

Appropriation Account 2017

Vote 37

Employment Affairs and Social Protection

Introduction

As Accounting Officer for Vote 37, 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 (with effect from 2 September 2017 the Department's name changed from the Department of Social Protection to the Department of Employment Affairs and Social Protection). The Department assumed responsibility for Employment Affairs on 2 September 2017. This was previously the responsibility of the Department of Business, Enterprise and Innovation. There was no material impact on the expenditure of the Department for 2017.

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 Minister for Employment Affairs and Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund (SIF) 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 €20 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.

Provision of Agency Services

During 2017 the Department continued to act as a paying agent for the Department of Finance in relation to Waterford Crystal pensioners lump sum payments and Waterford Crystal ongoing pension payments under section 48B of the Pensions Act 1990 as inserted by section 4 of the Social Welfare and Pensions (No. 2) Act 2014. Regular fortnightly pension payments transferred to payroll shared services in October 2017. In addition, the Department also continued to act as paying agent for the Department of Housing, Planning and Local Government under section 5 of the Water Services Act 2014 in respect of the water conservation grant. The amounts paid are reported in the Finance Accounts and the Department of Housing, Planning, and Local Government Appropriation Account respectively.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts as set out by the Department of Public Expenditure and Reform in Circular 25 of 2017 have been applied in the preparation of the account except for the following:

Recovery of overpayments

Recovery of debt in respect of general/income-support scheme overpayments is brought to account as follows:

Cash and deduction recoveries received are brought to account on the date they are matched against the relevant debt holder. Unmatched recovery amounts are held in suspense and are brought to account as income with a corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayment receipts, unmatched receipts are held in a Vote 37 suspense account pending resolution and subsequent posting to Vote 37 or SIF as appropriate.

Cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year. Cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a Bank Holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in post offices, which refer to the subsequent year, are normally recognised as prepayments.

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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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.

Shared Services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of HR and payroll shared service.

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

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.

Control of Capital Assets

A fixed asset working group is addressing concerns around reconciliation of the Department's fixed asset register and capital assets under development to the appropriation account. The work of the group initially focused on reconciling the asset registers to the appropriation account and is now concentrating on the physical inventories.

During 2017, inventory checks were carried out at 38 of the Department's 355 locations, and an electronic inventory of the Department's IT assets was compiled and reconciled back to the Department's fixed asset registers. The total value of the physical and electronic inventories reconciled to the asset registers is €4.3 million (original cost). €350 million in assets is recorded on the Department's asset registers at the end of 2017.

Arising from the inventory checks, assets with a written down value of €123,000 were written off in 2017. Further physical inventory checks are being planned. An electronic barcoding system, for use in tagging assets, has been introduced and tagging of assets commenced in 2016.

Further systems development is in progress to enable asset tag generation at the purchasing stage which will directly interface into the asset register.

Debt Reconciliations

A new debt and receipts accounting system (DRAS) was introduced in the Department in November 2014. The system allows for the automatic recording and posting of debt recovered in its local offices, from its receipting bank accounts and by way of deduction from the Department's payments to customers.

The DRAS debtor balance at 31 December 2017 was €499 million of which €412 million relates to Vote 37 and €87 million relates to the SIF.

Also in 2017, €81 million was recovered in respect of scheme overpayments of which €67 million was Vote related and €14 million was SIF related.

Since the introduction of DRAS in late 2014 previous Statements on Internal Financial Control (SIFCs) in 2015 and 2016 have made reference to unresolved reporting variances in regard to DRAS related debtors, amounts recovered, bank and cash balances. While the Department has applied additional resources and has made progress in addressing these issues, there remains unresolved variances for the 2017 year of account which will require remedial action in 2018. As at 31 December 2017, the following unresolved variances exist:

- A variance of €294,529 (2016: €26,587) between the closing debtor balance as calculated by reference to reports from DRAS on the transactions in the account in the year, and the year end debtor listing.
- A variance of €104,170 (2016: €21,649) between the recoveries listed on DRAS and that recorded on the Department's accounting system.
- A variance of €178,704 (2016: €390,565) between the Department's bank statements and its books of account.
- A variance between the Department's cash recovery office reports and the accounting system amounting to €27,659 at the end of December 2017 (2016: €57,777). These 141 reports record cash on hand of €44,869 as compared to the accounting system which records cash on hand of €72,528.

As noted above the Department has since December 2017 applied additional resources and is working to resolve the above issues. It is envisaged that further system and business process changes will be required to resolve these DRAS related issues.

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

Public Procurement

The Department 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 Department has reported in the 40/02 return to the Department of Public Expenditure and Reform and the Office of the Comptroller and Auditor General thirteen contracts to the value of €4,909,228 that were not subject to a competitive procurement process, of which 6 contracts with a value of €1,238,298 are non-compliant.

Details of the contracts which are non-compliant are as follows

- One supply contract for €41,500 was necessary for additional consultancy work by the original contractor for expert advice in relation to the public service card and other related services. This contractor was the only respondent to open procurements in 2011 and 2015. A new open procurement commenced on 4 January 2018 and a new contract was issued in April 2018.
- Three supply contracts for €1,110,022 occurred while the finalisation of centralised tenders, framework and contracts in the Office for Government Procurement (OGP) were awaited. Two of these contracts were subsequently awarded under the OGP framework. In the case of the third contract, although there is an OGP framework in place, the existing contract has been extended by a further 6 months to test security issues in relation to the management of mobile devices.
- Two contracts with a combined value of €86,776 were extended to facilitate the transfer to new suppliers. New competitively procured contracts are now in place in both cases since September and October 2017 respectively.

A number of contracts meet exceptions allowed under EU rules.

- One supply contract for €3,187,680 was necessary for additional deliveries by the original supplier, in accordance with Section 72(1)(b) of S.I. No. 284 of 2016 (European Union (Award of Public Authority Contracts) Regulations 2016). The timeframe required to have a new contract operational is 8-10 months from award date and, in the interim, a change of contractor could not be made for economic and technical reasons, including requirements of interchangeability or interoperability with existing equipment, services and installations procured under the initial procurement. A request for tenders was published on Official Journal of the European Union (OJEU) on 16 February 2018 and a contract was awarded in June 2018.
- Six contracts with a total value of €483,250 were extended/rolled over as required in order to secure continuity of service. In all cases, the contracted suppliers were the single suitable supplier available. The Department keeps these contracts under review and explores the most appropriate options to meet its ongoing business requirements.

Internal Audit and Audit Committee

I confirm that the Department 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 Department 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 Department 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 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 actions needed to mitigate risks and the business area responsible for the risk actions.

Ongoing Monitoring and Review

Formal procedures which have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and 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 Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 Department 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 losses that require disclosure in the Appropriation Account.

John McKeon
Accounting Officer
Department of Employment Affairs and Social Protection

31 August 2018

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Employment Affairs and Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Employment Affairs and Social Protection 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 37 Employment Affairs and Social Protection 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 Department of Employment Affairs and Social Protection 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*.

Regularity of expenditure

Chapter 11 of my report on the accounts of the public services for 2017 relates to welfare payments in excess of entitlement included in the 2017 account for Vote 37. I consider the estimated level of irregular payment to be material.

Non compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2017.

Reporting on matters arising from audit

Chapters 12 and 14 of my report on the accounts of the public services for 2017 refer to certain matters relating to Vote 37 Employment Affairs and Social Protection.

