

Appropriation Account 2017

Vote 1

President's Establishment

Introduction

As Accounting Officer for Vote 1, 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 2017 for the salaries and expenses of the Office of the Secretary General to the President, for certain other expenses of the President's Establishment and for certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2017, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €294,236 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 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.

Heritage assets of the President's Establishment are not valued as assets in these financial statements. The assets include furniture, works of art and sculptures. They have the characteristics of being inalienable, irreplaceable, and fragile and consequently there is no useful purpose in capitalising the assets in these statements.

Statement on Internal Financial Control

The President's Establishment relies upon the Department of Finance for the provision of a payment function and accounting service.

Responsibility for the 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 of the President's Establishment.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General of the Department of the Taoiseach. 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 President's Establishment and the National Shared Service Office for the provision of human resources and 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 the President's Establishment.

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
- procedures for all key business processes have been documented
- there are systems in place to safeguard the assets.

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 President's Establishment
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Procurement Compliance

The President's Establishment 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 President's Establishment complied with the guidelines with the exception of one contract to the value of €37,555 that has been rolled over for a number of years. The Office intends to make use of arrangements the Office of Government Procurement has in place to award a new contract for this service during 2018.

Internal Audit and Audit Committee

The President's Establishment comes under the ambit of the internal audit function provided by the Department of the Taoiseach which has appropriately trained personnel and operates under a written charter which I have approved. The internal audit work is informed by analysis of the financial risks to which the President's Establishment is exposed and aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function and its programme of work are subject to periodic review by me and the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

There were no meetings of the Audit Committee in 2017 as there was no Chairman in place and consequently no internal audits took place. A Chairman was appointed in February 2018 and since then, the Committee has met and a plan for internal audit in 2018 has been scheduled.

Risk and Control Framework

The President's Establishment has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the President's Establishment and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated on a quarterly basis by the Management Board. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of Effectiveness

I confirm that the President's Establishment has procedures to monitor the effectiveness of its risk management and control procedures. In 2017, monitoring and review of the effectiveness of the system of internal financial control by the President's Establishment was informed by the work of the external auditors and the senior management within the President's Establishment responsible for the development and maintenance of the internal financial control framework.

Internal Financial Control Issues

No weaknesses in internal financial control were identified in relation to 2017 that resulted in, or may result in, a material loss.

Martin Fraser
Accounting Officer

28 March 2018

Comptroller and Auditor General

Report for presentation to Houses of the Oireachtas

Vote 1 President's Establishment

Opinion on the appropriation account

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2017 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 1 President's Establishment for the year ended 31 December 2017
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the President's Establishment and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

31 August 2018

Vote 1 President's Establishment

Appropriation Account 2017

	Estimate provision	2017 Outturn	2016 Outturn
	€000	€000	€000
Programme expenditure			
A President's Establishment	2,662	2,567	2,456
B Centenarians' bounty	1,336	1,125	1,152
Gross expenditure	3,998	3,692	3,608
<i>Deduct</i>			
C Appropriations-in-aid	95	83	84
Net expenditure	3,903	3,609	3,524

Surplus

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

	2017	2016
	€	€
Surplus to be surrendered	294,236	286,958

Martin Fraser
Accounting Officer

28 March 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	2017	2016
	€000	€000
Programme cost	1,071	1,096
Pay	1,666	1,677
Non pay	955	835
Gross expenditure	3,692	3,608
<i>Deduct</i>		
Appropriations-in-aid	83	84
Net expenditure	3,609	3,524
Changes in capital assets		
Purchases cash	(26)	
Depreciation	34	
	8	(21)
Changes in net current assets		
Increase in closing accruals	21	
Decrease in stock	2	23
		2
Direct expenditure	3,640	3,505
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	5,039	4,658
Net programme cost	8,679	8,163

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 1 borne elsewhere.

