

**Appropriation Account 2015**

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**Vote 3**

**Office of the Attorney General**

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## **Introduction**

As Accounting Officer for Vote 3, 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 Office of the Attorney General including a grant.

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 €1.89 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 Office.

This responsibility is exercised in the context of the resources available to me and my obligations as Director General/Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are 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 Office and the National Shared Service Office for the provision of HR/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 shared services to this Office.

### ***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 monthly 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 Information and Communications Technology systems
- there are appropriate capital investment control guidelines and formal project management disciplines are adhered to

The Office 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 Office complied with the guidelines with the exception of 5 contracts to the value of €256,801 which were listed in my annual return in respect of Circular 40/2002. The reasons for not having a competitive process, as detailed in my return for 2015 under Circular 40/2002, included the specialised nature of the service provided, a sole supplier of the service and the fact that the service can only be purchased directly from the publisher and not through an intermediary.

***Significant financial risks***

During 2015 a control weakness resulted in a significant irregular payment in relation to a supplier amounting to €37,612, which is currently being investigated by an Garda Síochána. I can confirm that the attempted fraud was not successful and that there was no loss to the Office or the supplier involved.

The controls and the relevant procedures have since been updated to address this issue.

As outlined above maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

***Internal Audit and Audit Committee***

I confirm that the Office retains an internal audit function through a contract agreement with a professional auditing company 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 the Audit Committee. In 2015 the Office strengthened the internal audit function by engaging external auditor specialists. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

**Liam O'Daly**  
Accounting Officer  
Office of the Attorney General

24 March 2016



## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 3 Office of the Attorney General**

I have audited the appropriation account for Vote 3 Office of the Attorney General 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 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 3 Office of the Attorney General 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 Office of the Attorney General. The appropriation account is in agreement with the accounting records.

**Seamus McCarthy**

Comptroller and Auditor General

21 September 2016

## Vote 3 Office of the Attorney General Appropriation Account 2015

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Delivery of professional legal services to Government, Departments and Offices	15,845	13,995	13,820
<b>Gross expenditure</b>		<b>15,845</b>	<b>13,995</b>	<b>13,820</b>
<i>Deduct</i>				
B	<b>Appropriations-in-aid</b>	<b>815</b>	<b>854</b>	<b>834</b>
<b>Net expenditure</b>		<b>15,030</b>	<b>13,141</b>	<b>12,986</b>

### 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	1,889,100	1,314,644

### Analysis of administration expenditure

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	11,532	10,115	10,001
ii	Travel and subsistence	130	147	93
iii	Training and development and incidental expenses	540	577	628
iv	Postal and telecommunications services	70	65	64
v	Office equipment and external IT services	499	658	513
vi	Office premises expenses	156	158	120
vii	Consultancy services and value for money and policy reviews	20	20	67
viii	Contract legal expertise	461	125	202
		<b>13,408</b>	<b>11,865</b>	<b>11,688</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2015

	2015	2014
	€000	€000
Programme cost	2,130	2,132
Pay	10,115	10,001
Non pay	1,750	1,687
<b>Gross expenditure</b>	<b>13,995</b>	<b>13,820</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>854</b>	<b>834</b>
<b>Net expenditure</b>	<b>13,141</b>	<b>12,986</b>
<b>Changes in capital assets</b>		
Purchases cash	(170)	
Depreciation	196	
	26	84
<b>Changes in assets under development</b>		
Cash payments	(20)	(21)
<b>Changes in net current assets</b>		
Increase in closing accruals	61	
Increase in stock	(4)	
	57	(13)
<b>Direct expenditure</b>	<b>13,204</b>	<b>13,036</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	1,536	1,305
Notional rents	727	727
<b>Net programme cost</b>	<b>15,467</b>	<b>15,068</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 3 borne elsewhere.

	2015	2014
	€000	€000
Vote 7 Office of the Minister of Finance	—	31
Vote 12 Superannuation and Retired Allowances	940	727
Vote 13 Office of Public Works	207	204
Vote 18 Shared Services	14	7
Central Fund - Pensions in respect of former Attorney General and widow of former Attorney General	375	336
	<b>1,536</b>	<b>1,305</b>



## 2 Balance Sheet as at 31 December 2015

	Note	2015 €000	2014 €000
<b>Capital assets</b>	2.2	465	450
<b>Capital assets under development</b>	2.3	—	21
		<b>465</b>	<b>471</b>
<b>Current assets</b>			
Stocks	2.5	40	36
Prepayments		185	213
Accrued income		1	4
Other debit balances	2.6	128	249
Net Exchequer funding due	2.8	117	(493)
<b>Total current assets</b>		<b>471</b>	<b>9</b>
<b>Less current liabilities</b>			
Bank and cash	2.4	234	(257)
Accrued expenses		94	64
Other credit balances	2.7	11	13
<b>Total current liabilities</b>		<b>339</b>	<b>(180)</b>
<b>Net current assets</b>		<b>132</b>	<b>189</b>
<b>Net assets</b>		<b>597</b>	<b>660</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>597</b>	<b>660</b>
<b>2.1 State Funding Account</b>	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>€000</b>	<b>€000</b>
Balance at 1 January		660	710
Disbursements from the Vote			
Estimate provision	Account	15,030	
Surplus to be surrendered	Account	(1,889)	
Net vote		13,141	12,986
Expenditure (cash) borne elsewhere	1	1,536	1,305
Non cash expenditure – notional rent	1	727	727
Net programme cost	1	(15,467)	(15,068)
<b>Balance at 31 December</b>		<b>597</b>	<b>660</b>