Seamus McCarthy

Comptroller and Auditor General

31 August 2018

Vote 37 Employment Affairs and Social Protection Appropriation Account 2017

		Estimate provision		2017	2016
				Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
Social assistance schemes, services, administration and payment to Social Insurance Fund					
Administration					
	<i>Original</i>	550,686			
	<i>Supplementary</i>	<u>(19,500)</u>	531,186	520,906	486,368
Pensions					
	<i>Original</i>	971,980			
	<i>Supplementary</i>	<u>21,520</u>	993,500	994,740	982,138
Working age – income supports					
	<i>Original</i>	2,889,770			
	<i>Supplementary</i>	<u>(41,620)</u>	2,848,150	2,845,390	3,190,329
Working age – employment supports					
	<i>Original</i>	951,520			
	<i>Supplementary</i>	<u>(37,200)</u>	914,320	904,525	996,179
Illness, disability and carers					
	<i>Original</i>	2,442,550			
	<i>Supplementary</i>	<u>114,110</u>	2,556,660	2,557,113	2,330,712
Children					
	<i>Original</i>	2,605,870			
	<i>Supplementary</i>	<u>(460)</u>	2,605,410	2,603,327	2,576,545
Supplementary payments, etc.					
	<i>Original</i>	632,426			
	<i>Supplementary</i>	<u>(26,849)</u>	605,577	608,506	653,052
Subvention to the Social Insurance Fund					
	<i>Original</i>	1			
	<i>Supplementary</i>	<u>(1)</u>	—	—	—
Gross expenditure					
	<i>Original</i>	11,044,803			
	<i>Supplementary</i>	<u>10,000</u>			
			11,054,803	11,034,507	11,215,323
<i>Deduct</i>					
	Appropriations-in-aid		264,064	264,787	272,843
Net expenditure					
	<i>Original</i>	10,780,739			
	<i>Supplementary</i>	<u>10,000</u>			
			10,790,739	10,769,720	10,942,480

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 spend in the following year.

	2017	2016
	€	€
Surplus	21,019,255	38,949,110
Deferred surrender	(1,000,000)	—
Surplus to be surrendered	<u>20,019,255</u>	<u>38,949,110</u>

John McKeon

Accounting Officer

Department of Employment Affairs and Social Protection

31 August 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	2017		2016
	€000	€000	€000
Programme cost		10,513,601	10,728,955
Pay		293,330	295,975
Non pay		227,576	190,393
Gross expenditure		11,034,507	11,215,323
Deduct			
Appropriations-in-aid		264,787	272,843
Net expenditure		10,769,720	10,942,480
Changes in capital assets			
Purchases cash	(28,347)		
Depreciation	12,014		
Loss on disposal/ write-off	123	(16,210)	(18,854)
Changes in net current assets			
Increase in closing accruals	645		
Decrease in stock	128		
		773	6,682
Direct expenditure		10,754,283	10,930,308
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		70,312	51,502
Notional rents		13,437	13,472
Net programme cost		10,838,032	10,995,282

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

		2017	2016
		€000	€000
Vote 9 Office of Revenue Commissioners	e	365	357
Vote 12 Superannuation and Retired Allowances	e	56,846	37,153
Vote 13 Office of Public Works	e	12,860	13,918
Vote 18 National Shared Services Office	e	207	—
Vote 20 Garda Síochána	e	—	45
Central Fund – Ministerial pensions	e	34	29
		70,312	51,502

"e" indicates that the number is an estimated 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	116,470	100,260
Current assets			
Stocks	2.4	346	474
Prepayments	2.11	55,508	67,832
Other debit balances	2.5	167,647	205,123
Net Exchequer funding due	2.7	13,979	(14,152)
Total current assets		237,480	259,277
Less current liabilities			
Bank and cash	2.3	147,107	150,196
Accrued expenses	2.10	48,091	59,770
Other credit balances	2.6	34,519	40,775
Total current liabilities		229,717	250,741
Net current assets		7,763	8,536
Net assets		124,233	108,796
Represented by:			
State funding account	2.1	124,233	108,796

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		108,796	95,727
Adjustment		—	897
Disbursements from the Vote			
Estimate provision	Account	10,790,739	
Deferred surrender	Account	(1,000)	
Surplus to be surrendered	Account	(20,019)	
Net Vote		10,769,720	10,942,480
Expenditure (cash) borne elsewhere	1.1	70,312	51,502
Non cash expenditure – notional rent	1	13,437	13,472
Net programme cost	1	(10,838,032)	(10,995,282)
Balance at 31 December		124,233	108,796

2.2 Capital assets

	Office equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2017	272,378	33,193	18,228	323,799
Additions	15,490	234	12,623	28,347
Disposals/ write-off ¹	(90)	(1,683)	—	(1,773)
Transfers	15,620	—	(15,620)	—
Cost or valuation at 31 December 2017	303,398	31,744	15,231	350,373
Accumulated depreciation				
Opening balance at 1 January 2017	195,164	28,375	—	223,539
Depreciation for the year	10,982	1,032	—	12,014
Depreciation on disposals/ write-off	(87)	(1,563)	—	(1,650)
Cumulative depreciation at 31 December 2017	206,059	27,844	—	233,903
Net assets at 31 December 2017	97,339	3,900	15,231	116,470
Net assets at 31 December 2016	77,214	4,818	18,228	100,260

¹ Disposals/write-off consist of furniture and equipment including franking machines, photocopiers, tables, chairs, floor coverings, etc.

2.3 Bank and cash

at 31 December	2017	2016
	€000	€000
An Post advance balances ¹	115,381	78,809
PMG balances (overdraft)	(402,429)	(365,039)
Commercial bank and cash	139,941	136,034
	(147,107)	(150,196)

¹ As scheme paying agent, An Post is pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2017, the combined balance held by An Post in respect of Vote 37 and the SIF was €183,748,681. The combined corresponding balance at the end of 2016 was €126,357,506.

2.4 Stocks

at 31 December	2017	2016
	€000	€000
Stationery	318	434
IT consumables	28	40
	346	474

2.5 Other debit balances

at 31 December	2017	2016
	€000	€000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	354	552
Advances to Pobal	6,095	6,699
Scheme prepayments ¹	13,384	12,116
Other debit suspense	1,376	740
Due from SIF in respect of		
• Vote scheme overpayments recovered through SIF	26,600	19,821
• payments by Vote on behalf of SIF	118,831	164,188
	167,647	205,123

¹ At 31 December 2017, there were prepayments for Vote schemes of €13,383,975 of which €10,695,771 were made via An Post and €2,688,204 were made via bank electronic funds transfer.

2.6 Other credit balances

at 31 December	2017	2016
	€000	€000
Amounts due to the State		
Income tax	3,021	5,038
Superannuation contributions	556	779
Pay Related Social Insurance	3,535	3,608
Interstat Value Added Tax	56	65
Professional Services Withholding Tax	3,219	2,442
Local property tax ¹	66	107
Extra Exchequer receipts	2	19
	<u>10,455</u>	<u>12,058</u>
Payroll deductions	2,666	3,932
Due to SIF in respect of		
• payments by SIF on behalf of Vote	13,128	16,550
• imprest payments received from SIF	3,010	2,061
Unmatched overpayment recoveries	2,743	1,885
Other credit suspense items	2,517	4,289
	<u><u>34,519</u></u>	<u><u>40,775</u></u>

¹ Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct the Department to make deductions from certain scheme payments in respect of liable persons for local property tax. €709,422 was paid over to the Revenue Commissioners in 2017.

The Department also make voluntary deductions from some staff salaries in respect of local property tax. These deductions commenced in 2013 and are paid to the Revenue Commissioners in the month following deduction. €425,795 was paid over to the Revenue Commissioners in 2017.

2.7 Net Exchequer funding due

at 31 December	2017	2016
	€000	€000
Surplus to be surrendered	20,019	38,949
Deferred surrender	1,000	—
	<u>21,019</u>	<u>38,949</u>
Exchequer grant undrawn	(34,998)	(24,797)
Net Exchequer funding due	<u>(13,979)</u>	<u>14,152</u>
Represented by:		
Debtors		
Debit balances: suspense	<u>167,647</u>	<u>205,123</u>
Creditors		
Banks and cash	(147,107)	(150,196)
Due to State	(10,455)	(12,058)
Credit balances: suspense	(24,064)	(28,717)
	<u>(181,626)</u>	<u>(190,971)</u>
	<u>(13,979)</u>	<u>14,152</u>

2.8 Commitments

a) Global Commitments	2017	2016
at 31 December	€000	€000
Procurement of goods and services	32,983	26,027
Capital projects	22,859	11,781
Total of legally enforceable commitments	55,842	37,808

The increased commitments for capital projects from 2016 to 2017 of €11.1 million is mainly due to additional commitments on three projects Business Object Model (BOMi), Identity and Access Management (MyGovID) and Web Self Services (MyWelfare).

b) Major Capital Commitments

Project	Cumulative expenditure to 31 December 2016 €000	Expenditure in 2017 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2017 €000	Expected total spend lifetime of project 2016 €000
Public Services Card	26,990	5,113	—	32,103	31,208

Significant variations

	Expected Total Spend 2017 €000	Expected Total Spend 2016 €000	Year on year increase €000
Public Services Card	32,103	31,208	895

The increase in the total expected lifetime spend of the project is as a result of 3.04 million cards having been issued by the end of 2017. The project was for 3 million cards and the 2016 projected expenditure covered the issuing of this amount of cards.

