

Vote 34 Jobs, Enterprise and Innovation

Introduction

As Accounting Officer for Vote 34, 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 Jobs, Enterprise and Innovation, including certain services administered by that Office, for payment of certain subsidies, grants and a grant-in-aid, and for the payment of certain grants under the cash-limited schemes.

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 6 form part of the Account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account.

Statement on Internal Financial Control

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 Jobs, Enterprise and Innovation.

John Murphy
Accounting Officer
Department of Jobs, Enterprise and Innovation
8 March 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 34: Jobs, Enterprise and Innovation 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 Jobs, Enterprise and Innovation. 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
17 August 2012

Vote 34 Department of Jobs, Enterprise and Innovation Appropriation Account 2011

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
€000	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	27,564	28,107	31,268
A.2. Travel and subsistence	1,033	816	860
A.3. Training and development and incidental expenses	846	673	635
A.4. Postal and telecommunications services	863	823	914
A.5. Office equipment and external IT services	4,256	3,419	4,429
A.6. Office premises expenses	1,169	1,062	1,035
A.7. Consultancy services and value for money and policy reviews ¹	210	139	158
A.8. Advertising and publicity	282	154	143
A.9. Office of the Director of Corporate Enforcement	5,967	3,397	3,674
A.10. Labour Court	2,695	2,442	2,412
A.11. National Employment Rights Authority	6,946	6,642	6,935
<i>Value for money and policy reviews¹</i>	—	—	5
Enterprise Development, Science and Technology			
B.1. Forfás - Grant for administration and general expenses	42,877	34,683	35,505
B.2. Forfás - Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act, 2009	14,417	9,777	9,046
B.3. InterTrade Ireland	8,041	6,638	7,848
C.1. IDA Ireland - Grant for administration and general expenses	38,577	37,377	39,240
C.2. IDA Ireland - Grants to Industry	85,000	84,841	90,460
C.3. IDA Ireland- Grant for industrial property	1,000	1,000	1,000
	<i>Original</i>		
	<i>Supplementary</i>		
	<u>10,000</u>	11,000	11,000
D.1. Enterprise Ireland - Grant for administration and general expenses	84,300	80,600	84,420
D.2. Enterprise Ireland - Grant to Industry	78,923	54,800	80,123
	<i>Original</i>		
	<i>Supplementary</i>		
	<u>(12,000)</u>	66,923	80,123
D.3. Enterprise Ireland - Grant for capital expenditure	1,000	1,000	850

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000
E.1. Shannon Free Airport Development Company Limited - Grant for administration and general expenses	2	—	—
E.2. Shannon Free Airport Development Company Limited - Grants to Industry			
<i>Original</i>	3,600		
<i>Supplementary</i>	2,001	5,601	5,272
E.3. Shannon Free Airport Development Company Limited - Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act 2009	3,516	2,751	2,834
F.1. Science and Technology Development Programme	320,670	302,659	292,132
F.2. Dublin- City of Science	832	932	370
F.3. Programme for research in third level institutions (PRTL) ²	55,563	57,856	—
G. County Enterprise Development	27,242	29,957	31,091
H.1. Monitoring and evaluation of EU Programmes	89	16	—
H.2. INTERREG Enterprise Development	2,000	1,512	1,379
I. National Standards Authority of Ireland - Grant for administration and general expenses	6,836	6,336	7,338
<i>Research and Development Activities</i> ²	—	—	27,500
<i>An tUdarás Um Ard-Oideachas- Building Grants and Capital Costs for Universities and Colleges, Institutes of Technology, designated Institutions of Higher Education and Research and Development (Grant-in-Aid)</i> ²	—	—	13,700
Labour Force Development			
L. Enterprise Ireland - Temporary Employment Subsidy Scheme - Cash Limited	4,250	4,250	93,353
<i>FÁS Administration and general expenses</i> ³	—	—	44,310
<i>FÁS Training and integration</i> ³	—	—	22,184
<i>FÁS Employment Programmes</i> ³	—	—	127,831
<i>FÁS Capital</i> ³	—	—	2,029
<i>FÁS- Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act</i> ³ 2009	—	—	8,151
<i>Grant to Irish National Organisation for the Unemployed</i> ³	—	—	52

