

Appropriation Account 2015

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Vote 23, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2015 for the salaries and expenses of the Property Registration Authority.

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

A surplus of €1.51 million is liable for surrender to the Exchequer.

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

Statement of Accounting Policies and Principles

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

Statement of capital assets – depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Financial control environment

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

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Authority
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Authority ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Authority complied with the guidelines with the exception of 7 contracts to the value of €3.6 million which were listed in my annual return in respect of Circular 40/2002. Of this amount, one contract in the amount of €3 million relates to payments to Ordnance Survey Ireland, the national mapping agency. Of the remainder, three contracts to the value of €370,000 relate to services available from one source only while a further three contracts to the value of €228,000 are in respect of extensions of existing contracts.

Shared services

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

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

Internal Audit and Audit Committee

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

Frank Treacy

Chief Executive Officer
Property Registration Authority

31 March 2016

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 23 Property Registration Authority

I have audited the appropriation account for Vote 23 Property Registration Authority for the year ended 31 December 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 his control, for the efficiency and economy of administration in the Authority and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

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

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

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

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

Scope of audit

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

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

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 23 Property Registration Authority for the year ended 31 December 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 Property Registration Authority. The appropriation account is in agreement with the accounting records.

Seamus McCarthy

Comptroller and Auditor General

4 July 2016

Vote 23 Property Registration Authority

Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the Land Registry and the Registry of Deeds	31,287	29,924	29,923
	Gross expenditure	31,287	29,924	29,923
<i>Deduct</i>				
B	Appropriations-in-aid	976	1,125	1,177
	Net expenditure	30,311	28,799	28,746

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	1,511,824	1,361,979

Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	23,973	23,133	23,082
ii	Travel and subsistence	110	117	106
iii	Training and development and incidental expenses	4,100	3,956	4,079
iv	Postal and telecommunications services	800	668	654
v	Office equipment and external IT services	1,817	1,509	1,508
vi	Office premises expenses	462	531	469
vii	Consultancy services and value for money and policy reviews	25	10	25
		31,287	29,924	29,923

Notes to the Appropriation Account

1 Operating Cost Statement 2015

	2015	2014
	€000	€000
Pay	23,133	23,082
Non pay	6,791	6,841
Gross expenditure	29,924	29,923
<i>Deduct</i>		
Appropriations-in-aid	1,125	1,177
Net expenditure	28,799	28,746
Changes in capital assets		
Purchases cash	(494)	
Depreciation	542	
Loss on disposals	3	
	51	588
Changes in net current assets		
Increase in closing accruals	77	
Decrease in stock	36	
	113	106
Direct expenditure	28,963	29,440
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,770	4,728
Notional rents	2,732	2,637
Net programme cost	36,465	36,805

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 23 borne elsewhere.

	2015	2014
	€000	€000
Vote 12 Superannuation and Retired Allowances	e 3,899	3,624
Vote 13 Office of Public Works	e 713	788
Vote 18 Shared Services	e 35	—
Vote 24 Justice and Equality - Financial Shared Services Centre	e 123	316
	4,770	4,728

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

2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
Capital assets	2.2	1,195	1,246
Current assets			
Bank and cash	2.3	1,770	1,598
Stocks	2.4	221	257
Prepayments		538	702
Accrued Income		32	—
Other debit balances	2.5	162	390
Net funding due from Exchequer	2.7	—	456
Total current assets		2,723	3,403
Less current liabilities			
Accrued expenses		129	184
Other credit balances	2.6	1,841	2,444
Net funding due to Exchequer	2.7	91	—
Total current liabilities		2,061	2,628
Net current assets		662	775
Net assets		1,857	2,021
Represented by:			
State funding account	2.1	1,857	2,021

2.1 State Funding Account	Note	2015 €000	2014 €000
Balance at 1 January		2,021	2,715
Disbursements from the Vote			
Estimate provision	Account	30,311	
Surplus to be surrendered	Account	(1,512)	
Net vote		28,799	28,746
Expenditure (cash) borne elsewhere	1	4,770	4,728
Non cash expenditure – notional rent	1	2,732	2,637
Net programme cost	1	(36,465)	(36,805)
Balance at 31 December		1,857	2,021

2.2 Capital Assets

	Office and IT equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2015	35,465	3,640	39,105
Additions	435	59	494
Disposals	(296)	(32)	(328)
Write-off of software costs	(992)	—	(992)
Cost or valuation at 31 December 2015	34,612	3,667	38,279
Accumulated depreciation			
Opening depreciation as at 1 January 2015	34,410	3,449	37,859
Depreciation for the year	494	48	542
Depreciation on disposals	(295)	(30)	(325)
Depreciation on written-off software costs	(992)	—	(992)
Cumulative depreciation at 31 December 2015	33,617	3,467	37,084
Net assets at 31 December 2015	995	200	1,195
Net assets at 31 December 2014	1,055	191	1,246

2.3 Bank and Cash

	2015 €000	2014 €000
at 31 December		
PMG balances and cash	682	(353)
Commercial bank accounts	1,088	1,951
	1,770	1,598

2.4 Stocks

	2015 €000	2014 €000
at 31 December		
Stationery	121	140
Miscellaneous supplies	18	16
IT consumables	82	101
	221	257

2.5 Other Debit Balances	2015	2014
at 31 December	€000	€000
Payroll suspense account (Paypath)	96	355
Suspense	39	35
Advances to OPW	27	—
	<u>162</u>	<u>390</u>

a) Debt Write-Offs and Provisions

There were no bad debts written off in 2015.