2.9 Matured liabilities

	2017	2016
	€000	€000
At 31 December		
	82	147
Estimate of matured liabilities not discharged at year end		

2.10 Accruals

	2017	2016
	€000	€000
Administration expenses	2,559	1,417
Office expenses	12,532	4,006
Consultancy expenses	167	94
Programme costs ¹	32,833	54,210
Miscellaneous expenses	—	43
	48,091	59,770

¹Moneys owed at 31 December 2017 to organisations providing Community Employment (CE), Jobs Initiative (JI) and Local Employment Services (LES) on behalf of the Department. This money relates to organisations as opposed to individual claimants.

2.11 Prepayments

	2017	2016
	€000	€000
Administration expenses	225	107
Office expenses	422	1,585
Consultancy expenses	—	29
Programme advances/floats ¹	54,858	66,105
Miscellaneous expenses	3	6
	55,508	67,832

¹Moneys paid to schemes and other organisations providing CE, JI, LES and Job Clubs by way of advances or floats before commencement. Advances are provided to CE and JI schemes prior to commencement to cover initial expenses and are generally recouped within 12 months of issue. Floats are provided to LES and Job Clubs prior to commencement to cover ongoing expenses and are reconciled on an ongoing basis with each payment made. This money relates to organisations as opposed to individual claimants.

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).

		2017		2016	
		Estimate provision	Outturn	Outturn	
		€000	€000	€000	
i.	Salaries, wages and allowances		295,510	293,330	295,975
ii.	Travel and subsistence				
	<i>Original</i>	5,113			
	<i>Supplementary</i>	(300)	4,813	4,575	4,304
iii.	Training and development and incidental expenses				
	<i>Original</i>	20,477			
	<i>Supplementary</i>	(7,200)	13,277	10,501	6,373
iv.	Postal and telecommunications services				
	<i>Original</i>	16,412			
	<i>Supplementary</i>	(600)	15,812	15,912	15,901
v.	Office equipment and external IT services				
	<i>Original</i>	45,928			
	<i>Supplementary</i>	(3,873)	42,055	41,727	40,591
vi.	Office premises expenses				
	<i>Original</i>	17,695			
	<i>Supplementary</i>	(1,000)	16,695	15,064	19,839
vii.	Consultancy services				
	<i>Original</i>	1,077			
	<i>Supplementary</i>	(277)	800	736	199
viii.	Payments for agency services				
	<i>Original</i>	136,906			
	<i>Supplementary</i>	(6,250)	130,656	126,325	93,480
ix.	eGovernment related projects		11,568	12,736	9,706
			531,186	520,906	486,368

Significant variations

iii *Training and development and incidental expenses*

Estimate provision: €20.47 million, outturn: €10.5 million.

The underspend of €9.97 million relative to the estimate provision was due to

- The original estimate contained a contingency provision of €4.3 million that was not required.
- Bank charges were €3.1 million lower than anticipated. These charges are transaction based and therefore more difficult to estimate accurately.
- €2.57 million of savings were achieved on various incidental expenses including staff training and evaluations (€1.5 million), facilities management (€0.3 million), compensation (€0.3 million) and other costs (€0.47 million).

An amount of €7.2 million was surrendered as part of the supplementary estimate. The final outturn was €2.8 million (21%) lower than the final allocation mainly because bank charges as above were lower than anticipated. The savings were used to fund excess expenditure on other subheads.

vii *Consultancy services*

Estimate provision: €1.08 million, outturn: €0.74 million.

The underspend of €0.34 million relative to the estimate provision was due to

- A number of large tenders received came in lower than anticipated.
- Some projects did not incur costs as early as originally anticipated.

An amount of €0.3 million was surrendered as part of the supplementary estimate. The final outturn was €0.06 million (9%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

Programme A Social assistance schemes, services, administration and payment to Social Insurance Fund

				2017	2016
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Administration					
A.1	Administration – pay		295,510	293,330	295,975
A.2	Administration – non pay				
	<i>Original</i>	255,176			
	<i>Supplementary</i>	<u>(19,500)</u>	235,676	227,576	190,393
Pensions					
A.3	State Pension (Non-Contributory)				
	<i>Original</i>	971,980			
	<i>Supplementary</i>	<u>21,520</u>	993,500	994,740	982,138
Working Age – Income Supports					
A.4	Jobseeker's Allowance				
	<i>Original</i>	2,161,670			
	<i>Supplementary</i>	<u>(56,670)</u>	2,105,000	2,103,451	2,452,332
A.5	One-Parent Family Payment				
	<i>Original</i>	501,980			
	<i>Supplementary</i>	<u>(4,780)</u>	497,200	497,647	500,699
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension				
	<i>Original</i>	13,690			
	<i>Supplementary</i>	<u>510</u>	14,200	14,226	14,557
A.7	Deserted Wife's Allowance				
	<i>Original</i>	1,290			
	<i>Supplementary</i>	<u>210</u>	1,500	1,434	1,736
A.8	Basic Supplementary Welfare Allowance Payments				
	<i>Original</i>	85,420			
	<i>Supplementary</i>	<u>13,580</u>	99,000	97,218	89,018
A.9	Farm Assist				
	<i>Original</i>	82,800			
	<i>Supplementary</i>	<u>(4,000)</u>	78,800	78,182	78,831
A.10	Pre-retirement Allowance				
	<i>Original</i>	2,660			
	<i>Supplementary</i>	<u>940</u>	3,600	3,608	8,607
A.11	Other Working Age Income Supports				
	<i>Original</i>	40,260			
	<i>Supplementary</i>	<u>8,590</u>	48,850	49,624	44,549
Working Age – Employment Supports					
A.12	Community Employment Programme		353,000	350,489	356,341
A.13	Rural Social Scheme				
	<i>Original</i>	47,660			
	<i>Supplementary</i>	<u>(2,160)</u>	45,500	44,408	42,393

			2017	2016
			Estimate provision	Outturn
		€000	€000	€000
A.14	Tús			
	<i>Original</i>	124,820		
	<i>Supplementary</i>	<u>(16,820)</u>	108,000	109,397
A.15	Jobs Initiative		19,270	19,150
A.16	Community Services Programme		46,190	42,455
A.17	Back to Work Allowance			
	<i>Original</i>	119,560		
	<i>Supplementary</i>	<u>(3,760)</u>	115,800	115,171
A.18	National Internship Scheme – JobBridge			
	<i>Original</i>	15,000		
	<i>Supplementary</i>	<u>(8,000)</u>	7,000	6,904
A.19	Back To Education Allowance			
	<i>Original</i>	105,000		
	<i>Supplementary</i>	<u>(9,000)</u>	96,000	93,860
A.20	Gateway			
	<i>Original</i>	7,250		
	<i>Supplementary</i>	<u>(3,850)</u>	3,400	3,496
A.21	Back to Work Family Dividend			
	<i>Original</i>	14,400		
	<i>Supplementary</i>	<u>10,100</u>	24,500	23,970
A.22	JobsPlus			
	<i>Original</i>	20,400		
	<i>Supplementary</i>	<u>9,600</u>	30,000	28,854
A.23	Wage Subsidy Scheme			
	<i>Original</i>	25,900		
	<i>Supplementary</i>	<u>(5,100)</u>	20,800	20,837
A.24	Other Working Age – Employment Supports			
	<i>Original</i>	53,070		
	<i>Supplementary</i>	<u>(8,210)</u>	44,860	45,534
Illness, Disability And Carers				
A.25	Disability Allowance			
	<i>Original</i>	1,416,170		
	<i>Supplementary</i>	<u>50,130</u>	1,466,300	1,469,440
A.26	Blind Pension		13,480	13,386
A.27	Carer's Allowance			
	<i>Original</i>	694,000		
	<i>Supplementary</i>	<u>37,800</u>	731,800	729,449
A.28	Domiciliary Care Allowance			
	<i>Original</i>	138,000		
	<i>Supplementary</i>	<u>13,500</u>	151,500	151,914
A.29	Carer's Support Grant			
	<i>Original</i>	180,900		
	<i>Supplementary</i>	<u>12,680</u>	193,580	192,924