Service	2011 Estimate provision	2011 Outturn	2010 Outturn
€000	€000	€000	€000
Labour Force Development			
<i>Operational Programme for Human Resources Development - Technical Assistance</i> ³	—	—	362
<i>ESF- Community Initiatives fund</i> ⁴	—	—	5,845
Employment Rights and Industrial Relations			
N. Labour Relations Commission - Grant for administration and general expenses	5,359	4,959	5,108
O.1. Grants for Trade Union Education and Advisory Services	874	874	805
O.2. Workplace Innovation Fund Promotion of Partnership	296	255	307
P. Trade Union Amalgamations	10	—	15
Commerce, Consumers and Competition			
Q. Grant to the Competition Authority	5,116	3,621	4,551
R.1. National Consumer Agency - Grant for administration and general expenses	6,366	5,499	5,578
R.2. National Consumer Agency - Grant for financial information and education functions	2,000	1,622	—
R.3. Consumer Support	50	—	29
S.1. Companies Registration Office and Registry of Friendly Societies - Grant for administration and general expenses	7,428	7,463	7,897
S.2. Irish Auditing and Accounting Supervisory Authority (Grant-in-Aid)	1,598	1,442	1,282
S.3. Personal Injuries Assessment Board	58	55	57
Health and Safety			
T. Health and Safety Authority - Grant for administration and general expenses	20,556	19,828	20,059
Other Services			
U. Research	168	1	25
V. National Framework Committee for Work/Life Balance Policies	2	—	54
W. Subscriptions to International Organisations, etc.	17,184	17,855	17,457
X.1. Commissions, Committees and Special Inquiries	425	207	299
X.2. Miscellaneous payments	1,647	78	356

Service		2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000	€000
Other Services				
X.3. Superannuation and Pensions for Members of the Labour Court, the Restrictive Practices Commission		758	587	561
X.4. Export Credit Insurance - Refund to the Exchequer		8	7	32
Gross expenditure				
	<i>Original</i>	900,469		
	<i>Supplementary</i>	1		
		900,470	844,612	1,151,165
Deduct				
Y. Appropriations-in-Aid		55,629	56,085	81,724
Net expenditure				
	<i>Original</i>	844,840		
	<i>Supplementary</i>	1		
		844,841	788,527	1,069,441
Surplus for the year			€ 56,314,575	€41,824,150
Deferred surrender			€ 18,125,000	—
Surplus to be surrendered			€ 38,189,575	€41,824,150

¹ Subheads for Consultancy Services (A.7) and Value for Money and Policy Reviews (A.12) amalgamated with effect from 1 January and are now shown as a single subhead (A.7).

² The capital elements and the current elements of the PRTL programme were shown separately in 2010, and are now merged into a single subhead (F.3).

³ Service transferred to the Department of Education and Skills with effect from 1 May 2010.

⁴ Subhead retired on 31 December 2010.

Notes to the Appropriation Account

1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 €000
Expenditure on administration			47,674	52,468
Expenditure on services and programmes			796,938	1,098,697
Gross expenditure			844,612	1,151,165
Deduct				
Appropriations-in-aid			56,085	81,724
Net expenditure			788,527	1,069,441
Changes in capital assets				
Purchases cash		(512)		
Depreciation		2,391		
Disposals cash		5		
Loss on disposals		5	1,889	1,886
Changes in assets under development				
Cash payments		(839)	(839)	(1,117)
Changes in net current assets				
Increase in closing accruals		560		
Decrease in stock		96		
			656	(1,205)
Direct expenditure			790,233	1,069,005
Net allied services expenditure	1.1		22,048	22,483
Notional rents			1,669	2,447
Total operating cost			813,950	1,093,935

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 34 borne elsewhere

Vote		2011 €000	2010 €000
7	Superannuation and Retired Allowances	14,830	14,791
9	Office of the Revenue Commissioners	262	269
10	Office of Public Works	6,512	6,956
20	Garda Síochána	61	211
	Central Fund - Ministerial etc. pensions	383	256
		22,048	22,483

2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Capital assets	2.1	7,498	8,882
Capital assets under development	2.2	552	546
		8,050	9,428
Current assets			
Bank and cash	2.3	37,596	3,827
Stocks	2.4	279	375
Prepayments		442	439
Accrued income		883	779
Other debit balances	2.5	1,699	1,752
Total current assets		40,899	7,172
Less current liabilities			
Accrued expenses		647	405
Deferred income		1,668	1,243
Other credit balances	2.6	18,774	3,804
Net liability to the Exchequer	2.7	20,521	1,775
Total current liabilities		41,610	7,227
Net current liabilities		(711)	(55)
Net assets		7,339	9,373
Represented by:			
State funding account		7,339	9,373

