

Appropriation Account 2017

Vote 3

Office of the Attorney General

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

A surplus of €1.03 million 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.

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.

Assurance on Shared Services

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 payroll and human resources 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
- 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 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. As required in Department of Public Expenditure and Reform circular 40/2002, I have submitted a report on procurements in 2017 that were not based on competitive tendering processes, worth a total of €389,911. This included:

- €73,851 (2 contracts) spent on subscription services not available through intermediaries
- €95,923 (2 contracts) spent on case and records management services provided by sole suppliers
- €28,604 (1 contract) spent on financial management services provided by sole suppliers
- €147,096 (1 contract) spent on parliamentary services that were non-compliant with procurement rules
- €44,437 (1 contract) spent on legislation drafting services provided by sole suppliers.

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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

An internal audit function for the Office was in place during 2017. However, the contracted provider withdrew from the contract from the end of September 2017. A procurement process was undertaken in late 2017 through the OGP Framework and a new provider was appointed in December 2017 for a 3 year term with the option of a 12 month extension on two occasions.

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 department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC) 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 taking corrective action and to management and the MAC, 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 procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office 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.

Damien Moloney
Accounting Officer
Office of the Attorney General

27 March 2018

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 3 Office of the Attorney General

Opinion on the appropriation account

I have audited the appropriation account for Vote 3 Office of the Attorney General 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 3 Office of the Attorney General 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 Office of the Attorney General 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

12 September 2018

Vote 3 Office of the Attorney General

Appropriation Account 2017

	Estimate provision €000	2017	2016
		Outturn	Outturn
		€000	€000
Programme expenditure			
A Delivery of professional legal services to Government, Departments and Offices	15,666	14,540	14,221
Gross expenditure	15,666	14,540	14,221
<i>Deduct</i>			
B Appropriations-in-aid	766	668	743
Net expenditure	14,900	13,872	13,478

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	1,028,105	1,216,801

Damien Moloney
Accounting Officer
Office of the Attorney General

27 March 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	2017	2016
	€000	€000
Programme cost	2,187	2,033
Pay	10,463	10,283
Non pay	1,890	1,905
Gross expenditure	14,540	14,221
<i>Deduct</i>		
Appropriations-in-aid	668	743
Net expenditure	13,872	13,478
Changes in capital assets		
Purchases cash	(132)	
Depreciation	192	
Loss on disposal	1	
	61	14
Changes in net current assets		
Decrease in closing accruals	(15)	
Increase in stock	(3)	
	(18)	(31)
Direct expenditure	13,915	13,461
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,504	1,367
Notional rents	727	727
Net programme cost	17,146	15,555

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.

	2017	2016
	€000	€000
Vote 12 Superannuation and Retired Allowances	e 1,984	909
Vote 13 Office of Public Works	e 164	106
Vote 18 National Shared Services Office	e 18	17
Central Fund - Pensions in respect of former Attorneys General	338	335
	2,504	1,367

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

Note 2 Statement of Financial Position as at 31 December 2017

	Note	2017 €000	2016 €000
Capital assets	2.2	391	451
Current assets			
Stocks	2.4	36	33
Prepayments		215	197
Accrued income		2	—
Other debit balances	2.5	92	112
Net Exchequer funding due	2.7	8	(72)
Total current assets		353	270
Less current liabilities			
Bank and cash	2.3	59	(393)
Accrued expenses		73	67
Other credit balances	2.6	41	433
Total current liabilities		173	107
Net current assets		180	163
Net assets		571	614
Represented by:			
State funding account	2.1	571	614

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		614	597
Disbursements from the Vote			
Estimate provision	Account	14,900	
Surplus to be surrendered	Account	(1,028)	
Net vote		13,872	13,478
Expenditure (cash) borne elsewhere	1.1	2,504	1,367
Non cash expenditure – notional rent	1	727	727
Net programme cost	1	(17,146)	(15,555)
Balance at 31 December		571	614

2.2 Capital assets

	Office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2017	4,752	1,680	30	6,462
Additions	128	4	—	132
Disposals	(24)	(3)	—	(27)
Brought into use	30	—	(30)	—
Adjustment*	2	2	—	4
Cost or valuation at 31 December 2017	4,888	1,683	—	6,571
Accumulated depreciation				
Opening balance at 1 January 2017	4,434	1,577	—	6,011
Depreciation for the year	165	27	—	192
Depreciation on disposals	(24)	(2)	—	(26)
Adjustment	2	1	—	3
Cumulative depreciation at 31 December 2017	4,577	1,603	—	6,180
Net assets at 31 December 2017	311	80	—	391
Net assets at 31 December 2016	318	103	30	451

*The adjustment relates to groups of assets, individually valued below €1,000, some of which were disposed of in 2017.

