery	38	34
Publications	41	41
Consumables, etc.	5	7
	95	92

2.5 Other Debit Balances

	2015 €000	2014 €000
at 31 December		
OPW suspense account	148	—
Payroll suspense account	25	209
Recoupment of travel pass scheme	64	74
Other	36	5
	273	288

2.6 Other Credit Balances	2015	2014
at 31 December	€000	€000

Amounts due to the State

Income Tax	331	219
Pay Related Social Insurance	115	76
Value Added Tax	24	5
Professional Services Withholding Tax	90	18
Pensions suspense	—	4
	<hr/> 560	<hr/> 322
Payroll deductions held in suspense	93	68
Other	1	1
	<hr/> 654	<hr/> 391

2.7 Net Liability to the Exchequer	2015	2014
at 31 December	€000	€000

Surplus to be surrendered	4,643	1,523
Exchequer grant undrawn	(4,450)	(453)
Net liability to the Exchequer	<hr/> 193	<hr/> 1,070

Represented by:

Debtors

Bank and cash	574	1,173
Debit balances: suspense	273	288
	<hr/> 847	<hr/> 1,461

Creditors

Due to State	(560)	(322)
Credit balances: suspense	(94)	(69)
	<hr/> (654)	<hr/> (391)
	<hr/> 193	<hr/> 1,070

2.8 Commitments	2015	2014
at 31 December	€000	€000

Total of legally enforceable commitments	222	45
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2.9 Matured Liabilities

There were no matured liabilities undischarged at year end 2015 or in the previous year.

3 Programme Expenditure by Subhead

		2015	2014
		Estimate provision	Outturn
		€000	€000
A	Supporting the work of the Taoiseach and Government		
A.1	Administration – pay	12,336	11,238
A.2	Administration – non pay	3,461	2,308
A.3	National Economic and Social Council	1,990	1,807
A.4	Tribunal of inquiry	4,755	3,697
A.5	EU engagement	250	236
A.6	Irish personnel in EU and international institutions	1,600	644
A.7	Commission of investigation	2,000	578
A.8	Data protection	500	—
A.9	Diaspora affairs	1,000	—
—	<i>Constitutional Convention</i>	—	327
		27,892	20,835

Significant variations

Overall, the gross expenditure in relation to the programme was €4.6 million lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – non pay	996	Variance primarily due to underspend in subhead (iii) due to deferral of cross departmental communications project and subhead (v) due to the deferral of a build to share correspondence tracking project (€200,000) and of hardware and licensing upgrades of €100,000 to 2016.
Tribunals of inquiry	1,842	Variance was due to the number of legal cost claims settled in 2015 being lower than expected.
Irish personnel in EU and international institutions	418	Variance due to a delay in the uptake of sanctioned secondment posts. The scheme significantly scaled up in 2015 (from 11 posts at the end of 2014 to 19 posts at the end of 2015).
Commissions of investigation	363	Some aspects of the Fennelly Commission's requirements were lower than originally anticipated (mainly in relation to legal fees, witness expenses/travel and subsistence and stenography). There were also changes in the Commission's staffing requirements.
Data protection	337	In October 2014, responsibility for the data protection function transferred to this Department to ensure a whole of government approach to data protection issues. The 2015 budget was based on a full year of activity in this subhead. The variance is due to the fact that the office was in a start-up situation in 2015 with associated structures and supports not becoming fully operational until later in the year.

Description	Less/ (more) than provided	Explanation
	€000	
Diaspora affairs	305	Variation was mostly due to the fact that the policy framework for diaspora initiatives was only in place from March 2015 (Global Irish: Ireland's Diaspora Policy) which reduced the lead time for planning initiatives to be delivered during the course of 2015.

4 Receipts

4.1 Appropriations-in-aid

		2015		2014
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	58	55	128
2.	Receipts from pension-related deductions on public service remuneration	812	854	807
Total		870	909	935

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	217	214
	2015	2014
	€000	€000
Pay	12,787	12,263
Higher, special or additional duties allowance	310	341
Overtime and extra attendance	340	365
Employer's PRSI	848	803
Total pay	14,285	13,772

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

The 2015 figures in the table above include core staff from the Department (191), Data Protection (2), Diaspora Affairs (2), National Economic and Social Council (NESC) (18), the Fennelly Commission (1), the Commission of Investigation (IBRC) (2), Moriarty Tribunal (1).

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

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2015 €	Maximum individual payment 2014 €
Higher, special or additional duties	40	14	21,406	20,614
Overtime and extra attendance	70	10	23,596	21,737
Number of individuals who received extra remuneration in more than one category	16	13	24,668	22,629

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

5.2 Other Remuneration Arrangements

Ex-gratia payment of €30,977 (2014: €29,698) was made in respect of agreed retired benefit to one former employee.

5.3 Payroll Overpayments

Overpayments at the year end were €18,793 (11 cases) (2014 €13,080, 22 cases). Of this, €12,826 (4 cases) have recovery plans in place.

6 Miscellaneous

6.1 Commissions and Inquiries

Commission, Committee or Special Inquiry

	Year of appointment	2015 €000	2014 €000	Total Expenditure to end 2015 €000
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	1997	2,856	3,697	53,656
Tribunal of Inquiry (Dunnes Payments)	1997	57	—	6,712
Commission of Investigation (Fennelly Commission)	2014	1,160	578	1,731
Commission of Investigation (Cregan Commission)	2015	477	—	477

Cumulative expenditure for the Tribunal of Inquiry (payments to Messrs Haughey and Lowry) to the end of December 2015 was €53.6 million. There will be further payments associated with this Tribunal of Inquiry. Final costs cannot be determined at this point.

Cumulative expenditure for the Tribunal of Inquiry (Dunnes Payments) to the end of December 2015 was €6.7 million. One payment was made in 2015 in respect of a third party costs claim which arose for payment in that year. It seems unlikely that any further third party claims will arise for payment given the passage of time since the Tribunal reported.

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

The Commission of Investigation (Cregan) relates to Irish Banking Resolution Corporation and was established in 2015.

6.2 Official Gifts

The account includes the sum of €5,492 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2015 (2014: €3,028).