2.1 Capital Assets

	Motor vehicles	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2011	14	33,917	6,747	40,678
Transfer to Department of Social Protection ¹	—	(1,356)	(144)	(1,500)
Transfer to Department of Arts, Heritage & Gaeltacht ²	—	—	(2)	(2)
Additions	—	1,312	33	1,345
Disposals	(14)	(986)	(10)	(1,010)
Cost or valuation at 31 December 2011	—	32,887	6,624	39,511
Accumulated depreciation				
Opening balance at 1 January 2011	9	25,627	6,160	31,796
Depreciation on transfer to Department of Social Protection ¹	—	(1,037)	(135)	(1,172)
Depreciation on transfer to Department of Arts, Heritage & Gaeltacht ²	—	—	(2)	(2)
Depreciation for the year	—	2,132	259	2,391
Depreciation on disposals	(9)	(982)	(9)	(1,000)
Cumulative depreciation at 31 December 2011	—	25,740	6,273	32,013
Net assets at 31 December 2011	—	7,147	351	7,498
Net assets at 31 December 2010	5	8,290	587	8,882

¹ ICT assets and furniture and fittings with a net book value of €328,197 were transferred to the Department of Social Protection arising from the transfer of certain functions from this Department to the Department of Social Protection with effect from 1st January 2011.

² Furniture and fittings with a net book value of nil were transferred to the Department of Arts, Heritage and the Gaeltacht on the reassignment of certain rooms in Kildare Street to that Department in 2011.

2.2 Capital Assets under Development

at 31 December 2011

	In-house computer applications €000
Amounts brought forward at 1 January 2011	546
Cash payments for the year	839
Brought into use in year	(833)
Amounts carried forward at 31 December 2011	552

2.3 Bank and Cash	2011	2010
at 31 December	€000	€000
PMG balances and cash	37,771	4,824
Orders outstanding	(175)	(997)
	<u>37,596</u>	<u>3,827</u>
	<u><u>37,596</u></u>	<u><u>3,827</u></u>
2.4 Stocks	2011	2010
at 31 December	€000	€000
Stationery	201	286
IT Supplies	61	66
Materials	17	23
	<u>279</u>	<u>375</u>
	<u><u>279</u></u>	<u><u>375</u></u>
2.5 Other Debit Balances	2011	2010
at 31 December	€000	€000
Imprests advanced	20	20
Department of Justice and Law Reform	35	35
Department of Arts, Sport and Tourism	7	7
Advances to OPW	30	25
Miscellaneous debit balances	527	487
Recoupable expenditure	1,080	1,178
	<u>1,699</u>	<u>1,752</u>
	<u><u>1,699</u></u>	<u><u>1,752</u></u>
2.6 Other Credit Balances	2011	2010
at 31 December	€000	€000
Amounts due to the State		
Income Tax	66	101
Superannuation contributions	389	564
Pay Related Social Insurance	(25)	(64)
Income Levy	(1)	(1)
Professional Services Withholding Tax	71	137
VAT on Intra EU Acquisitions	31	67
	<u>531</u>	<u>804</u>
Miscellaneous credit balances ¹	18,243	3,000
	<u>18,774</u>	<u>3,804</u>
	<u><u>18,774</u></u>	<u><u>3,804</u></u>

¹This includes an amount of €16.108m returned by Enterprise Ireland to the Department in respect of unused funds and surplus own resource income. These monies were received by the Department on 29 and 31 December 2011 and were subsequently paid over to the Department of Public Expenditure and Reform as an Extra Exchequer Receipt in January 2012.

