

## **Vote 15 Valuation Office**

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## Introduction

As Accounting Officer for Vote 15, 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 2011 for the salaries and expenses of the Valuation Office and certain minor services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2011, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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**

The report of the Working Group on the Accountability of Secretaries General and Accounting Officers recommends that Accounting Officers submit with their Appropriation Accounts a descriptive statement on internal financial controls. The report stresses that improving systems of internal financial control is a continuous process and acknowledges that full installation of comprehensive control systems represents a multi-year development agenda.

### ***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 put in place, maintained and operated by the Valuation Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period. A number of financial and governance weaknesses emerged in 2010. I took a number of steps to deal with them in 2011 as outlined below and the work of strengthening systems and controls is continuing.

### ***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.
- Procedures are in place for reporting significant control failures and ensuring appropriate corrective action.
- A reconstituted Audit Committee operated in 2011 and the structure of that Committee was strengthened by the inclusion of a second external member and a more specific charter.

### ***Administrative Controls and Management Reporting***

I can confirm that a framework of administrative procedures and management reporting is in place including segregation of duties and a system of delegation and accountability, and in particular:

- There is an appropriate budgeting system with an annual budget, which is reviewed by senior management.
- There are regular reviews by management of periodic and annual financial reports, which indicate financial performance against forecast.
- Capital investment control guidelines and project management disciplines are followed.

### ***Internal Audit***

I can confirm that the Valuation Office has an internal audit function, which operates in accordance with a written charter. The internal audit function was outsourced in 2011 to a firm of accountants who report to the Head of Internal Audit.

### ***Enhancing Internal Control***

In line with the Working Group report's recognition that improving systems of internal financial control is a continuous process, I am continuing with the work of improving the control environment in order to fully implement the report's recommendations and to eliminate the weaknesses that emerged in 2010. Accordingly, I have described the actions I have taken or which are planned in relation to the following elements of the system of internal financial control:

- Two internal audit reviews were carried out in 2011 and the reports were approved by the Audit Committee. One of those was a comprehensive audit of Internal Financial Controls, the majority of the recommendations from which have been implemented. Further work will continue in 2012.
- A review of the risk management structures and procedures was carried out by the Internal Audit Unit as a result of which a risk policy statement has been put in place and processes for dealing with risk have been updated and strengthened.
- Procedures for identifying and investigating fraud have been put in place.
- The engagement of an accountant in a part-time capacity to support the accounting functions in the Office.
- An inventory of all assets and their incorporation in a new asset register was undertaken. This asset register is in place for the 2011 accounts.
- An instruction that disposals are documented and are approved in advance of disposal by the Finance Officer.
- A revised procedure for regular reconciliation of funds requested from the Paymaster General, paid through payroll software and attributed to general ledger bank account codes was put in place and is being overseen by the accountant.
- Arrangements to ensure that procurement requirements and guidelines are fully complied with have been strengthened.
- Some training has been provided for staff working in the financial area and this training will continue in 2012.

**Dermot B Quigley**  
Accounting Officer  
Valuation Office  
30 March 2012

## **Certificate of the Comptroller and Auditor General**

I have audited the Appropriation Account of Vote 15: Valuation Office for 2011 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Valuation Office. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2011.

**Seamus McCarthy**  
Comptroller and Auditor General  
23 August 2012

## Vote 15 Valuation Office Appropriation Account 2011

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
<b>Programme Expenditure</b>			
A Provision of a state valuation service	9,832	8,905	9,672
B Administration services for the Valuation Tribunal	574	654	559
<b>Gross expenditure</b>	<b>10,406</b>	<b>9,559</b>	<b>10,231</b>
<b>Deduct</b>			
C Appropriations-in-aid	2,198	2,427	2,699
<b>Net expenditure</b>	<b>8,208</b>	<b>7,132</b>	<b>7,532</b>
<b>Surplus to be surrendered</b>		<b>€1,075,653</b>	<b>€1,812,528</b>