			2017	2016
			Estimate provision	Outturn
		€000	€000	€000
Children				
A.30	Child Benefit			
	<i>Original</i>	2,091,530		
	<i>Supplementary</i>	<u>(4,030)</u>	2,087,500	2,086,390
A.31	Family Income Supplement			2,078,111
	<i>Original</i>	422,500		
	<i>Supplementary</i>	<u>(8,000)</u>	414,500	414,630
A.32	Back-To-School Clothing And Footwear Allowance			415,437
	<i>Original</i>	37,400		
	<i>Supplementary</i>	<u>11,700</u>	49,100	48,854
A.33	School Meals Schemes		47,500	46,619
A.34	Other Child Related Payments			36,886
	<i>Original</i>	6,940		
	<i>Supplementary</i>	<u>(130)</u>	6,810	6,834
Supplementary Payments, Agencies and Miscellaneous Services				
A.35	Rent Supplement			
	<i>Original</i>	252,600		
	<i>Supplementary</i>	<u>(20,500)</u>	232,100	230,566
A.36	Mortgage Interest Supplement			275,294
	<i>Original</i>	4,120		
	<i>Supplementary</i>	<u>90</u>	4,210	4,206
A.37	Household Benefits Package			6,558
	<i>Original</i>	84,164		
	<i>Supplementary</i>	<u>(999)</u>	83,165	84,900
A.38	Free Travel			83,915
	<i>Original</i>	80,000		
	<i>Supplementary</i>	<u>(2,000)</u>	78,000	77,456
A.39	Fuel Allowance			77,112
	<i>Original</i>	146,095		
	<i>Supplementary</i>	<u>(1,595)</u>	144,500	148,870
A.40	Grant to the Citizens Information Board		54,050	53,053
A.41	Office of the Pensions Ombudsman			49,178
	<i>Original</i>	950		
	<i>Supplementary</i>	<u>(250)</u>	700	654
A.42	Miscellaneous Services			533
	<i>Original</i>	9,970		
	<i>Supplementary</i>	<u>(1,595)</u>	8,375	8,504
A.43	Low Pay Commission		477	297
				—

	€000	2017		2016
		Estimate provision	Outturn	Outturn
	€000	€000	€000	€000
Subvention to the Social Insurance Fund				
A.44 Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005				
<i>Original</i>	1			
<i>Supplementary</i>	(1)	—	—	—
Total		11,054,803	11,034,507	11,215,323

Significant variations

Overall, the expenditure in relation to Programme A was €10.3 million lower than originally provided. Administration expenditure was €29.8 million lower than originally estimated and the main variances have already been explained. These savings were offset by higher expenditure than originally estimated on schemes and services amounting to €19.5 million which was mainly due to the following:

A.7 *Deserted Wife's Allowance*

Estimate provision: €1.3 million, outturn: €1.4 million.

The increase in expenditure of €0.1 million relative to the estimate provision was due to average number of payments (147) each week being higher than provided for in the original estimate (133).

A supplementary estimate of €0.2 million was provided to reflect emerging trends. The outturn was almost €0.1 million (6.6%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.8 *Basic Supplementary Welfare Allowance Payments*

Estimate provision: €85.4 million, outturn: €97.2 million.

The increase in expenditure of €11.8 million relative to the estimate provision was due to:

- Higher average recipient numbers (15,220) than provided for in the original estimate (15,030). This cost an additional €1.9 million.
- Higher average payment values (€192.52) than provided for in the original estimate (€189.77). This cost an additional €2.2 million (of which €0.5 million related to the decision to pay a Christmas bonus which was not part of the original estimate).
- Recoupment of expenditure from primary schemes (e.g. disability allowance, jobseekers allowance) where the recipient had been claiming supplementary welfare allowance pending resolution of their claim. Outturn was €55.1 million, compared to €62.8 million in the revised estimate. This resulted in an additional cost of €7.7 million.

A supplementary estimate of €13.6 million was provided to reflect emerging trends. The final outturn was €1.8 million (1.8%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.9 *Farm Assist*

Estimate provision: €82.8 million, outturn: €78.2 million.

The underspend of €4.6 million relative to the estimate provision was due to:

- Lower average recipient numbers (7,430) than provided for in the original estimate (7,704). This saved €2.9 million.
- Lower average payment values (€202.56) than provided for in the original estimate (€206.83). This saved €1.7 million (after offsetting €1.5 million related to the decision to pay a Christmas bonus of 85%, not provided for in the original estimate).

An amount of €4 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €0.6 million (0.8%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.10 *Pre-retirement Allowance*

Estimate provision: €2.7 million, outturn: €3.6 million.

The increase in expenditure of €0.9 million relative to the estimate provision was due to higher average recipient numbers per week (336) than provided for in the original estimate (249).

A supplementary estimate of €0.94 million was provided to reflect emerging trends. The final outturn was €0.01 million (0.3%) more than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.11 *Other Working Age – income supports*

Estimate provision: €40.3 million, outturn: €49.6 million.

The increase in expenditure of €9.3 million relative to the estimate provision was due to:

- Higher expenditure on supplementary welfare allowance exceptional needs payments i.e. essential, once off, exceptional payments. The final outturn was €38.2 million which was higher than the original estimate by €6.7 million due to:
 - Higher number of once-off payments (97,253) than provided for in the original estimate (94,305). This cost an additional €1.1 million.
 - Higher average payment values (€391.76) than provided for in the original estimate (€334.02). This cost an additional €5.6 million.

The once-off nature of the scheme makes it more difficult to predict the make-up of future payment numbers and average payment values than for schemes with a regular frequency.

- Higher expenditure on supplements under the supplementary welfare allowance scheme such as special diet and heating supplements. The final outturn was €5.8 million which was higher than the original estimate of €4.6 million by €1.2 million due to:
 - Higher average payment values (€30.09) than provided for in the original estimate (€23.40). This cost an additional €1.3 million.
 - Offset by lower average recipient numbers (3,700) than provided for in the original estimate (3,749). This saved €0.1 million.
- Higher expenditure on Direct Provision Allowance paid in respect of adults and children asylum seekers residing in the direct provision system. The final outturn was €4.8 million which was higher than the original estimate by €1.1 million due to:
 - Higher average recipient numbers (2,620) than provided for in the original estimate (2,340). This cost an additional €0.5 million.
 - Higher average payment values (€36.02) than provided for in the original estimate (€31.87). This cost an additional €0.6 million (€0.5 million as a result of a Government decision in August 2017 to increase the rate of allowance payable to adults and children and €0.1 million related to the decision to pay a Christmas bonus, neither of which were part of the original estimate).
- Higher expenditure on the Humanitarian Assistance Scheme which provides emergency financial assistance to households to meet essential needs immediately following flooding, and other financial support for damage to home and contents. The final outturn was €0.8 million which was higher than the original estimate of €0.5 million. It is difficult to predict the requirement for Humanitarian Assistance given the unpredictable nature of the weather. Winter storms of late 2017 (including storm Ophelia) resulted in increased demand in 2017. The higher than expected demand cost an additional €0.3 million.