2.7 Net Liability to the Exchequer	2011	2010
at 31 December	€000	€000
Surplus to be surrendered	38,190	41,824
Deferred surrender	18,125	—
Exchequer grant undrawn	(35,794)	(40,049)
Net liability to the Exchequer	<u>20,521</u>	<u>1,775</u>
Represented by:		
Debtors		
Bank and cash	37,596	3,827
Debit balances: suspense	1,699	1,752
	<u>39,295</u>	<u>5,579</u>
Creditors		
Due to State	(531)	(804)
Credit balances: suspense	(18,243)	(3,000)
	<u>(18,774)</u>	<u>(3,804)</u>
	<u>20,521</u>	<u>1,775</u>

2.8 Commitments	2011	2010
at 31 December	€000	€000
Global commitments		
(A) Procurement	71	734
(B) Grants*	<u>1,239,167</u>	<u>1,421,238</u>

*includes expenditure from own resource income.

Multi annual capital commitments over €6.35m ¹

	Cumulative Expenditure to 31 December 2010	Expenditure in 2011	Subsequent Years
	€000	€000	€000
IDA Ireland	188,400	40,000	93,900
Enterprise Ireland ²	71,259	19,591	112,700
Shannon Development	8,412	4,588	10,420
Science Foundation Ireland ²	180,803	53,866	126,577
Programme for Research in Third Level Institutions (PRLTI)	4,192	30,307	138,577
	<u>453,066</u>	<u>148,352</u>	<u>482,174</u>

¹ This relates to individual contracts with a value over €6.35m.

² Cumulative expenditure to December 2010, was adjusted following a review of previous years expenditure on contracts valued over €6.35m.

2.9 Matured Liabilities

Estimated matured liabilities undischarged at the year-end were €454,497.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead 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).

Sub-head	Less/(more) than provided €000	Explanation
A.8.	128	In addition to the core spending on advertising, publicity and subscriptions, expenditure which had been anticipated since 2007 for the implementation of the Official Languages Act, 2003 has not materialised to date. The Department published a Statutory Scheme under the Act in 2010, and provision was made in the 2011 Estimates for expenditure associated with the implementation of the various Action Points under the Scheme but due to staff shortages, the Implementation Plan was delayed.
A.9.	2,570	The savings mainly arose on the non-pay side of the ODCE budget. This was principally due to legal costs being significantly less than anticipated, because expected Supreme Court and High Court judgements did not materialise.
B.1.	8,194	Savings of €6.984m arose on B1 pensions due primarily to fewer retirements occurring in 2011 than had been anticipated. The 2011 Budget also introduced a levy on existing pensions (PSPR) thus reducing the level of payments on existing pensions. Saving on non-pay of €0.6m is attributable to timing of contracts placement and work completion.
B.2.	4,640	The saving arose on B2 pensions payments primarily due to fewer retirements occurring in 2011 than had been anticipated.
B.3.	1,403	The underspend is as a result of savings of €231,281 on the euro/sterling exchange rate throughout 2011 (InterTradeIreland operates in sterling) and a reduction by the Department of the cash balance by €1,172,058 (equivalent to Stg£1m) in December thus eliminating the need for the drawdown of these funds in 2011. The reduction was jointly agreed with InterTrade Ireland's co-sponsoring Department in Northern Ireland.
D.2.	24,123	The D2 current saving of €1.1m is mainly due to cancellations and postponements of projects under the client management development programmes. The D2 capital saving of €23m is mainly due to (1) an under spend of €15m on the Innovation Fund and (2) Financial Supports to Industry and Expansion Projects. During 2011 Enterprise Ireland conducted a detailed examination of the D2 commitments and pipeline and identified an estimated under spend of €8m.
E.3.	765	The underspend arose due to the difficulty in predicting the number of expected retirees during 2011. Budget 2011 also reduced pay for pensioners which reduced the E3 drawdown requirement for SFADCo.
F.1.	18,011	SFI had an underspend on Capital grants of €7m. This primarily related to reduced expenditure on existing commitments from SFI grants awarded in previous years. SFI also had to undertake the rescheduling of certain payments on some research projects into 2012. SFI had Pay savings of €395k and Non-Pay savings of €1.105m. The amount drawn down by Enterprise Ireland resulted in a saving of €9.25m i.e. (Capital €9m and Current €0.25m).