Administration	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
(i) Salaries, wages and allowances	7,966	7,974	8,242
(ii) Travel and subsistence	425	164	258
(iii) Training and development and incidental expenses	356	138	173
(iv) Postal and telecommunications services	155	118	89
(v) Office equipment and external IT services	942	476	823
(vi) Office premises expenses	186	110	185
(vii) Consultancy services and value for money and policy reviews	70	84	42
	<b>10,100</b>	<b>9,064</b>	<b>9,812</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 €000
Programme cost			495	419
Pay			7,974	8,242
Non pay			1,090	1,570
<b>Gross expenditure</b>			<u>9,559</u>	<u>10,231</u>
Deduct				
<b>Appropriations-in-aid</b>			2,427	2,699
<b>Net expenditure</b>			<u>7,132</u>	<u>7,532</u>
<b>Changes in capital assets</b>				
Purchases cash		(47)		
Depreciation		293	246	146
<b>Changes in assets under development</b>				
Cash payments			(152)	(93)
<b>Changes in net current assets</b>				
Increase in closing accruals		520		(390)
Increase in stock		(2)		
			<u>518</u>	<u>(7)</u>
<b>Direct expenditure</b>			<u>7,744</u>	<u>7,188</u>
Net allied services expenditure			5,754	5,919
<b>Total operating cost</b>			<u><u>13,498</u></u>	<u><u>13,107</u></u>

#### 1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 15 borne elsewhere.

Vote		2011 €000	2010 €000
7	Superannuation and Retired Allowances	3,920	4,183
10	Office of Public Works	1,834	1,736
		<u>5,754</u>	<u>5,919</u>

## 2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
<b>Capital assets</b>	2.1	534	451
<b>Capital assets under development</b>	2.2	16	93
		<b>550</b>	<b>544</b>
<b>Current assets</b>			
Bank and cash	2.3	364	1,046
Stocks	2.4	38	36
Prepayments		152	422
Accrued income		245	410
Other debit balances	2.5	76	57
<b>Total current assets</b>		<b>875</b>	<b>1,971</b>
<b>Less current liabilities</b>			
Accrued expenses		61	2
Deferred Income		103	77
Other credit balances	2.6	199	398
Net Liability to the Exchequer	2.7	241	705
<b>Total current liabilities</b>		<b>604</b>	<b>1,182</b>
<b>Net current assets</b>		<b>271</b>	<b>789</b>
<b>Net assets</b>		<b>821</b>	<b>1,333</b>
<b>Represented by:</b>			
<b>State funding account</b>		<b>821</b>	<b>1,333</b>

**2.1. Capital Assets**

	Office equipment	Furniture and fittings	Total
	€000	€000	€000
<b>Gross assets</b>			
Cost or valuation at 1 January 2011	1,859	1,408	3,267
Prior year adjustment <sup>1</sup>	358	(42)	316
Additions	272	4	276
Cost or valuation at 31 December 2011	2,489	1,370	3,859
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2011	1,590	1,226	2,816
Prior year adjustment <sup>1</sup>	154	62	216
Depreciation for the year	272	21	293
Cumulative depreciation at 31 December 2011	2,016	1,309	3,325
<b>Net assets at 31 December 2011</b>	<b>473</b>	<b>61</b>	<b>534</b>
<b>Net assets at 31 December 2010</b>	<b>269</b>	<b>182</b>	<b>451</b>

<sup>1</sup>The prior year adjustment reflects additional assets identified as a result of a full count of fixed assets, reclassification of certain assets and the related impact on accumulated depreciation.

**2.2 Capital Assets under Development**

at 31 December	In-house computer applications
	€000
Amounts brought forward at 1 January 2011	93
Transferred to capital assets	(229)
Cash payments for the year	152
Amounts carried forward at 31 December 2011	16

**2.3 Bank and Cash**

at 31 December	2011 €000	2010 €000
PMG balances and cash	378	1,074
Orders outstanding	(14)	(28)
	364	1,046

**2.4 Stocks**

at 31 December	2011 €000	2010 €000
Valuation Office consumable stocks	33	30
Valuation Tribunal consumable stocks	5	6
	38	36