2.3 Bank and cash

at 31 December	2017	2016
	€000	€000
PMG balance	(61)	393
Commercial bank account balance	2	—
	(59)	393

2.4 Stocks

at 31 December	2017	2016
	€000	€000
Stationery	16	15
IT consumables	20	18
	36	33

2.5 Other debit balances

at 31 December	2017	2016
	€000	€000
Office of Public Works	38	38
Recoupable shared costs	4	—
Salaries control account	—	14
Travel pass scheme	48	55
Miscellaneous	2	5
	<u>92</u>	<u>112</u>

2.6 Other credit balances

at 31 December	2017	2016
	€000	€000
Amounts due to the State		
Income Tax	—	267
Pay Related Social Insurance	—	119
Professional Services Withholding Tax	8	8
Value Added Tax	32	38
Local Property Tax	—	1
Other creditors	1	—
	<u>41</u>	<u>433</u>

2.7 Net Exchequer funding due

at 31 December	2017	2016
	€000	€000
Surplus to be surrendered	1,028	1,217
Exchequer grant undrawn	(1,036)	(1,145)
Net Exchequer funding due	<u>(8)</u>	<u>72</u>

Represented by:**Debtors**

Debit balances: suspense	92	112
	<u>92</u>	<u>112</u>

Creditors

Bank and cash	(59)	393
Due to State	(41)	(433)
	<u>(100)</u>	<u>(40)</u>

	<u>(8)</u>	<u>72</u>
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2.8 Commitments

at 31 December	2017	2016
	€000	€000
Procurement of goods and services	705	207

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	11,263	10,463	10,283
ii	Travel and subsistence	170	178	153
iii	Training and development and incidental expenses	610	647	637
iv	Postal and telecommunications services	70	54	64
v	Office equipment and external IT services	576	655	653
vi	Office premises expenses	160	96	142
vii	Consultancy services and value for money and policy reviews	50	4	41
viii	Contract legal expertise	350	194	215
		13,249	12,291	12,188

Significant variations

viii Contract legal expertise

Estimate provision: €350,000, outturn: €194,000

Savings arose under this subhead due to a lower than anticipated requirement for contract legal expertise.

Programme A Delivery of professional legal services to Government, Departments and Offices

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	11,263	10,463	10,283
A.2	Administration – non pay	1,986	1,828	1,905
A.3	Contributions to international organisations	38	35	34
A.4	Law Reform Commission	2,239	2,187	1,878
A.5	General law expenses	140	27	121
		15,666	14,540	14,221

Significant variations

Overall, the expenditure in relation to Programme A was €1.13 million lower than provided. €958,000 of this related to administration expenditure and the balance of the variance of €168,000 was mainly due to the following:

A.4 Law Reform Commission

Estimate provision: €2.24 million, outturn: €2.19 million

The shortfall in expenditure of €52,000 relative to the estimate provision was due to salary savings arising due to the length of time taken to fill sanctioned posts.

A.5 General law expenses

Estimate provision: €140,000, outturn: €27,000

The shortfall in expenditure of €113,000 relative to the estimate provision was due to lower than anticipated costs due to Counsel.

Note 4 Receipts

4.1 Appropriations-in-aid

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	8	64	134
2. Receipts from pension-related deductions on public service remuneration	758	604	609
Total	766	668	743

Significant variations

Overall, appropriations-in-aid were €98,000 less than the estimate.

Explanations for variances are set out below:

1 *Miscellaneous*

Estimate provision: €8,000, outturn: €64,000

The additional receipts of €56,000 were due to additional remuneration received by the Law Reform Commission from the subletting of one floor of the Commission building.

2 *Receipts from pension-related deductions on public service remuneration*

Estimate provision: €758,000, outturn: €604,000

The shortfall of €154,000 arose due to the fact that not all sanctioned posts were filled at all times during the year.

Note 5 Employee Numbers and Pay

5.1 Employee numbers

	2017	2016
Number of staff at year end (full time equivalents)	<u>151</u>	<u>150</u>

5.2 Pay

	2017	2016
	€000	€000
Pay	9,571	9,450
Redundancy and severance	42	—
Higher, special or additional duties allowance	75	81
Overtime	18	16
Employer's PRSI	757	736
Total Pay	<u>10,463</u>	<u>10,283</u>

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	15	3	12,911	18,518
Overtime and extra attendance	8	—	1,341	1,510
Extra remuneration in more than one category	1	—	7,750	8,870

5.4 Redundancy and severance

One employee received payments in 2017 totalling €7,092 in respect of redundancy and €35,456 in respect of severance.

5.5 Overpayments

Overpayments at the year end were €15,402 (6 cases), 2016 €0. Arrangements were put in place for recoupment in 2018.

Appendix A Accounts of bodies and funds under the aegis of the Office

The following table lists the bodies under the aegis of the Office. It indicates, at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/ departmental fund	Last accounting period	Date of audit report	Date received by Minister for Public Expenditure and Reform *	Date presented to the Oireachtas
Law Reform Commission	2016	2 October 2017	10 October 2017	18 October 2017

* The Minister for Public Expenditure and Reform is responsible for laying the Law Reform Commission's financial statements before the Houses of the Oireachtas.