Sub-head	Less/(more) than provided €000	Explanation
F.2.	(100)	An additional allocation of €100,000 for the ESOF/Dublin City of Science 2012 Programme was required as it was decided to open registration for the event in November 2011 rather than in 2012 as originally planned. This required that an advertising campaign be undertaken in 2011. EU Funding for the programme was not made available until 2012. Some funding in 2011 had been anticipated.
F.3 .	(2,293)	There was a PRTL current underspend of €2.7m due to the slower than anticipated expenditure on a number of projects, primarily on fifteen Cycle 5 Structured PhD Programmes which only commenced in autumn 2011. The PRTL Capital allocation of €27.007m was fully drawdown. In addition, due to capital savings arising elsewhere and given Exchequer commitments under the PRTL, sanction was received to vire an additional €5m capital for expenditure in 2011. The above factors resulted in a total overall variance of €2.29m excess on initial 2011 PRTL sanction allocation.
G.	(2,715)	A total of €27.2m was provided under the Estimates process for the 35 County and City Enterprise Boards (CEBs). This was supplemented in the fourth quarter of 2011 by an additional €3.3m Capital sourced from savings elsewhere in the Department. The excess was incurred in Capital expenditure and was used to support business start up and job retention in existing businesses.
H.2.	488	The lack of high quality Enterprise project applications has resulted in delays in the approval process and project start ups. The Department and the agencies have been working with Invest NI and the Department of Enterprise, Trade and Investment (DETI) in Northern Ireland to improve the quality of applications.
I.	500	NSAI did not require its full allocation in 2011 due to tight cost control leading to lower cash outflow together with its debt collection process which returned greater than anticipated cash flow.
N.	400	The saving in pay of €80,922 was due to unfilled staff vacancies. The Labour Relations Commission has been aware that reform of the State Bodies involved in Employment Rights and Industrial Relations would feature in the overarching reform agenda in 2011 and the Minister made such an announcement on July 1st 2011. In anticipation of this development the LRC had delayed certain planned expenditure to improve Case Management Systems, other IT related activity and research. The saving in Non-Pay was €320,000.
Q.	1,495	The Authority did not draw down any of its €1,008,000 non-pay budget allocation during 2011 due to it having a surplus in its bank account. The surplus arose from the accumulation of funds to cover the contingent liability in a High Court case of an award of legal costs against the Authority, estimated at €1.7m. The liability did not materialise in 2011 as the Authority's appeal to the Supreme Court was not heard. The Authority did not use its full pay budget allocation as additional employer pension contributions budgeted for by the Department did not materialise in 2011.

Sub-head	Less/(more) than provided	Explanation
	€000	
R.1.	867	The NCA pay budget was underspent by €426,792 due to the Agency being unable to reach its approved ECF staffing levels during 2011. The non pay budget was underspent by €440,454 due to a reduction in financial outlays in external research, legal and advertising and marketing. An amount of €87,000 was returned to the Exchequer in March and the Agency returned €231,000 in November 2011.
R.2.	378	The Department funds the non pay costs of the NCA through this subhead and the Agency reimburses the Department on recoupment of the levy. An amount of €130,000 was not required as the Central Bank reduced their estimated charge for the collection of the financial services levy on behalf of the NCA during 2011. A further amount of €170,000 for potential proceedings to recover levies from defaulting financial service entities was not required as the collection of 2011 levies is still underway. The balance of the underspend (€77,799) was due to lower than estimated expenditure in the Financial Education, Advertising, Marketing and Distribution Services.
S.2.	156	IAASA has an approved staff complement of 15. At the end of December 2011 the staff complement was 14. This resulted in an under-spend in 2011.
U.	167	The Department has made attempts to minimise spend on consultancies in line with previous Government decisions and Department of Finance instructions in recent years, and that approach has been extended to the Research subhead.
X.1.	218	It is difficult to accurately forecast expenditure which might occur under this Subhead. Savings were made across all nominals in this subhead due to cost reduction measures undertaken during the year.
X.2.	1,569	This estimate in this Subhead is provided to cover a range of legal costs which are difficult to accurately forecast. Savings arose mainly due to anticipated legal costs not subsequently arising.
X.3.	171	The reason for the variation between estimate and outturn is that in addition to payments in respect of compulsory retirements and pension payments to retired members of the Labour Court, provision was made for potential retirements given the extension of the grace period during which retirements were based on 2009 (pre-cut) salaries. Provisions were also made for contingencies such as ill health retirements or Death in Service. It is necessary to make contingency provisions given their unforeseen nature.

