

Vote 28 Foreign Affairs and Trade

Introduction

As Accounting Officer for Vote 28, 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 Office of the Minister for Foreign Affairs and Trade, and for certain services administered by that Office, including grants-in-aid and contributions to International Organisations.

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 7 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 except for the following:

Foreign Currency Transactions

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of the month.

Accruals, Prepayments, Commitments and Stocks at Diplomatic Missions

The accruals, prepayments and commitments figures do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental. The value of stock held by missions at year end is also not included.

Commitments

Commitments include only those amounts for which the Department may be liable in the subsequent twelve months.

Capital Assets

The value of land and buildings included in the statement of capital assets is based on a valuation conducted in 2005 except for

land and buildings acquired since 2005 which are valued at cost

three embassy premises that are included on the basis of a professional valuation conducted in 2011.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Foreign Affairs and Trade.

David Cooney
Accounting Officer
Department of Foreign Affairs and Trade
29 March 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 28: Foreign Affairs and Trade 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 Department of Foreign Affairs and Trade. 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
26 August 2012

Vote 28 Foreign Affairs and Trade Appropriation Account 2011

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	90,260	92,101	92,975
A.2. Travel and subsistence	6,080	4,313	5,274
A.3. Training and development and incidental expenses	4,688	3,813	3,227
A.4. Postal and telecommunications services	7,408	6,553	7,358
A.5. Office equipment and external IT services	15,386	14,969	18,347
A.6. Office premises expenses	26,282	22,017	27,030
A.7. Consultancy services and value for money and policy reviews	108	28	67
Other services			
B. Repatriation and maintenance of distressed Irish persons abroad	79	36	28
C. Support for Irish emigrant services	12,883	11,568	11,933
D. Information services	652	424	422
E. Contributions to bodies in Ireland for the furtherance of international relations (grants-in-aid)	100	100	234
F.1. North-South and Anglo-Irish co-operation	3,000	2,998	2,999
F.2. International Fund for Ireland	195	150	195
G. Cultural relations with other countries (grant-in-aid)	846	846	846
H. Irish-American economic advisory board	28	13	13
I. Contributions to international organisations	47,440	48,407	52,340
J. Actions consequent on Title V of the Treaty on European Union	418	226	494
K. Atlantic Corridor project	250	250	250
L. Trade promotion funds	400	320	—
Asia Strategy	—	—	179

	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
Gross expenditure	216,503	209,132	224,211
M. Deduct Appropriations-in-aid	<u>43,997</u>	<u>44,380</u>	<u>42,900</u>
Net expenditure	<u>172,506</u>	<u>164,752</u>	<u>181,311</u>
Surplus for the year		€7,754,196	€9,226,474
Deferred surrender		€370,000	—
Surplus to be surrendered		<u>€7,384,196</u>	<u>€9,226,474</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 €000
Expenditure on administration			143,794	154,278
Expenditure on services and programmes			65,338	69,933
Gross expenditure			<u>209,132</u>	<u>224,211</u>
Deduct				
Appropriations-in-aid			44,380	42,900
Net expenditure			<u>164,752</u>	<u>181,311</u>
Changes in capital assets				
Purchases cash		(1,853)		
Disposals cash		89		
Depreciation		6,307		
Profit on disposals		(92)	4,451	1,022
Changes in net current assets				
Decrease in closing accruals		(1,893)		
Decrease in stock		1,862		
			(31)	(9,213)
Direct expenditure			<u>169,172</u>	<u>173,120</u>
Net allied services expenditure	1.1		18,574	17,719
Notional rents			760	1,140
Total operating cost			<u>188,506</u>	<u>191,979</u>

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 28 borne elsewhere.

Vote		2011 €000	2010 €000
7	Superannuation and Retired Allowances	11,920	10,873
9	Office of the Revenue Commissioners	138	142
10	Office of Public Works	5,958	6,276
20	Garda Síochána	192	203
	Central Fund - Ministerial etc. pensions	366	225
		<u>18,574</u>	<u>17,719</u>

