

Appropriation Account 2017

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 2017 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 2017, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €306,071 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 human resources and payroll shared services.

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 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
- 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 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 contracts active during 2017, and with a value of €189,771 did not fully comply with the guidelines. These related, in the first case to Oracle support and software licensing for a values of €145,958, and, in the second, to the cleaning of the facility for an amount of €43,813. In the case of the Oracle licensing the exception arose because there was only a single suitable supplier available for the proprietary software while, in the case of the cleaning of the facility, the tender was put on hold pending a decision on the long term status of the facility by OPW.

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.

Risk and Control Framework

The Office 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 Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. 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 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 Office has monitored its risk management and control procedures effectively throughout 2017. This monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the audit committee, the Management Board and the board of the Public Appointments Service (PAS).

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.

Fiona Tierney
Accounting Officer
Public Appointments Service

25 June 2018

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 17 Public Appointments Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 17 Public Appointments Service 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 17 Public Appointments Service 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 Public Appointments Service 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

21 September 2018

Vote 17 Public Appointments Service

Appropriation Account 2017

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Civil and public service - redeployment/ recruitment/selection			
	<i>Original</i>	11,380		
	<i>Supplementary</i>	664	12,044	9,537
			11,757	
	Gross expenditure	12,044	11,757	9,537
	<i>Deduct</i>			
B	Appropriations-in-aid	224	303	275
	Net expenditure			
	<i>Original</i>	11,156		
	<i>Supplementary</i>	664		
		11,820	11,454	9,262

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2017	2016
	€	€
Surplus	366,071	136,188
Deferred surrender	(60,000)	—
Surplus to be surrendered	306,071	136,188

Fiona Tierney
Accounting Officer
Public Appointments Service

25 June 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	2017	2016
	€000	€000
Pay	6,557	5,613
Non pay	5,200	3,924
Gross expenditure	11,757	9,537
<i>Deduct</i>		
Appropriations-in-aid	303	275
Net expenditure	11,454	9,262
Changes in capital assets		
Purchases cash	(223)	
Depreciation	446	
Loss on disposals	1	
	224	249
Changes in net current assets		
Increase in closing accruals	153	
Decrease in stock	121	
	274	97
Direct expenditure	11,952	9,608
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	3,146	3,094
Net programme cost	15,098	12,702

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.

	2017	2016
	€000	€000
Vote 9 Office of the Revenue Commissioners	45	45
Vote 12 Superannuation and Retired Allowances	869	822
Vote 13 Office of Public Works	2,213	2,211
Vote 18 National Shared Services Office	19	16
	3,146	3,094

Note 2 Statement of Financial Position as at 31 December 2017

	Note	2017 €000	2016 €000
Capital assets	2.2	697	921
Current assets			
Bank and cash	2.3	452	258
Stocks	2.4	22	143
Prepayments		251	256
Accrued income		91	54
Other debit balances	2.5	67	41
Total current assets		883	752
Less current liabilities			
Accrued expenses		286	101
Net Exchequer funding due	2.6	115	11
Other credit balances	2.7	404	288
Total current liabilities		805	400
Net current assets		78	352
Net assets		775	1,273
Represented by:			
State funding account	2.1	775	1,273

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		1,273	1,619
Disbursements from the Vote			
Estimate provision	Account	11,820	
Deferred surrender	Account	(60)	
Surplus to be surrendered	Account	(306)	
Net vote		11,454	9,262
Expenditure (cash) borne elsewhere	1.1	3,146	3,094
Net programme cost	1	(15,098)	(12,702)
Balance at 31 December		775	1,273

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 2017	6,738	678	691	8,107
Additions	189	34	—	223
Disposals	(164)	(17)	—	(181)
Cost or valuation at 31 December 2017	<u>6,763</u>	<u>695</u>	<u>691</u>	<u>8149</u>
Accumulated depreciation				
Opening balance at 1 January 2017	5,872	623	691	7,186
Depreciation for the year	433	13	—	446
Depreciation on disposals	(163)	(17)	—	(180)
Cumulative depreciation at 31 December 2017	<u>6,142</u>	<u>619</u>	<u>691</u>	<u>7,452</u>
Net assets at 31 December 2017	<u>621</u>	<u>76</u>	<u>—</u>	<u>697</u>
Net assets at 31 December 2016	<u>866</u>	<u>55</u>	<u>—</u>	<u>921</u>

2.3 Bank and cash

at 31 December	2017 €000	2016 €000
PMG balance	431	248
Commercial bank account balance	<u>21</u>	<u>10</u>
	<u>452</u>	<u>258</u>

2.4 Stocks

at 31 December	2017 €000	2016 €000
Test materials*	—	115
IT consumables/stationery	<u>22</u>	<u>28</u>
	<u>22</u>	<u>143</u>

* As the Office has now moved to totally online testing, the stock of paper tests were assessed as no longer having any value and consequently were written down to zero in 2017.