4 Receipts

4.1 Appropriations-in-aid	2011	2011	2010
	Estimated	Realised	Realised
€000	€000	€000	€000
1. Receipts from the Social Insurance Fund	2,020	3,152	4,486
2. Work Permit Fees	5,500	2,868	3,816
3. Employment Agency licences	230	216	223
4. Companies Registration Office	18,000	20,604	20,254
5. Registry of Friendly Societies	100	101	—
6. Receipts under the Trade Marks Act, 1963 and Patents Act, 1964	9,000	8,271	8,978
7. Occasional Trading Licences	8	4	3
8. National Consumer Agency	374	383	370
9. Merger notifications	320	320	384
10. Receipts from IDA Ireland	—	—	13,836
11. ODCE legal	50	211	22
12. County Enterprise Development	350	27	332
13. Miscellaneous	70	176	1,229
14. Competition Authority Receipts	—	400	1
15. Enterprise Policy (InterTrade Ireland)	50	93	37
16. NCA - Grant for Financial information and educational functions	2,000	1,563	—
17. IAASA pay refund	241	490	313
18. PIAB Pay and superannuation	1,909	1,909	1,233
19. HSA superannuation	600	369	522
20. IDA Ireland - Pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act, 2009	2,290	2,371	2,586
21. SFADCo - Pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act, 2009	1,040	1,138	1,143
22. Receipts from Pension - related deduction on Public Service Remuneration	11,477	11,419	13,555
<i>FÁS Pensions</i> ¹	—	—	1,226
<i>FÁS Pensions - Pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act</i> ¹	—	—	1,223
<i>European Social Fund</i> ¹	—	—	5,952
Total	55,629	56,085	81,724

¹ Service transferred to the Department of Education and Skills with effect from 1 May 2010.

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
1	(1,132)	Responsibility for the administration of the Redundancy and Insolvency Schemes transferred to the Department of Social Protection with effect from 1 January 2011, with a corresponding transfer of core staff and associated budgets. However, significant staff resources were still assigned to the work until the formal handover of the administration which took place at the end of September which accounts for the higher than estimated recoupment associated with these schemes.
2	2,632	The reduction in receipts can be attributed in the most part to the €2m which was originally included in the 2011 Estimate to account for the possibility that fee income could arise as a result of the establishment, in conjunction with the Department of Justice and Equality, of a framework to address the issue of timed-out students and also to the continued downturn in the economy leading to a decrease in demand for permits.
4	(2,603)	Income in the CRO is dominated by late filing penalties and it is difficult to forecast from year to year how many companies will be late in filing their annual returns. There has been a downward trend in CRO income in recent years and as a result, an estimate of €18m was considered prudent for 2011. However, income was higher than expected in 2011, due mainly to an increase in late filing penalties compared to 2010.
6	729	A contraction in business activity in Ireland caused by the recession impacted negatively on the Office's fee receipts to a greater degree than had been anticipated. In addition, some receipts from WIPO in the amount of €109,134, which were due to be paid in December 2011 were not received until January 2012.
11	(160)	It is difficult to estimate the amount of receipts as costs awarded to ODCE are difficult to anticipate in advance. The estimate of €50,000 was a notional figure.
12	332	The estimate is a nominal figure, indicative of the potential for CEB grant monies disbursed in a previous year to be returned by micro-enterprise project promoters where they are no longer eligible for the grant. No such monies were received in 2011. Also, due to a higher number of staff retirements than anticipated, contribution income from the pension schemes was therefore lower than anticipated disbursements. The income figure of €26,842 represents late receipt of CEB staff pension scheme contributions for 2010, received by DJEI in January 2011.
13	(106)	By its nature it is difficult to predict what level of receipts will be received under this category. The excess includes a number of miscellaneous receipts.
14	(400)	The receipt was in respect of the settlement of costs in the Competition Authority's High Court enforcement action against the Beef Industry Development Society. In January 2011 the defendant withdrew its defence and the case was struck out. The Authority agreed to the striking out of the case on the basis that the defendant had made a substantial contribution towards the Authority's legal costs. This contribution was €400,000.