2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Capital assets	2.1	173,865	165,018
Current assets			
Stocks	2.2	4,335	6,197
Prepayments		17,049	17,216
Other debit balances	2.3	12,419	11,314
Total current assets		33,803	34,727
Less current liabilities			
Bank and cash	2.4	4,594	5,561
Accrued expenses		545	760
Other credit balances	2.5	2,696	3,155
Net liability to the Exchequer	2.6	4,839	2,389
Contributions to bodies in Ireland for the furtherance of international relations (grants-in-aid)	7.2	90	90
Cultural relations with other countries (grant-in-aid)	7.3	200	119
Total current liabilities		12,964	12,074
Net current assets		20,839	22,653
Net Assets		194,704	187,671
Represented by:			
State funding account		194,704	187,671

2.1 Statement of Capital Assets

	Land and buildings ¹	Motor vehicles	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2011	147,865	3,675	47,912	72,481	271,933
Additions	297	119	497	2,813	3,726
Revaluation ²	11,430	—	—	—	11,430
Prior year adjustment ³	—	(323)	—	—	(323)
Disposals	—	(298)	(11)	(56)	(365)
Cost or valuation at 31 December 2011	159,592	3,173	48,398	75,238	286,401
Accumulated depreciation					
Opening balance at 1 January 2011	—	3,055	36,708	67,152	106,915
Depreciation for the year	—	312	2,867	3,128	6,307
Prior year adjustment	—	(346)	—	—	(346)
Depreciation on disposals	—	(281)	(3)	(56)	(340)
Cumulative depreciation at 31 December 2011	—	2,740	39,572	70,224	112,536
Net assets at 31 December 2011	159,592	433	8,826	5,014	173,865
Net assets at 31 December 2010	147,865	620	11,204	5,329	165,018

Notes:

¹ Fixed assets included under land and buildings represent properties owned outside the State. In addition, the Department occupies ten buildings within the State, of which one is state-owned and nine are leased.

² Three embassy premises, Paris, Holy See and Permanent Mission to the United Nations, New York were revalued during the year, resulting in a total increase in their values of €11.43m.

³ Work on the preparation of the fixed asset register for inclusion in the financial management system highlighted some errors in the manually prepared asset register.

2.2 Stocks	2011	2010
at 31 December	€000	€000
Passport booklets	4,038	5,975
Protocol stocks	146	120
Stationery	54	62
Prepaid postage	8	8
IT consumables	89	32
	<u>4,335</u>	<u>6,197</u>
	<u><u>4,335</u></u>	<u><u>6,197</u></u>
2.3 Other Debit Balances	2011	2010
at 31 December	€000	€000
Mission and headquarter accounts	7,324	6,608
Departmental and agency accounts	2,344	1,544
Imprest and personal suspense accounts	944	921
Foreign salary advance accounts	149	166
Miscellaneous	1,658	2,075
	<u>12,419</u>	<u>11,314</u>
	<u><u>12,419</u></u>	<u><u>11,314</u></u>
2.4 Bank and Cash	2011	2010
at 31 December	€000	€000
PMG balances and cash	(4,581)	(5,536)
Orders outstanding	(13)	(25)
	<u>(4,594)</u>	<u>(5,561)</u>
	<u><u>(4,594)</u></u>	<u><u>(5,561)</u></u>
2.5 Other Credit Balances	2011	2010
at 31 December	€000	€000
Amounts due to the State		
Income Tax	1,203	922
Pay Related Social Insurance	449	597
Pension contributions	298	197
VAT	521	1,053
Withholding Tax	61	68
	<u>2,532</u>	<u>2,837</u>
Miscellaneous	164	318
	<u>2,696</u>	<u>3,155</u>
	<u><u>2,696</u></u>	<u><u>3,155</u></u>

2.6 Net Liability to the Exchequer	2011	2010
at 31 December	€000	€000
Surplus to be surrendered	7,384	9,226
Deferred surrender	370	—
Exchequer grant undrawn	(2,915)	(6,837)
Net liability to the Exchequer	<u>4,839</u>	<u>2,389</u>
Represented by:		
Debtors		
Debit balances: suspense	12,419	11,314
Creditors		
Bank and cash	(4,594)	(5,561)
Due to the State	(2,532)	(2,837)
Credit balances: suspense	(164)	(318)
Credit balances: grant-in-aid accounts	(290)	(209)
	<u>(7,580)</u>	<u>(8,925)</u>
	<u>4,839</u>	<u>2,389</u>
2.7 Commitments		
at 31 December	2011	2010
	€000	€000
Total of legally enforceable commitments	18,318	18,386