2.5 Other debit balances

at 31 December	2017	2016
	€000	€000
Salary suspense	33	—
Recoupable travel pass scheme	33	41
Other debit balance suspense items	1	—
	67	41

2.6 Net Exchequer funding due

at 31 December	2017	2016
	€000	€000
Surplus to be surrendered	306	136
Deferred surrender	60	—
Exchequer grant undrawn	(251)	(125)
Net Exchequer funding due	115	11
Represented by:		
Debtors		
Bank and cash	452	258
Debit balances suspense	67	41
	519	299
Creditors		
Due to State	(324)	(274)
Credit balances suspense	(80)	(14)
	(404)	(288)
	115	11

2.7 Other credit balances

at 31 December	2017	2016
	€000	€000
Amounts due to the State		
Income Tax	176	165
Pay Related Social Insurance	93	83
Local Property Tax	1	1
Professional Services Withholding Tax	26	11
Value Added Tax	28	14
	324	274
Credit balances suspense	80	14
	404	288

2.8 Commitments

at 31 December	2017	2016
	€000	€000
Procurement of goods and services	40	23
Total of legally enforceable commitments	40	23

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	Original	6,458			
		Supplementary	<u>196</u>	6,654	6,557	5,613
ii	Travel and subsistence ^a	Original	80			
		Supplementary	<u>(56)</u>	24	31	30
iii	Training and development and incidental expenses	Original	280			
		Supplementary	<u>21</u>	301	213	245
iv	Postal and telecommunications services	Original	130			
		Supplementary	<u>(22)</u>	108	93	79
v	Office equipment and external IT services	Original	1,860			
		Supplementary	<u>(222)</u>	1,638	1,462	842
vi	Office premises expenses	Original	190			
		Supplementary	<u>61</u>	251	231	155
vii	Recruitment costs – research and corporate governance	Original	35			
		Supplementary	<u>46</u>	81	40	13
viii	Recruitment costs – advertising and testing	Original	950			
		Supplementary	<u>37</u>	987	1,167	992
ix	Recruitment costs – interview boards	Original	1,397			
		Supplementary	<u>603</u>	2,000	1,963	1,568
				12,044	11,757	9,537

^a The 2016 outturns for subhead ii Travel and subsistence and subhead ix Recruitment costs – interview boards, have been adjusted to reflect the reallocation of interview board members travel and subsistence expenses to subhead ix in 2017.

Significant variationsix *Recruitment costs – interview boards*

Estimate provision: €1.397 million, outturn: €1.963 million

The excess of €566,000 on recruitment costs for the interview boards was due to greater level recruitment activity than was anticipated.

Note 4 Receipts**4.1 Appropriations-in-aid**

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
1 Miscellaneous	25	91	62
2 Receipts from pension-related deductions on public service remuneration	199	212	213
	224	303	275

Note 5 Employee Numbers and Pay

5.1 Employee numbers

	2017	2016
Number of staff at year end (full time equivalents)	158	144

5.2 Pay

	2017	2016
	€000	€000
Pay	5,899	5,053
Higher, special or additional duties allowance	54	68
Overtime	104	87
Employer's PRSI	500	405
Total pay	6,557	5,613

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	12	—	7,962	7,479
Other allowances	8	1	10,391	8,025
Overtime and extra attendance	106	2	12,595	13,000
Extra remuneration in more than one category	12	3	16,054	16,704

5.4 Other remuneration arrangements

A total of €35,055 was paid as fees to four members of the Board of the Public Appointments Service in 2017 (2016: €35,055).

Member	Status	Sector	Annual spend	
			2017	2016
			€	€
Ms Fiona Tierney	Member (Chief Executive)	Civil servant	—	—
Ms Judith Eve	Chairman	Private sector	11,970	11,970
Mr Paul Lemass	Member	Civil servant	—	—
Dr Eddie Molloy	Member	Private sector	7,695	7,695
Ms Anne Marie Taylor	Member	Private sector	7,695	7,695
Ms Eimear Kenny	Member	Private sector	7,695	7,695
Ms Oonagh McPhillips	Member	Civil servant	—	—
Mr Damien McCallion	Member	Public servant	—	—
Mr David Cagney	Member	Civil servant	—	—
Total			35,055	35,055

Note 6 Miscellaneous

6.1 Compensation and legal costs

No legal and compensation costs were paid in 2017 (2016: €49,000).