	2017	2016
	€000	€000
Vote 7 Office of the Minister for Finance	20	20
Vote 12 Superannuation and Retired Allowances	564	484
Vote 13 Office of Public Works	2,265	2,411
Vote 18 National Shared Services Office	4	4
Vote 20 Garda Síochána	197	174
Vote 28 Foreign Affairs and Trade	667	241
Vote 36 Defence	428	431
Central Fund (Emoluments and allowances of President and presidential pensions)	894	893
	5,039	4,658

Note 2 Statement of Financial Position as at 31 December 2017

	Note	2017 €000	2016 €000
Capital assets	2.2	71	79
Current assets			
Stocks	2.3	29	31
Prepayments		51	29
Accrued income		10	4
Bank and cash		100	71
Total current assets		190	135
Less current liabilities			
Net Exchequer funding due	2.5	23	(4)
Accrued expenses		150	101
Other credit balances	2.4	77	75
Total current liabilities		250	172
Net current liabilities		(60)	(37)
Net assets		11	42
Represented by:			
State funding account	2.1	11	42

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		42	23
Disbursements from the Vote			
Estimate provision	Account	3,903	
Surplus to be surrendered	Account	(294)	
Net vote		3,609	3,524
Expenditure (cash) borne elsewhere	1.1	5,039	4,658
Net programme cost	1	(8,679)	(8,163)
Balance at 31 December		11	42

2.2 Capital assets

	IT equipment €000	Office equipment €000	Total €000
Gross assets			
Cost or valuation at 1 January 2017	372	93	465
Additions	26	—	26
Disposals	(25)	(79)	(104)
Cost or valuation at 31 December 2017	373	14	387
Accumulated depreciation			
Opening balance at 1 January 2017	295	91	386
Depreciation for the year	33	1	34
Depreciation on disposal	(25)	(79)	(104)
Cumulative depreciation at 31 December 2017	303	13	316
Net assets at 31 December 2017	70	1	71
Net assets at 31 December 2016	77	2	79

2.3 Stocks

at 31 December	2017 €000	2016 €000
Centenarian medals	7	7
IT consumables and stationery	22	24
	29	31

2.4 Other credit balances

at 31 December	2017 €000	2016 €000
Amounts due to the State		
Income Tax	35	33
Pay Related Social Insurance	15	14
Pension Levy	—	3
Universal Social Charge	7	8
Withholding Tax	2	—
Pension contributions	5	5
	64	63
Payroll deductions held in suspense	13	12
	77	75

2.5 Net Exchequer funding due

at 31 December	2017	2016
	€000	€000
Surplus to be surrendered	294	287
Exchequer grant undrawn	<u>(271)</u>	<u>(291)</u>
Net Exchequer funding due	<u>23</u>	<u>(4)</u>
Represented by:		
Bank and cash	<u>100</u>	<u>71</u>
	100	71
Creditors		
Due to State	(64)	(63)
Credit balances: suspense	<u>(13)</u>	<u>(12)</u>
	(77)	(75)
	<u>23</u>	<u>(4)</u>

Note 3 Vote Expenditure by Subhead

Analysis of administration expenditure

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,746	1,666	1,677
ii	Travel and subsistence	310	240	150
iii	Training and development and incidental expenses	295	391	302
iv	Postal and telecommunications services	86	114	90
v	Office machinery and other office supplies and related services	280	210	293
		2,717	2,621	2,512

Significant variations relative to provision

iii Training and development and incidental expenses

Estimate provision: €295,000, outturn: €391,000

The increase in expenditure was on account of costs mainly associated with photography and videography in Ireland and with the President's foreign travel in 2017 which included a four week visit to Australia and New Zealand and a 12 day visit to South America including Columbia, Peru and Cuba.

Programme A President's Establishment

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	1,706	1,627	1,636
A.2	Administration – non -pay	956	940	820
		2,662	2,567	2,456

Programme B Centenarians' Bounty

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	40	39	41
B.2	Administration – non -pay	15	15	15
B.3	Centenarians' bounty	1,281	1,071	1,096
		1,336	1,125	1,152

Significant variations

Overall, the expenditure in relation to Programme B was €211,000 lower than (originally) provided because there were fewer centenarians than provided for.

Note 4 Receipts

4.1 Appropriations-in-aid

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
1 Receipts from pension-related deductions on public service remuneration	85	77	79
2 Miscellaneous	10	6	5
	95	83	84

Note 5 Employee Numbers and Pay

5.1 Employee numbers

	2017	2016
Number of staff at year end (full time equivalents)	27	27

5.2 Pay

	2017	2016
	€000	€000
Salaries	1,485	1,483
Higher, special or additional duties allowance	58	83
Redundancy payment	14	—
Overtime	19	24
Employer's PRSI	90	87
Total pay	1,666	1,677

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2017	Highest individual payment 2016
			€	€
Higher, special or additional duties	7	4	19,549	27,154
Overtime	12	—	4,759	4,869
Extra remuneration in more than one category	2	—	3,421	3,322

5.4 Redundancy payment

There was a redundancy payment of €14,004 in January 2017.