This total figure for commitments at 31 December 2011 and likely to materialise in the following year relates to property rental payments abroad and a contract for the printing of passport booklets.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, after any supplementary estimate adjustments, by more than €100,000, and by more than 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided €000	Explanation
A.2.	1,767	Savings arose from lower spending under a number of headings, particularly on air fares (€162,000), hotels (€140,000), subsistence allowances (€147,000), removals (€385,000) and taxis (€27,000). A number of factors contributed to the lower outturn, including reduced St. Patrick's Day activity and increased use by officers of same day return travel, particularly to destinations such as London and Brussels with subsequent reductions in hotel costs and subsistence amounts payable. Increased use of video conferencing facilities was also a factor.
C.	1,315	The saving arose because several applications for capital projects in 2011 were not sufficiently advanced to pay any grant towards them.
D.	228	The saving arose from the lower than expected general spending on information services. Development of the Department's website was deferred resulting in a spending reduction of €100,000.
J.	192	Following the making of mandatory payments totalling €116,000, €302,000 was initially available for discretionary spending in 2011. However, to take account of the difficult budgetary environment and in particular the shortfall on subhead I, which had to be addressed with transfers from existing Departmental resources, €150,000 from this subhead was identified for transfer/virement.

4 Receipts

4.1 Appropriations-in-aid

	2011 Estimated €000	2011 Realised €000	2010 Realised €000
1. Passport, visa and other consular services	38,520	39,166	36,521
2. Repayment of repatriation and maintenance advances	30	6	8
3. VAT refunds to diplomatic missions	1,250	907	1,951
4. Miscellaneous	500	506	543
5. Receipts from pension-related deduction on public service remuneration	3,697	3,795	3,877
Total	43,997	44,380	42,900

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.	343	It is difficult to predict the level of VAT refunds to diplomatic missions.

4.2 Extra receipts payable to the Exchequer	2011	2010
	€	€
Proceeds from sale of property	—	607,514

5 Employee Numbers and Pay

	2011	2010
Number of staff at year end (full time equivalents)	1,255	1,309
	€000	€000
Pay	73,595	73,201
Higher, special or additional duties allowances	272	257
Other allowances	384	377
Overtime	1,534	2,601
Employer's PRSI	3,046	2,998
Foreign social security/health insurance (missions)	2,443	2,487
Total pay	81,274	81,921

Note: The total pay figures above exclude non-pay expenditure charged to A.1.

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 allowances	54	11	14,894	19,629
Other allowances	200	2	13,835	12,020
Overtime	464	23	40,760	48,655

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

5.2 Other Remuneration Arrangements

Payments totalling €142,968 were paid to two retired civil servants whose services were employed on specialised tasks.

Severance and redundancy payments amounting to €398,122 were made to eleven former Minister's Office staff on termination of their employment. Severance payments amounting to €89,080 were paid also to ten locally employed staff at embassies abroad.

Additional payments totalling €3,900 were paid to thirty-six staff members for attendance on bank holidays to issue urgent passports.

6 Miscellaneous

6.1 Legal Costs and Compensation

Payments totalling €56,848 were made in relation to legal costs and fees incurred on a wide range of matters arising at headquarters and at missions abroad, including employment/industrial relations issues and personal injury claims. A total of €168,937 was paid in settlement costs arising from seven legal claims.

7 Miscellaneous Accounts

7.1 Repatriation Advances

Account of receipts and payments during year ended 31 December

	2011 €000	2010 €000
Balance outstanding at 1 January	27	7
Add Advances/expenditure (subhead B.)	36	28
	63	35
Less Amounts written off	(24)	—
Amounts recovered (appropriations-in-aid)	(6)	(8)
Balance outstanding at 31 December	33	27

7.2 Contributions to Bodies in Ireland for the Furtherance of International Relations (Grants-in-Aid)

Account of receipts and payments during year ended 31 December

	2011 €000	2010 €000
Balance at 1 January	90	90
Grant-in-aid (subhead E.)	100	234
	190	324
Expenditure	(100)	(234)
Balance at 31 December	90	90

7.3 Cultural Relations with Other Countries (Grant-in-Aid)**Account of receipts and payments during year ended 31 December**

	2011	2010
	€000	€000
Balance at 1 January	119	146
Grant-in-aid (subhead G.)	846	846
	<hr/> 965	<hr/> 992
Expenditure	(765)	(873)
Balance at 31 December	<hr/> <hr/> 200	<hr/> <hr/> 119