**2.2 Capital Assets**

	<b>Office equipment</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Gross assets</b>			
Cost or valuation at 1 January 2015	4,465	1,693	6,158
Additions	209	2	211
Disposals	(39)	(15)	(54)
Cost or valuation at 31 December 2015	<u>4,635</u>	<u>1,680</u>	<u>6,315</u>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2015	4,197	1,511	5,708
Depreciation for the year	141	55	196
Depreciation on disposals	(39)	(15)	(54)
Cumulative depreciation at 31 December 2015	<u>4,299</u>	<u>1,551</u>	<u>5,850</u>
<b>Net assets at 31 December 2015</b>	<b><u>336</u></b>	<b><u>129</u></b>	<b><u>465</u></b>
<b>Net assets at 31 December 2014</b>	<b><u>268</u></b>	<b><u>182</u></b>	<b><u>450</u></b>

**2.3 Capital Assets under Development**

	<b>In-house computer applications</b>	
at 31 December	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
Opening balance at 1 January	21	—
Cash payments for the year	20	21
Transfers to asset register	(41)	—
Balance at 31 December	<u>—</u>	<u>21</u>

**2.4 Bank and Cash**

at 31 December	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
PMG balance	(235)	247
Commercial bank account balance	1	10
	<u>(234)</u>	<u>257</u>

**2.5 Stocks**

at 31 December	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
Stationery	17	22
IT consumables	23	14
	<u>40</u>	<u>36</u>

<b>2.6 Other Debit Balances</b>	<b>2015</b>	<b>2014</b>
at 31 December	<b>€000</b>	<b>€000</b>
Pay related social insurance	—	1
Office of Public Works	38	38
Recoupable shared costs	35	7
Salaries control account	13	173
Travel pass scheme	38	26
Miscellaneous	4	4
	<u>128</u>	<u>249</u>

<b>2.7 Other Credit Balances</b>	<b>2015</b>	<b>2014</b>
at 31 December	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Professional Services Withholding Tax	11	2
Value Added Tax	—	11
	<u>11</u>	<u>13</u>

<b>2.8 Net Exchequer funding due</b>	<b>2015</b>	<b>2014</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	1,889	1,315
Exchequer grant undrawn	(2,006)	(822)
Net Exchequer funding due	<u>(117)</u>	<u>493</u>

**Represented by:****Debtors**

Pay Related Social Insurance	—	1
Debit balances: suspense	128	248
	<u>128</u>	<u>249</u>

**Creditors**

Bank and Cash	(234)	257
Due to State	(11)	(13)
	<u>(245)</u>	<u>244</u>
	<u>(117)</u>	<u>493</u>

<b>2.9 Commitments</b>	<b>2015</b>	<b>2014</b>
at 31 December	<b>€000</b>	<b>€000</b>
Total of legally enforceable commitments	363	171

### 3 Programme Expenditure by Subhead

		2015		2014
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>A</b>	<b>Delivery of professional legal services to Government, Departments and Offices</b>			
A.1	Administration – pay	11,532	10,115	10,001
A.2	Administration - non pay	1,876	1,750	1,687
A.3	Contributions to international organisations	38	34	35
A.4	Law Reform Commission	2,149	2,002	1,952
A.5	General law expenses	250	94	145
		<b>15,845</b>	<b>13,995</b>	<b>13,820</b>

#### Significant variations

Overall, the expenditure in relation to Programme A was €1.85 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration – pay	1,417	Savings were achieved due to the length of time it took to complete recruitment procedures through the Public Appointments Service for legal posts and the subsequent time taken in filling these posts.
Administration – non pay (v)	(159)	An excess in expenditure occurred due to an increase in software costs and costs associated with the maintenance of IT equipment and software.
Administration – non pay (viii)	336	Savings were achieved due to the minimal and reduced engagement of consultant Parliamentary Counsel in 2015. This was because the Office of the Parliamentary Counsel to the Government was less reliant on the services of consultant Parliamentary Counsel in meeting the Government legislative programme targets for 2015.
Law Reform Commission	147	Savings were achieved as legal researcher posts remained unfilled for 6 months of the year.
General law expenses	156	It is difficult to anticipate the level of cases that the Office may become involved in during the year. Estimates are usually based on the expenditure incurred in the previous year.

## 4 Receipts

4.1 Appropriations-in-aid	2015		2014
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	8	140	99
2. Receipts from pension-related deductions on public service remuneration	807	714	735
<b>Total</b>	<b>815</b>	<b>854</b>	<b>834</b>

### 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	Explanation
	€000	
Miscellaneous	(132)	Due to oversight the rent to be received from the subletting of the premises by the Law Reform Commission was not included under the appropriations-in-aid estimates. That situation will be rectified in the future.

## 5 Employee Numbers and Pay

	2015	2014
<b>Number of staff at year end</b> (full time equivalents)	151	149
	<b>2015</b>	<b>2014</b>
	<b>€000</b>	<b>€000</b>
Pay	9,309	9,235
Higher, special or additional duties allowance	69	73
Overtime	12	2
Employer's PRSI	725	691
<b>Total Pay</b>	<b>10,115</b>	<b>10,001</b>

### 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	16	3	21,406	14,497
Overtime and extra attendance	5	—	1,495	784
Number of individuals who received extra remuneration in more than one category	—	—	—	—

### 5.2 Payroll Overpayments

Overpayments at the year end were €17,491 (8 cases) (2014 €0, 0 cases).  
Of this, €4,530 (2 cases) have recovery plans in place.

## 6 Miscellaneous

### 6.1 Legal costs

	2015			2014	
	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
Settlement of a claim by former employee	—	10	82	92	—
	—	10	82	92	—