A supplementary estimate of €8.6 million was provided to reflect emerging trends. The final outturn was almost €0.8 million (1.6%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.13 Rural Social Scheme

Estimate provision: €47.7 million, outturn: €44.4 million.

The underspend of €3.3 million relative to the estimate provision was due to:

- Lower average participant numbers (2,700) than provided for in the original estimate (2,825). This saved €1.8 million.
- Lower average payment values for participants (€262.12) than provided for in the original estimate (€270.66). This saved €1.2 million (after taking into consideration the cost of the decision to pay a Christmas bonus of 85% which cost €0.5 million).
- Lower average payment values for scheme supervisors (€680.49) than provided for in the original estimate (€724.85). This saved €0.3 million.

An amount of €2.2 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was almost €1.1 million (2.4%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.14 Tús

Estimate provision: €124.8 million, outturn: €109.4 million.

The underspend of €15.4 million relative to the estimate provision was due to:

- Lower average participant numbers (6,827) than provided for in the original estimate (7,800). This saved €12.5 million. The reduction in participants is due to the declining live register and improved labour market.
- Lower average payment values for participants (€241.58) than provided for in the original estimate (€248.57). This saved €2.5 million (after taking into consideration the cost of the decision to pay a Christmas bonus of 85% which cost €1 million).
- Lower average number of supervisors (397) than provided for in the original estimate (405). This saved €0.3 million.
- Expenditure on implementation body service fees was €0.4 million lower than provided for in the original estimate.
- Offset by higher average payment values for supervisors (€668.99) than provided for in the original estimate (€655.90). This cost an additional €0.3 million.

An amount of €16.8 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €1.4 million (1.3%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.16 Community Services Programme

Estimate provision: €46.2 million, outturn: €42.5 million.

The underspend of €3.7 million relative to the estimate provision was due to:

- An amount of €1 million was allocated for a targeted call for proposals from Community Service Programme (CSP) Strand 3 organisations (aimed at employing people far from the labour market including for example, people with disabilities and travellers) looking to avail of CSP funding. This call for proposals was organised through Pobal, who operated the scheme on behalf of the Department and through various Social Inclusion and Community Activation (SICAP) programme implementers around the country. The assessment of these proposals was not completed until late 2017/early 2018. As a result, expenditure did not materialise in 2017 saving €1 million.
- A number of CSP organisations experienced trading difficulties during the year which meant a reduction in their operating and staffing levels. This resulted in a lower amount of CSP funding being drawn down by these organisations than was predicted for them at the start of the year saving €2.7 million.

This programme transferred from the Department of Employment Affairs and Social Protection (DEASP) to the Department of Rural and Community Development from 1 January 2018.

A.18 *National Internship Scheme – JobBridge*

Estimate provision: €15 million, outturn: €6.9 million.

The underspend of €8.1 million relative to the estimate provision was due to:

- Provision was made in the 2017 estimate for a replacement scheme which was not enacted. A new Youth Employment Support will be implemented during 2018. This saved €8.5 million.
- Lower average payment values (€204.12) than provided for in the original estimate (€231.64). This saved €0.9 million.
- Offset by higher average recipient numbers (650) than provided for in the original estimate (539). This cost an additional €1.3 million.

An amount of €8 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was almost €0.1 million (1.4%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.19 *Back To Education Allowance*

Estimate provision: €105 million, outturn: €93.9 million.

The underspend of €11.1 million relative to the estimate provision was due to:

- Actual average number of recipients (11,904) during academic periods (Jan–May 2017, Oct–Dec 2017) was lower than provided for in the original estimate (13,658). Recipients have been falling for a number of years due to an improved labour market and lower live register. This saved €12.2 million.
- Actual expenditure over the 2017 summer months (€8.7 million) was lower than provided for in the original estimate (€9.95 million). This saved €1.3 million.
- Offset by higher average weekly payment values (€209.36) than provided for in the original estimate (€203.56). This cost an additional €2.4 million (of which €1.7 million related to the decision to pay a Christmas bonus of 85% which was not part of the original estimate).

An amount of €9 million was surrendered as part of the supplementary estimate. The final outturn was €2.1 million (2.2%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.20 *Gateway*

Estimate provision: €7.3 million, outturn: €3.5 million.

The underspend of €3.8 million relative to the estimate provision was due to:

- Lower average recipient numbers (250) than provided for in the original estimate (515). This saved €3.5 million.
- Lower average payment values (€253.55) than provided for in the original estimate (€254.77). This saved €0.1 million.
- The fee payable to Pobal for administering the scheme was €0.2 million less than provided for in the estimate.

An amount of €3.9 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €0.1 million (2.9%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.21 *Back to Work Family Dividend*

Estimate provision: €14.4 million, outturn: €24 million.

The increase in expenditure of €9.6 million relative to the estimate provision was due to:

- Higher average recipient numbers (10,770) than provided for in the original estimate (7,048). This cost an additional €7.6 million. This was due to more people exiting social welfare schemes to take up employment than provided for in the estimate.
- Higher average payment values (€42.80) than provided for in the original estimate (€39.29). This cost an additional €2 million (of which €0.43 million related to the decision to pay a Christmas bonus of 85% which was not part of the original estimate).

A supplementary estimate of €10.1 million was provided to reflect emerging trends. The final outturn was €0.5 million (2.1%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.22 *JobsPlus*

Estimate provision: €20.4 million, outturn: €28.9 million.

The increase in expenditure of €8.5 million relative to the estimate provision was due to:

- Actual number of recipients (5,131) were 1,708 higher than provided for in the original estimate (3,423). This cost €10.2 million. The 2017 revised estimate was based on 2016 performance and a similar performance in 2017. At the time, there were migration issues relating to a new system and new processes around tax clearance certificates which caused 2016 expenditure to be understated. These issues have since been resolved.
- Offset by lower average payment values (€468.62) than provided for in the original estimate (€496.70). This saved €1.7 million.

A supplementary estimate of €9.6 million was provided to reflect emerging trends. The final outturn was €1.1 million (3.7%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.23 *Wage Subsidy Scheme*

This subhead funds the employment support scheme (closed to new entrants) as well as the wage subsidy scheme.

Estimate provision: €25.9 million, outturn: €20.8 million.

The underspend of €5.1 million relative to the estimate provision was due to:

- Lower average monthly payment values on wage subsidy scheme (€669.86) than provided for in the original estimate (€800.00). This saved €3.8 million.
- Lower average number of recipients on wage subsidy scheme (2,436) than provided for in the original estimate (2,548). This saved €1.1 million.
- Lower expenditure on employment support scheme which saved €0.2 million.

An amount of €5.1 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was almost €0.04 million (0.2%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.24 *Other Working Age – Employment Supports*

Estimate provision: €53.1 million, outturn: €45.5 million.

This subhead provides a range of employment supports under 13 different headings.

The underspend of €7.6 million relative to the estimate provision was due to:

- €3.4 million saving on **Disability Activation and Pre-Activation Employment Supports**, outturn was €1.0 million, original estimate €4.4 million. This item is part funded from the European Social Fund (ESF), with the lower spend due to the lead in time required for putting in place the operational requirements to ensure a well-designed and managed application process and programme to ensure compliance with ESF funding arrangements.
- €1.8 million saving on **Local Employment Services (LES)**, outturn was €18.5 million compared to an original estimate of €20.3 million and was due to lower spending on contracted staff and LES supported mediator interventions.
- €1 million saving on **Employability Services**, outturn was €8.7 million compared to an original estimate of €9.7 million. This was due to lower expenditure on contracted staff and associated operational costs.
- €0.8 million saving on **Job Clubs**, outturn was €5.2 million, original estimate was €6m. This was due to lower contracted staff and operational costs.
- €0.6 million saving on a range of other factors.

An amount of €8.2 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €0.7 million (1.6%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.27 Carer's Allowance

Estimate provision: €694 million, outturn: €729.4 million.