Heading	Less/ (more) than estimated €000	Explanation
16	437	The financial information and education functions of the Agency are funded by means of a levy on regulated financial service entities. The Department funds the non pay costs and the Agency reimburses the Department on recoupment of this levy, which is an exchequer neutral arrangement. The variance arose as the Agency did not receive all of the monies owed to it from the levy in 2011 and the balance was refunded to the Department in 2012.
17	(249)	Approximately 50% of IAASA's funding is provided by the Exchequer. The mechanism for providing this funding is that the Department provides payroll services for IAASA and pays all of the Agency's staff salaries. As the cost of the salaries exceeds the funding requirement IAASA refunded the difference. The refund was greater than estimated as IAASA had not recruited its full complement of staff by year end.
19	231	The HSA deducts pension contributions from its employees through its payroll system. It remits these contributions and other superannuation monies net of retirement lump sums/death gratuities etc. to the Department monthly. The gross superannuation contribution received totalled €664,179. €279,979 was deducted in respect of lump sums/death gratuities etc paid out, leaving €384,200 to be remitted to the Department. An unanticipated death gratuity and a retirement gratuity reduced the amount refunded. The December Superannuation payment of €14,986 was remitted in 2012.

4.2 Extra receipts payable to the Exchequer

	Estimated €	Realised €
Export Credit - Recoveries from Iraq	50,000	—
IDA Ireland - Interconnectivity Project receipts	—	45,985
IDA Ireland - Current	—	20,000
IDA Ireland - Capital (C2,C3)	—	110,000
Enterprise Ireland - Current (D1, D2, F1, G1)	—	3,320,822
Enterprise Ireland - Capital (D2, D3)	—	33,299,924
Forfas - Current	1,232,000	1,232,000
PIAB - Refund of Set up Costs	—	6,937,640
Health & Safety Authority	99,000	99,314
Science Foundation Ireland - Capital (F)	—	20,436
Information Society - Refund in respect of PRISM 111 projects	—	10,122
Miscellaneous	—	685,397
	<u>1,381,000</u>	<u>45,781,640</u>

5 Employee Numbers and Pay

	2011	2010
Number of staff at year end (full time equivalents)	831	861
	2011	2010
	€000	€000
Pay	38,180	41,197
Higher, special or additional duties allowances	631	763
Other allowances	430	382
Overtime	345	722
Employer's PRSI	2,066	2,215
Total pay	41,652	45,279

Note: The total pay of €41.652m is charged to subheads A.1, A.3, A.9, A.10, A.11 and S.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	97	4	20,614	24,026
Other allowances	191	3	69,127	56,316
Overtime	142	8	12,831	19,266

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

5.2 Performance and Merit Payments

No performance or merit awards were paid in 2011.

5.3 Other Remuneration Arrangements

A total of €14,196 was paid to 3 retired civil servants who were re-engaged in various duties during 2011.

6 Miscellaneous Items

6.1 EU Funding

No bodies under the aegis of the Department received EU aid directly, in 2011.

Subhead	Description	2011 Total €	2010 Total €
E.2.	SFADCo	—	206,857
		—	206,857

6.2 Commissions and Inquiries

	Year of appointment	2011 €	2010 €
National Framework Committee for Work/Life Balance Policies	2004	—	53,706
Joint Labour Committees ¹	1946	18,746	18,036
Company Law Inquiries	1994	—	15,246
Company Law Review Group	2000	19,966	23,780
Business Regulation Group	2006	15,054	36,970
Workplace Safety	2002	140,000	200,000
Departmental Audit Committee	2004	4,500	498
Sales Law Review Group	2009	9,173	4,197
Total		207,439	352,433

¹ In July 2011 a High Court Ruling found the operation of the Joint Labour Committee System to be unconstitutional which led to a cessation of activity under part of Subhead X.1.

6.3 Refund of Employment Permit Fees

In late 2011, a review of the legal basis for charging fees for Employment Permits indicated that under the current regulations the appropriate maximum fee for the renewal of a permit for first time employees should have been €1,500 and not €2,250. Arrangements are being made to refund the small number of permit applicants who paid the higher fee. These refunds will be made in 2012 and the total refund due, is estimated at €12,000.

6.4 Miscellaneous Payments

Employment and Training Levy - Statement of Payments made in accordance with Section 25(1) of the Labour Services Act, 1987

	Cumulative to 31 December 2011 €	Total for the year ended 31 December 2011 €	Total for the year ended 31 December 2010 €
Received by Minister for Jobs, Enterprise and Innovation	2,890,713,003	310,750	544,455
Paid by Minister for Jobs, Enterprise and Innovation into the Exchequer	2,890,713,003	310,750	544,455