<b>2.5 Other Debit Balances</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
Debit suspense items	76	57
	<u>76</u>	<u>57</u>
<b>2.6 Other Credit Balances</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Income Tax	121	218
Pay Related Social Insurance	48	60
Professional Services Withholding Tax	28	16
Pensions	(2)	—
	<u>195</u>	<u>294</u>
Payroll deductions held in suspense	4	72
Other credit suspense items	—	32
	<u>199</u>	<u>398</u>
	<u>199</u>	<u>398</u>
<b>2.7 Net Liability to the Exchequer</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	1,076	1,813
Exchequer grant undrawn	(835)	(1,108)
Net liability to the Exchequer	<u>241</u>	<u>705</u>
	<u>241</u>	<u>705</u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	364	1,046
Debit balances: suspense	76	57
	<u>440</u>	<u>1,103</u>
<b>Creditors</b>		
Due to State	(195)	(294)
Credit balances: suspense	(4)	(104)
	<u>(199)</u>	<u>(398)</u>
	<u>(199)</u>	<u>(398)</u>
	<u>241</u>	<u>705</u>
	<u>241</u>	<u>705</u>
<b>2.8 Commitments</b>	<b>2011</b>	<b>2010</b>
at 31 December	<b>€000</b>	<b>€000</b>
Total of legally enforceable commitments	35	—
	<u>35</u>	<u>—</u>
	<u>35</u>	<u>—</u>

### 3 Programme Expenditure

		2011 Estimated provision	2011 Outturn	2010 Outturn
		€000	€000	€000
<b>A</b>	<b>Provision of a State Valuation Service</b>			
A.1	Administration - pay	7,625	7,643	7,911
A.2	Administration - non pay	2,134	1,090	1,570
A.3	Fees to counsel and other legal expenses	73	172	191
		<b>9,832</b>	<b>8,905</b>	<b>9,672</b>
<b>B</b>	<b>Administration Services for the Valuation Tribunal</b>			
B.1	Administration - pay	341	331	331
B.2	Administration - non pay	—	—	—
B.3	Valuation Tribunal	233	323	228
		<b>574</b>	<b>654</b>	<b>559</b>

#### Explanation of variations

An explanation is provided below in the case of each heading where the outturn varied from the amount provided by more than €100,000, and by more than 5% (25% in the case of administration subheads).

Heading	Less/(more) than provided €000	Explanation
A.2	1,045	The outturn for 2011 in relation to non pay administration was considerably lower than anticipated, partly as a result of efficiencies achieved and partly because the revaluation programme was confined to the Dublin City area during the year, resulting in savings on travel expenses in particular. There was a significant saving in respect of mapping services as a result of the renegotiation of a contract with Ordnance Survey Ireland.
A.3	(100)	Expenditure on legal fees in 2011 was higher than estimated due to a one-off payment for a High Court case which was decided some years ago and for which fees were determined in 2011.

## 4 Receipts

4.1 Appropriations-in-aid		2011	2011	2010
		Estimated €000	Realised €000	Realised €000
1.	Valuation Tribunal appeal fees	65	126	49
2.	Valuation certificates	158	139	132
3.	Valuation revision fees	1,250	1,377	1,672
4.	Fees from appeals to the Commissioner	180	233	187
5.	Miscellaneous receipts	65	61	155
6.	Receipts from pension related deduction on public service remuneration	480	491	504
<b>Total</b>		<b>2,198</b>	<b>2,427</b>	<b>2,699</b>

### Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
3.	127	The volume of revisions in 2011 in respect of which fees were payable exceeded the original estimate.

### 4.2 Extra Receipts payable to the Exchequer

An amount of €29,989 was paid in December 2011 representing the surplus on a suspense account closed during the year.

## 5 Employee Numbers and Pay

	2011	2010
<b>Average number of staff at year end</b> (full time equivalents)	144	149

	2011 €000	2010 €000
Pay	7,375	7,656
Higher, special or additional duties allowances	130	130
Other allowances	—	—
Overtime	27	35
Employer's PRSI	442	421
<b>Total pay</b>	<b>7,974</b>	<b>8,242</b>

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2011 €	Maximum individual payment 2010 €
Higher, special or additional duties	27	—	9,093	7,355
Overtime and extra attendance	11	1	10,128	10,418

**Note:** Certain individuals received extra remuneration in more than one category.

### 5.2 Other Remuneration Arrangements

Retirement gifts for three members of staff totalling €770 in value were paid for in the period up to March 2011. This practice was subsequently discontinued.

Payments totalling €24,680 were made to two retired civil servants who were employed on contract on specialised tasks. Fee payments totalling €1,365 were made to two retired civil servants for service on Office committees.