The increase in expenditure of €35.4 million relative to the estimate provision was due to:

- Higher average recipient numbers (72,788) than provided for in the original estimate (70,365). This cost an additional €23.8 million.
- Actual average payment values (€192.05) were higher than provided for in the original estimate (€189.23). The Christmas bonus cost €12.1 million but was offset by a lower trend in average payment values saving €1.4 million, giving a net extra cost of €10.7 million.
- Charging of expenditure to Carer's Allowance where the recipient had been claiming Supplementary Welfare Allowance pending resolution of their claim. Outturn was €2.5 million which was higher than the original estimate (€1.6 million). This cost €0.9 million.

Carer's Allowance covers the provision of full time care and attention by a carer to people with disabilities of all ages from infants to centenarians subject to medical assessment. As the population ages and awareness of the scheme increases, the potential for higher numbers is greater.

A supplementary estimate of €37.8 million was provided to reflect emerging trends. The final outturn was almost €2.4 million (0.3%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.28 Domiciliary Care Allowance

Estimate provision: €138 million, outturn: €151.9 million.

The increase in expenditure of €13.9 million relative to the estimate provision was due to:

- Higher average payment values (€378.86) than provided for in the original estimate (€356.26). This cost an additional €9.1 million (of which €3.4 million related to the decision to pay a Christmas bonus which was not part of the original estimate).
- Higher average recipient numbers (33,410) than provided for in the original estimate (32,280). This cost an additional €4.8 million.

2017 revised estimate was finalised, based on the latest data available at the time (mid August 2016). Recipient numbers and average payment values increased subsequently (due to arrears arising from previous backlogs) and continued to do so throughout 2017.

A supplementary estimate of €13.5 million was provided to reflect emerging trends. The final outturn was €0.4 million (0.3%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.29 Carer's Support Grant

Estimate provision: €180.9 million, outturn: €192.9 million.

The increase in expenditure of €12 million relative to the estimate provision was due to:

- Higher average number of payments (104,378) than provided for in the original estimate (98,589). This cost an additional €10.6 million.
- Higher average payment values (€1,849.01) than provided for in the original estimate (€1,834.89). This cost an additional €1.5 million.
- Offset by small overpayment recoveries (€0.1 million) netted off against the subhead.

This is due to increasing number of recipients on Carers Allowance, Carer's Benefit and Domiciliary Care Allowance.

A supplementary estimate of €12.7 million was provided to reflect emerging trends. The final outturn was €0.7 million (0.4%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.32 *Back-To-School Clothing And Footwear Allowance*

Estimate provision: €37.4 million, outturn: €48.9 million.

The increase in expenditure of €11.5 million relative to the estimate provision was due to:

- Higher average payment values (€324.03) than provided for in the original estimate (€258.45). This is attributed to a Government decision in June 2017 that increased the rates payable to parents by 25% from July 2017. This had not been part of the estimate for 2017 and cost an additional €9.9 million.
- Higher average recipient numbers (150,776) than provided for in the original estimate (144,710). This cost an additional €1.6 million.

A supplementary estimate of €11.7 million was provided in respect of the Government approved rate increase and to reflect emerging trends. The final outturn was €0.25 million (0.5%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.35 *Rent Supplement*

Estimate provision: €252.6 million, outturn: €230.6 million.

The underspend of €22 million relative to the estimate provision was due to:

- Lower average weekly recipient numbers (22,271) than provided for in the original estimate (22,894). This saved €3.05 million.
- Lower average weekly payment values (€92.57) than provided for in the original estimate (€94.49). This saved €2.2 million.
- Lower average monthly recipient numbers (15,440) than provided for in the original estimate (16,450). This saved €8.6 million.
- Lower average monthly payment values (€665.82) than provided for in the original estimate (€709.79). This saved €8.15 million.

Recipient numbers were lower due to better performance of the live register and more transfers to the Housing Assistance Payment (HAP) than provided for in the estimate.

A.41 *Office of the Pensions Ombudsman*

Estimate provision: €0.95 million, outturn: €0.65 million.

The underspend of €0.3 million relative to the estimate provision was due to:

- The 2017 revised estimate provided for some pre-amalgamation costs to be split between the Pensions Ombudsman (funded by DEASP) and the Financial Services Ombudsman (funded by Department of Finance). These costs are less than estimated.
- Legal costs were less than budgeted for due to fewer appeals of the Ombudsman's decisions.

An amount of €0.25 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €0.05 million (7%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.42 *Miscellaneous Services*

Estimate provision: €9.97 million, outturn: €8.5 million.

This subhead provides a range of supports under 10 different headings.

The underspend of €1.47 million relative to the estimate provision was due to:

- Expenditure on Food Aid (€2.9 million) was lower than provided for in the original estimate (€4 million) due to the need to ensure a well-designated and managed programme that delivers best value and meets ESF funding requirements. The programme is now fully operational and the total EU funding to the Food Aid operational programme will be paid. This saved €1.1 million.
- Expenditure on Training for Carers (€0.527 million) was lower than provided for in the original estimate (€1.5 million). This saved €0.97 million. The expenditure was funded by receipts from the Dormant Accounts Fund.
- Offset by costs of €0.6 million, the main element of which related to an additional €0.4 million spent on recoupment of superannuation expenses by the Pension Authority.

An amount of €1.6 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €0.13 million (1.6%) higher than the final allocation. The overspend was funded through virement from subheads with underspends elsewhere in the Vote.

A.43 *Low Pay Commission*

Estimate provision: €0.477 million, outturn: €0.297 million.

The underspend of €0.18 million relative to the estimate provision was due to:

- A delay in paying fees due to the members of the Commission in quarter 4 resulting in these being carried forward for payment in 2018.
- Efficiencies generated from the consolidation of staffing following transfer of responsibility for the Low Pay Commission from the Department of Business, Enterprise and Innovation (DBEI) in September 2017.

This scheme transferred in from DBEI in September 2017. At the time of the supplementary estimate it was presumed that this scheme would require its entire 2017 original estimate and therefore there was no surrender or additional funding allocated.

4 Receipts

4.1 Appropriations-in-aid

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
Social Insurance Fund Transfer to Vote 37			
1. Recovery of administration expenses from the Social Insurance Fund	177,280	177,240	177,280
Appropriations-in-aid: Other			
2. Recoveries of social assistance overpaid	60,400	62,497	62,138
3. Repayment from the Social Insurance Fund of amounts paid initially as social assistance	5,200	4,147	4,616
4. Receipts under "Liability to Maintain Family" provisions in Part XII of the Social Welfare (Consolidation) Act 2005	280	277	164
5. Receipts from the General Register Office	370	353	423
6. Receipts from European Social Fund for activation and participation of people with disabilities	190	—	2,677
7. Receipts from pension-related deduction on public service remuneration	9,304	9,042	10,371
8. Receipts from EURES European Job Mobility Fund	—	249	120
9. Receipts from National Training Fund (Community Employment)	7,200	6,686	7,100
10. Receipts from Pensions Authority – staff superannuation	640	599	603
11. Homeless Unit operational costs – contributions from external agencies	300	1,738	829
12. Receipts from dormant accounts	—	527	—
13. Receipts from European Globalisation Fund	—	263	203
14. Recovery of social assistance from insurance claims	1,700	3,019	2,012
15. Miscellaneous	1,200	654	4,307
— EU Food Aid Programme	—	(2,504)	—
Total	264,064	264,787	272,843