2.6 Other Credit Balances	2015	2014
at 31 December	€000	€000
Amounts due to the State		
Income Tax	414	305
Retention Tax	2	1
Pay Related Social Insurance	177	137
Value Added Tax	30	24
Extra receipts payable to the Exchequer	<u>1,088</u>	<u>1,860</u>
	1,711	2,327
Payroll deductions held in suspense	130	85
Owed to OPW	<u>—</u>	<u>32</u>
	<u>1,841</u>	<u>2,444</u>

2.7 Net funding due to Exchequer	2015	2014
at 31 December	€000	€000
Surplus to be surrendered	1,512	1,362
Exchequer grant undrawn	<u>(1,421)</u>	<u>(1,818)</u>
Net funding due to Exchequer	<u>91</u>	<u>(456)</u>

Represented by:**Debtors**

Bank and cash	1,770	1,598
Debit balances: suspense	<u>162</u>	<u>390</u>
	1,932	1,988

Creditors

Due to State	(1,711)	(2,327)
Credit balances: suspense	<u>(130)</u>	<u>(117)</u>
	(1,841)	(2,444)
	<u>91</u>	<u>(456)</u>

2.8 Commitments	2015	2014
at 31 December	€000	€000
Total of legally enforceable commitments	212	266

The Authority entered into an agreement in 2012 with Ordnance Survey Ireland, the national mapping agency, as a sole supplier for the provision of mapping data. Under the agreement, the Authority made payments of €3.4 million in 2012 and €3 million in both 2013 and 2014. In the context of the impending merger involving both organisations and Valuation Office (Note 6.4), the contract will be renewed on an annual basis pending the completion of the merger. As a result, no multi annual contractual commitment arises for this service at end December 2015.

2.9 Matured Liabilities

There were matured liabilities in the amount of €5,987 undischarged at the year-end 2015 (2014:Nil).

3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Manage the Land Registry and the Registry of Deeds			
A.1	Administration - pay	23,973	23,133	23,082
A.2	Administration - non pay	7,314	6,791	6,841
		31,287	29,924	29,923

Significant variations

Overall, the gross expenditure in relation to the programme was €1.5 million lower than provided. This was mainly due to the following:

Description	Less/(more) than provided €000	Explanation
A.1 Salaries, wages and allowances	840	Expenditure on salaries, wages and allowances was lower as a result of staff levels being consistently below ECF levels throughout the year.
A.2 Administration – non pay	523	Expenditure on a number of non-pay subheads reduced as a result of the achievement of efficiencies. Expenditure on post and telecoms is reduced as a result of ongoing refinement of postal and telecommunications arrangements. In addition, in 2015 €0.2 million of the ICT capital allocation was unused. The ability of the Authority to undertake ICT projects is dependent on the availability of a small number of key ICT personnel to implement projects.

4 Receipts

4.1 Appropriations-in-aid	2015		2014
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from pension-related deductions on public service remuneration	976	1,125	1,177

Significant variations

Description	Less/(more) than provided	Explanation
	€000	
B. Appropriations- in- aid	149	This relates to pension levy which is difficult to predict.

4.2 Extra receipts payable to the Exchequer

	2015	2014
	€000	€000
Opening balance at 1 January	1,860	907
Land Registry fees	55,761	45,799
Registry of Deeds fees	1,520	1,206
Ground rent fees received	69	59
Paid over to Exchequer	(58,122)	(46,111)
Closing balance at 31 December	1,088	1,860

The increased level of fees received reflects increased activity in the property market, particularly in respect of transfer sales transactions. As a result, increased levels of applications for registration were lodged in the Land Registry in 2015.

5 Employee Numbers and Pay

	2015	2014
Number of staff at year end (full time equivalents)	487	502
	2015	2014
	€000	€000
Pay	21,527	21,628
Higher, special or additional duties allowance	23	14
Other allowances	78	81
Overtime	247	124
Employer's PRSI	1,258	1,235
Total Pay	23,133	23,082

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	2	1	16,538	11,002
Other allowances	32	—	8,128	7,718
Overtime	161	—	7,457	8,908
Number of individuals who received extra remuneration in more than one category	11	1	12,150	13,601

5.2 Payroll overpayments

Overpayments at the year end were €235,000 (304 cases) (2014 €178,000, 145 cases) Of this, €128,176 (121 cases) have recovery plans in place.

6 Miscellaneous

6.1 Legal costs

There were no personal injury claim payments, or related legal costs incurred in 2015.

6.2 Section 120 Compensation

All titles registered on the Land Register are guaranteed by the State. Section 120 of the Registration of Title Act 1964 provides for the payment of compensation to a person who suffers a loss through reliance on the Register where the loss is not caused or substantially contributed to by the act, neglect or default of himself or his agent. 27 Section 120 compensation payments (2014: 23) were paid in 2015, the total costs of which are set out below.

	2015	2014
	€000	€000
Section 120 compensation costs	94	108

6.3 Contingent Liability

The Authority is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

6.4 Merger

As part of the Public Service Reform Programme, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. As a result, a new organisation, to be called Tailte Éireann will be created. Tailte Éireann will have responsibility for several important functions, including the State property registration system, the State mapping and surveying infrastructure, the State property valuation service and the development and maintenance of State geospatial information.

The establishment of the new entity requires primary legislation. To that end, on 22 January 2015, the Minister for Justice and Equality published the heads and general scheme of the Tailte Éireann Bill, which provides for the merger.

The merger is not expected to have an impact on the carrying value of the Authority's assets or liabilities.

