

## **Vote 37 Army Pensions**

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## 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.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2011 for retired pay, pensions, compensation, allowances and gratuities payable under sundry statutes to or in respect of members of the Defence Forces and certain other Military Organisations, etc., and for sundry contributions and expenses in connection therewith; for certain extra-statutory children's allowances and other payments and for sundry grants.

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 Defence.

**Michael Howard**  
Accounting Officer  
Department of Defence  
27 February 2012

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

I have audited the Appropriation Account of Vote 37: Army Pensions 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 Defence in respect of Army Pensions. 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  
20 July 2012

## Vote 37 Army Pensions Appropriation Account 2011

Service			2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000	€000	€000
<b>Army Pensions Board</b>					
A. Salaries, wages and allowances		103		100	99
<b>Pensions, allowances, etc.</b>					
B. Defence Forces (Pensions) Schemes and payments in respect of transferred service					
	<i>Original</i>	197,835			
	<i>Supplementary</i>	<u>15,800</u>	213,635	213,681	207,897
C. Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defence Forces					
	<i>Original</i>	8,500			
	<i>Supplementary</i>	<u>(40)</u>	8,460	8,420	8,716
D. Payments in respect of Veterans of the War of Independence					
	<i>Original</i>	1,400			
	<i>Supplementary</i>	<u>(270)</u>	1,130	1,124	1,430
E. Compensation payments					
	<i>Original</i>	200			
	<i>Supplementary</i>	<u>(180)</u>	20	18	18
F. Medical appliances and travelling and incidental expenses					
	<i>Original</i>	50			
	<i>Supplementary</i>	<u>(10)</u>	40	36	42
<b>Gross expenditure</b>					
	<i>Original</i>	208,088			
	<i>Supplementary</i>	<u>15,300</u>	<b>223,388</b>	<b>223,379</b>	<b>218,202</b>
<b>Deduct</b>					
G. Appropriations-in-aid					
	<i>Original</i>	6,221			
	<i>Supplementary</i>	<u>(300)</u>	<b>5,921</b>	<b>6,125</b>	<b>6,230</b>
<b>Net expenditure</b>					
	<i>Original</i>	201,867			
	<i>Supplementary</i>	<u>15,600</u>	<b>217,467</b>	<b>217,254</b>	<b>211,972</b>
<b>Surplus to be surrendered</b>			<b>€212,526</b>	<b>€212,526</b>	<b>€21,227</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2011

	Note	2011 €000	2010 €000
Expenditure on administration		100	99
Expenditure on services and programmes		223,279	218,103
<b>Gross expenditure</b>		<b>223,379</b>	<b>218,202</b>
Deduct			
<b>Appropriations-in-aid</b>		<b>6,125</b>	<b>6,230</b>
<b>Direct expenditure</b>		<b>217,254</b>	<b>211,972</b>
<b>Expenditure borne elsewhere</b>			
Net allied services expenditure	1.1	1,726	1,734
<b>Total operating cost</b>		<b>218,980</b>	<b>213,706</b>

#### 1.1 Net Allied Services

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

Vote		2011 €000	2010 €000
36	Defence	1,726	1,734
		<b>1,726</b>	<b>1,734</b>

**2 Balance Sheet as at 31 December 2011**

	Note	2011 €000	2010 €000
<b>Current assets</b>			
Bank and cash	2.1	216	1,229
Other debit balances	2.2	1	9
<b>Total current assets</b>		<b>217</b>	<b>1,238</b>
<b>Less current liabilities</b>			
Credit balances	2.3	5	1,218
Net liability to the Exchequer	2.4	212	20
<b>Total current liabilities</b>		<b>217</b>	<b>1,238</b>
<b>Net current assets</b>		<b>—</b>	<b>—</b>
<b>Represented by:</b>			
<b>State funding account</b>		<b>—</b>	<b>—</b>
<b>2.1 Bank and Cash</b>			
at 31 December		<b>2011 €000</b>	<b>2010 €000</b>
PMG balances and cash		664	2,477
Orders outstanding		(448)	(1,248)
		<b>216</b>	<b>1,229</b>
<b>2.2 Other Debit Balances</b>			
at 31 December		<b>2011 €000</b>	<b>2010 €000</b>
Suspense and payroll deductions		1	9
		<b>1</b>	<b>9</b>
<b>2.3 Credit Balances</b>			
at 31 December		<b>2011 €000</b>	<b>2010 €000</b>
<b>Amounts due to the State</b>			
Income Tax		3	946
Income Levy		—	156
Pay Related Social Insurance		—	100
Professional Services Withholding Tax		—	1
		<b>3</b>	<b>1,203</b>
Suspense and payroll deductions		2	15
		<b>5</b>	<b>1,218</b>

**2.4 Net Liability to the Exchequer**

at 31 December

	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	213	21
Exchequer grant undrawn	(1)	(1)
Net liability to the Exchequer	<u>212</u>	<u>20</u>

**Represented by:**

**Debtors**

Bank and cash	216	1,229
Debit balances: suspense	1	9
	<u>217</u>	<u>1,238</u>

**Creditors**

Amounts due to the State	(3)	(1,203)
Credit Balances: Suspense and payroll deductions	(2)	(15)
	<u>(5)</u>	<u>(1,218)</u>

	<u>212</u>	<u>20</u>
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### 3 Variations in Expenditure

Expenditure outturn on all subheads was not significantly different from the amounts provided.

### 4 Receipts

#### 4.1 Appropriations-in-aid

		2011 Estimated €000	2011 Realised €000	2010 Realised €000
1. Contributions to Defence Forces Spouses' and Children's Pension Schemes				
	<i>Original</i>	4,721		
	<i>Supplementary</i>	(300)	4,421	4,677
2. Contributions to Defence Forces Contributory (Main) Pensions Schemes			1,400	1,294
3. Recoveries of overpayments			30	96
4. Payments received in respect of transferred service			30	29
5. Miscellaneous			35	27
6. Receipts from pension-related deductions on public service remuneration			5	5
			<u>5,921</u>	<u>6,230</u>

#### Explanation of significant variations

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

Heading	Less/(more) than estimated €000	Explanation
1.	(256)	A higher than anticipated number of personnel retired from the Defence Forces in 2011 and contributions deducted from their gratuities under this scheme were higher than expected.
2.	109	The anticipated receipts for 2011 were overestimated. It is difficult to accurately predict receipts as the numbers paying contributions vary during the year.



## 5 Employee Numbers and Pay

	2011	2010
<b>Number of staff at year end</b> (full time equivalents)	2	2
	<b>2011</b>	<b>2010</b>
	<b>€000</b>	<b>€000</b>
Pay	94	93
Higher, special or additional duties allowances	—	—
Other allowances	—	—
Overtime	—	—
Employer's PRSI	2	2
<b>Total pay</b>	<b>96</b>	<b>95</b>

The two staff members are administrative support to the Army Pensions Board. In addition to these payroll costs approximately €3,724 was paid in respect of travel and subsistence in 2011.

Twenty-six employees of the Department of Defence are engaged in the administration of pensions and other related payments. Their remuneration, which amounts to approximately €1.2m, is charged to Vote 36.

## 6 Miscellaneous

### 6.1 Write-offs

During the year an amount of €5,262 was written off in respect of 43 cases of overpayment of pensions and allowances. The gross overpayments were €6,211 of which €949 was recovered.