Significant variations

3. *Repayment from the Social Insurance Fund of amounts paid initially as social assistance*
Estimate: €5.2 million, realised: €4.15 million.
This subhead is used to record the Recovery of Social Assistance from the Social Insurance Fund where inter-scheme adjustment is effected after close of financial year. Receipts can vary significantly from month to month. For example, it includes customers paid supplementary welfare allowance (SWA) basic payment (funded from Vote 37) while awaiting a decision on their claim for illness benefit (IB), Invalidity Pension or State Pension Contributory (SPC). The amount of SWA basic paid is subsequently recovered from the SIF when their IB, IP or SPC claim is decided. When the decision is made in a different year to when the SWA basic payment occurred, the recovery from the SIF is recorded as income under this subhead.
The shortfall of €1.05 million was due to the expectation in 2016 quarter four, when the 2017 original estimate was being prepared, that while receipts would be lower than the 2016 estimate of €6 million, that they would not be more than €0.8 million lower.
6. *Receipts from European Social Fund for activation and participation of people with disabilities*
Estimate: €0.19 million, realised: €Nil
An amount of €184,824 in respect of the Disability Activation project, which was due to be paid in 2017 was not received until 2018. This was the final closure payment for this project. The EU transferred the funds on 29 December 2017 to the Department of Education and Skills (DES). DES lodged the money to DEASP's PMG account on 15 January 2018.
8. *Receipts from EURES European Job Mobility Fund*
Estimate: €Nil, realised: €0.25 million.
The increase of €0.25 million was due to the fact that there was no provision for EURES receipts in the 2017 original estimate.
9. *Receipts from National Training Fund (Community Employment)*
Estimate: €7.2 million, realised: €6.7 million.
This subhead covers the receipt of funding from the National Training Fund for the training of Community Employment (CE) participants and for the training of Training Support Grant (TSG) participants.
The amount realised in respect of TSG (€2.5 million), was €0.5 million lower than provided for in the original estimate. This was due to lower than expected demand for the TSG resulting from a lower live register and an improved labour market.
The amount realised in respect of training of CE participants at €4.2 million was consistent with the estimate.
11. *Homeless Unit operational costs – contributions from external agencies*
Estimate: €0.3 million, realised: €1.7 million.
The Department provides homeless unit services on behalf of Local Authorities. There is a recoupment process in place and the cost of the temporary emergency accommodation (paid through Exceptional Needs payments) is recouped monthly from the Local Authority. Outturn can vary considerably from year to year. The 2017 estimate was conservative. Receipts from this source are unpredictable, being €0.3 million in 2015 and €0.8 million in 2016.
12. *Receipts from dormant accounts*
Estimate: €Nil, realised: €0.5 million.
The allocation to the Department of €0.5 million as part of the 2016 Dormant Accounts Action Plan, to provide transitional support to family carers who had ceased their caring role, materialised in 2017 following liaison between the Department, Pobal and the Department of Rural and Community Development (DRCD) to resolve issues that had prohibited the measure proceeding in 2016.
There is a significant lead in time between the application for a Dormant Accounts measure, its adoption by the Government, the agreement of a contract between Pobal and the lead Department DRCD, the call for applications from groups and the assessment and award procedure. Pobal can only drawdown funding and contract with successful projects on completion of the award procedure. The timing of this can result in a variance between estimated and actual expenditure and receipts. There was no provision for this receipt in the 2017 estimate.

13. *Receipts from European Globalisation Fund*

Estimate: €Nil, realised: €0.26 million.

The outturn of €0.26 million is mainly attributed to the Department receiving an amount of €265,975 in respect of a successful claim under the (EGF) Lufthansa Technik Airmotive programme from the EU.

14. *Recovery of social assistance from insurance claims*

Estimate: €1.7 million, realised: €3.02 million.

The increase of €1.32 million was due to the 2017 estimate being prudent. These receipts relate to the recovery of Disability Allowance expenditure from insurance compensation awards, receipts can vary from one year to the next. Receipts in 2017 were €1 million (50%) higher than in 2016. In 2017, monthly receipts ranged from €63,000 to €405,000.

15. *Miscellaneous receipts*

Estimate: €1.2 million, realised: €0.6 million.

Miscellaneous receipts are difficult to predict with accuracy. The 2017 estimate provided for an expectation of €1.2 million, which included cancelled cheques, small miscellaneous receipts and a small element of unforeseen receipts. The shortfall of €0.6 million is due to lower than expected cancelled cheques in the year.

— *EU Food Aid Programme*

Estimate: €Nil, realised: (€2.5 million).

An amount of €2.5 million was repaid to the EU in 2017 in respect of the Fund for European Aid to the Most Deprived (FEAD). The EU provides funding to member States and member States match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023. Under Article 44 of EU Regulation 223/2014 pre-financing of €2.5 million (11% of the Fund's overall contribution to the Irish operational programme) was paid to the Department in December 2014. As no FEAD payment application was made to the Commission by December 2016, the amount of pre-financing was returned to the Commission in 2017.

4.2 Exchequer extra receipts

	2017	2016
	€000	€000
Balance at 1 January	19	6
Conscience money	6	25
Witness expenses	1	1
Pensions Authority fines	6	12
Transferred to Exchequer	(30)	(25)
Balance at 31 December	2	19

Note 5 Employee Numbers and Pay

The Department's salary function migrated to National Shared Services Office in October 2017.

5.1 Employee numbers

At 31 December	2017	2016
Number of staff (full time equivalents)		
Department	6,339	6,410
Agencies	139	124
	6,478	6,534

5.2 Pay

	2017	2016
Remuneration of all staff (Department and agencies)	€000	€000
Pay	292,999	295,338
Higher, special or additional duties allowance	868	1,028
Other allowances	343	389
Overtime	3,305	3,129
Employer's PRSI	18,231	17,903
Total pay	315,746	317,787

Remuneration of Department staff

The following remuneration arrangements refer to pay element Subheads A.1 (i), A.2 (viii), A.2 (ix), A.24.

	2017	2016
	€000	€000
Pay	285,436	288,147
Higher, special or additional duties allowance	819	983
Other allowances	343	389
Overtime	3,305	3,129
Employer's PRSI	17,584	17,301
Total pay	307,487	309,949

Agency remuneration

The remuneration referred to below relates to the Citizens Information Board, the Pensions Authority and the Pensions Ombudsman. The 2017 figures also include the Low Pay Commission which came under the Department's remit in September 2017.

	2017	2016
	€000	€000
Pay	7,563	7,191
Higher, special or additional duties allowance	49	45
Other allowances	—	—
Overtime	—	—
Employer's PRSI	647	602
Total pay	8,259	7,838

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2017	Highest individual payment 2016
			€	€
Department				
Higher, special or additional duties	432	12	19,505	19,585
Other allowances	45	16	11,990	11,804
Overtime	1,812	33	16,336	14,204
Extra remuneration in more than one category	3	—	5,533	12,127
Agency				
Higher, special or additional duties	15	—	8,053	11,699

5.4 Other remuneration arrangements

Redundancy payments of €115,552 were paid to 22 staff under the Redundancy Payments Acts 1967 to 2007.

5.5 Payroll overpayments

Overpayments at the year-end were €3.3 million (1,339 individuals) (2016: €3.2 million, 1,511 individuals). Of this, recovery plans are in place for €1.6 million (270 individuals).

Note 6 Miscellaneous

6.1 Recovery of welfare overpayments

The summary position on assistance overpayments at 31 December 2017 was as follows:

	2017		2016	
	Outturn		Outturn	
	€000	€000	€000	€000
Overpayments outstanding at 1 January		393,303		376,851
Adjustment		—		881
		<u>393,303</u>		<u>377,732</u>
Net overpayments recorded				
Suspected fraud	36,589		37,557	
Claimant error	44,715		35,258	
Departmental error	1,250		1,602	
Estate cases	14,397	96,951	19,934	94,351
		<u>490,254</u>		<u>472,083</u>
Less:				
Amounts recovered ¹	(67,305)		(67,958)	
Recoveries adjustment ²	<u>731</u>	(66,574)	<u>275</u>	(67,683)
Prior year debts cancelled ³		(9,717)		(9,257)
Amounts written off as irrecoverable		<u>(1,793)</u>		<u>(1,840)</u>
Overpayments outstanding at 31 December		<u><u>412,170</u></u>		<u><u>393,303</u></u>

¹The amount recovered in 2017 includes:

- €62.5 million posted to income in respect of previous years debt
- €4.8 million posted against expenditure in respect of the current years debt.

²The adjustment of €731,000 is in respect of recorded recoveries in prior years which were cancelled in 2017.

³The prior year debts cancelled of €9.7 million represents overpayments raised in prior years which were cancelled in 2017.

6.2 Compensation and legal costs

	Number of cases	Department legal costs €000	Legal costs awarded €000	Compensation awarded €000	2017	2016
					Total	Total
					€000	€000
Claims by employees of the Department						
Personal injuries ¹	19	24	21	76	121	395
Breach of HR/employment policies ²	8	47	37	54	138	11
Claims by members of the public						
Personal injuries ³	13	18	12	27	57	42
Department schemes ⁴	646	92	31	3,288	3,411	3,515
Other ⁵	3	1,252	17	17	1,286	446
		1,433	118	3,462	5,013	4,409

¹ Total costs in respect of individuals ranged from €40 to €54,684.

² Total costs ranged from €2,400 to €58,573. The cases related to a breach of personal data responsibilities, discrimination under dignity at work legislation, disciplinary case under the civil service disciplinary code, unfair dismissal under Section 8 of the Unfair Dismissals Act 1977 (two cases), Workplace Relations Commission (WRC) case under the Organisation of Working Time Act 1997, WRC case under the equality acts and an allegation against a staff member during the course of their duties.

³ Total costs ranged from €40 to €44,526.

⁴ Ex-gratia payments, loss of purchasing power payments and legal costs payments up to €89,841 were made in respect of Carer's Allowance, Child Benefit, Disability Allowance, Domiciliary Care Allowance, Free Electricity Allowance, Jobseekers Allowance, Magdalen Laundries and other institutions, the Office of the Pensions Ombudsman and Waterford Crystal Pension Schemes.

⁵ Total costs ranged from €33,877 to €1,044,006. The cases related to pension entitlements (two cases) and a maintenance recovery case.

6.3 Contingent liabilities

The Department is involved in 75 legal cases which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

6.4 Administrative budget carry forward

Under the provisions of Section 91 of the Finance Act 2004, €1 million of unspent allocations in respect of the capital elements of Subheads A.2.(v) and A.2.(vi) was carried forward to 2018.

6.5 EU funds

Connecting Europe Facility Fund

Funding of €500,000 was received from the EU in respect of the Connecting Europe Facility Fund (CEF). The CEF is to assist Member States with their national implementation of the Electronic Exchange of Social Security Information. DEASP and the HSE will be in partnership on this implementation. Funding of €1 million was approved by the EU for the CEF with the balance due to be paid at the end of the Grant Agreement 31 December 2018.

European Globalisation Fund

A total of €265,975 in respect of the European Globalisation Fund (EGF) Lufthansa Technik Airmotive programme was received from the EU. The EGF provides one-off time limited individual support to people across Ireland in certain companies and sectors that were made redundant as a result of globalisation.

An amount of €2,988 was refunded to the Department of Education and Skills (DES). The refund relates to an amount inadvertently received from the DES in 2016 as part of the EU co-funding contribution towards the cost of allowances and incentives provided by the Department to Andersen Ireland EGF clients.

European Employment Services

An amount of €249,030 (€169,354 pre-payment for 2017 funding and €79,676, the balance payment for 2016 funding) was received from the EaSI (Employment and Social Innovation) programme in respect of EURES (European Employment Services) Ireland/Northern Ireland Cross Border partnership to facilitate the free movement of workers.

Fund for European Aid to the Most Deprived

The Fund for European Aid to the Most Deprived (FEAD) supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. Expenditure of €4 million was incurred in the operation of this programme to December 2017.

The EU provides funding to member States and member States match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023. Under Article 44 of EU Regulation 223/2014, pre-financing of €2.5 million (11% of the Fund's overall contribution to the Irish operational programme) was paid to the Department in December 2014. As no FEAD payment application had been made by December 2016, the Department were required to return the €2.5 million funding to the commission. The total EU contribution due to the FEAD operational programme in Ireland will not be affected by the reimbursement.

The Department submitted its first claim under the programme in December 2017 in the amount of €3.2 million. The reimbursement was received in Q1 2018.

6.6 Late payment interest

	2017	2016
	€000	€000
Interest payments	9	10
Recipients of €10,000 or more	—	—

6.7 Write offs

The following legacy suspense account balances were written off in the year, following receipt of sanction from the Department of Public Expenditure and Reform.

	2017	2016
	€000	€000
OPW networks	115	—
OPW computerisation	10	—
	<u>125</u>	<u>—</u>

Appendix A
Department of Employment Affairs and Social Protection
Summary of Programme Expenditure

	2017	2016
	€m	€m
Vote 37		
Gross expenditure	11,035	11,215
<i>Less non scheme expenditure</i>		
Administration	(521)	(486)
Grant to Citizens Information Board	(53)	(49)
Grants to Office of the Pensions Ombudsman and the Low Pay Commission	(1)	(1)
Miscellaneous services	(9)	(6)
Vote 37 scheme expenditure (A)	10,451	10,673
SIF		
Gross expenditure	9,516	9,154
<i>Less non scheme expenditure</i>		
Administration	(274)	(273)
National Training Levy	(431)	(390)
SIF scheme expenditure (B)	8,811	8,491
Total Department scheme expenditure (A+B)	19,262	19,164

Scheme Expenditure Breakdown

Payments by scheme and category	2017	2016
	€m	€m
Pensions		
State Pensions	5,911	5,644
Widows'/Widowers'/ Surviving Civil Partners' Pension	1,476	1,446
Total	7,387	7,090
Working Age Income Supports		
Jobseeker's Allowance	2,103	2,452
One Parent Family Payment	498	501
Jobseeker's Benefit	340	356
Redundancy and Insolvency Benefit	29	38
Maternity Benefit	256	255
Paternity Benefit	12	2
Basic Supplementary Welfare Allowance	97	89
Farm Assist	78	79
Deserted Wife's Benefit	73	74
Other Working Age - Income Supports	50	44
Pre-Retirement Allowance	4	9
Treatment Benefits	41	31
Widows' /Widowers'/ Surviving Civil Partners' Pension (Non Contributory)	14	14
Deserted Wife's Allowance	1	2
Adoptive Benefit	1	1
Health and Safety Benefit	1	1
Total	3,598	3,948
Supplementary Payments		
Rent Supplement	231	275
Household Benefits Package	232	230
Fuel Allowance	229	235
Free Travel	77	77
Mortgage Interest Supplement	4	7
Total	773	824
Working Age Employment Supports		
Community Employment Programme	351	356
Back to Education Allowance	94	115
Back to Work Allowance	115	124
Back to Work Family Dividend	24	29
TÚS Community Work Placement Scheme	109	119
National Internship Scheme - JobBridge	7	38
JobsPlus	29	24
Wage Subsidy Scheme	21	19
Other Working Age - Employment Supports	46	45
Community Services Programme	42	44
Rural Social Scheme	44	42
Gateway	4	21
Jobs Initiative	19	20
Partial Capacity Benefit	16	13
Total	921	1,009

	2017	2016
	€m	€m
Illness, Disability and Carers		
Disability Allowance	1,469	1,358
Illness Benefit	599	597
Incapacity Pension	673	645
Carer's Payment	766	686
Carer's Support Grant	193	172
Domiciliary Care Allowance	152	133
Disablement Benefit	77	75
Blind Pension	13	14
Injury Benefit	20	19
Total	3,962	3,699
Children		
Child Benefit	2,086	2,078
Family Income Supplement	415	415
Back to School Clothing and Footwear Allowance	49	40
School Meals	46	37
Child Related Payments	25	24
Total	2,621	2,594
Net Expenditure on all Schemes	19,262	19,164

Appendix B Accounts of bodies and funds under the aegis of the Department of Employment Affairs and Social Protection

The following table lists the funded bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, as at end March 2018, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Financial statements for the year ending 31 December 2016

Body/ departmental fund	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Social Insurance Fund	26 Sep 2017	—	22 Nov 2017
Office of the Pensions Ombudsman	30 Jun 2017	3 Jul 2017	10 Aug 2017
Pensions Authority	15 Jun 2017	26 Jun 2017	10 Aug 2017
Citizens Information Board	29 Jun 2017	20 Jul 2017	8 Sep 2017
