

Vote 6 Office of the Minister for Finance

Introduction

As Accounting Officer for Vote 6, 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 Finance, including the Paymaster-General's Office, for certain services administered by the Office of the Minister and for payment of certain grants and grants-in-aid.

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 Finance.

Transfer of Functions

The Department of Public Expenditure and Reform was established on 5 July 2011. Prior to the decision to separate the functions of the Department of Finance into two departments, it operated under four Divisional areas. Two expenditure programmes transferred to the Department of Public Expenditure and Reform:

- Public Expenditure and Sectoral Policy
- Public Services Management Policy.

Two programmes remained in the Department of Finance:

- Budget Taxation and Economic Policy
- Financial Services Policy.

A new programme, the Shared Services function was created to capture the costs associated with the management of a common pool of staff and facilities between both Departments.

The costs in relation to the two divisions transferred to the Department of Public Expenditure and Reform have been excluded from this account and are shown in the Appropriation Account of the Department of Public Expenditure and Reform (Vote 42). The 2010 comparatives have been restated accordingly.

Fixed assets have been split between the two Departments. IT equipment is shown in the account of the Office of the Minister for Public Expenditure and Reform. Other fixed assets including furniture and fittings and office equipment have been retained in the account of the Office of the Minister for Finance. Depreciation costs of fixed assets are split between the two Departments on the basis of staff numbers.

John Moran
Accounting Officer
Department of Finance
22 March 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 6: Office of the Minister for Finance 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 Finance. 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
31 August 2012

Vote 6 Office of the Minister for Finance Appropriation Account 2011

Service	2011 Estimate provision	2011 Outturn	2010 Outturn ¹
	€000	€000	€000
Programme Expenditure			
A Budget Taxation and Economic Policy	7,450	6,803	5,946
B Financial Services Policy	9,650	7,641	10,284
C Delivery of shared services ²	9,958	9,950	9,258
Gross expenditure	27,058	24,394	25,488
Deduct			
D Appropriations-in-aid	1,201	1,812	3,511
Net expenditure	25,857	22,582	21,977
Surplus to be surrendered		€3,275,382	€8,283,204

Administration	2011 Estimate provision	2011 Outturn	2010 Outturn ¹
	€000	€000	€000
(i) Salaries, wages and allowances	17,757	17,478	15,987
(ii) Travel and subsistence	306	299	224
(iii) Training and development and incidental expenses	797	666	684
(iv) Postal and telecommunications services	775	708	690
(v) Office Equipment and external IT services	980	982	999
(vi) Office premises expenses	725	825	649
(vii) Consultancy and other services	28	—	—
<i>Value for money and policy reviews</i>	—	—	567
	21,368	20,958	19,800

¹ For comparative purposes the outturn for 2010 includes only those programmes and associated administration costs that are proper to the Department of Finance for 2011. The remaining 2010 costs as reported in the 2010 Appropriation Account are included in the Appropriation Account for Vote 42 (Office of the Minister for Public Expenditure and Reform).

² Includes payments of €52,000 that were under subhead A.8 (Value for Money and Policy Review) of the Vote in 2010.

Notes to the Appropriation Account

1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 ¹ €000
Programme cost			3,350	5,432
Pay ²			17,564	16,191
Non pay			3,480	3,865
Gross expenditure			<u>24,394</u>	<u>25,488</u>
Deduct				
Appropriations-in-aid			1,812	3,511
Net expenditure			<u>22,582</u>	<u>21,977</u>
Changes in capital assets				
Purchases cash		(143)		
Depreciation		1,189	1,046	363
Changes in net current assets				
Movement in closing accruals		222		
Decrease in stock ³		32		
			254	69
Direct expenditure			<u>23,882</u>	<u>22,409</u>
Net allied services expenditure	1.1		14,559	14,265
Notional rents			1,454	2,014
			<u>39,895</u>	<u>38,688</u>

¹The outturn for 2010 excludes costs associated with the programmes which transferred to the new Department of Public Expenditure and Reform in 2011. These costs are included under Vote 42.

²This figure includes €86,000 payroll cost that is charged to heading B.5 - Commissions and special inquiries

³ The Department of Finance (Vote 6) and the Department of Public Expenditure and Reform (Vote 42) share stocks. For efficiency and convenience reasons, spend on stationery and stocks is recorded under Vote 6 and spend on IT consumable stocks is recorded under Vote 42. However, as the stocks are shared, they are included in the operating cost notes to the Accounts of Vote 6 and Vote 42 and are allocated on the basis of staff numbers in the respective Departments.

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 6 borne elsewhere

Vote		2011 €000	2010 €000
7	Superannuation and Retired Allowances	12,850	11,785
10	Office of Public Works	2,009	2,296
20	Garda Síochána	62	92
	Central Fund - Ministerial etc. pensions	163	92
		<u>15,084</u>	<u>14,265</u>
6	Allied services - apportioned cost of shared payroll	(525)	—
		<u>14,559</u>	<u>14,265</u>

2 Balance Sheet as at 31 December 2011 ¹

	Note	2011 €000	2010 €000
Capital assets	2.1	1,191	5,336
Capital assets under development	2.2	—	186
		1,191	5,522
Current assets			
Bank and cash	2.3	585	1,226
Stocks ²	2.4	23	55
Prepayments		353	757
Other debit balances	2.5	120	213
Total current assets		1,081	2,251
Less current liabilities			
Accrued expenses		141	323
Other credit balances	2.6	692	1,416
Net liability to the Exchequer	2.7	13	23
Total current liabilities		846	1,762
Net current assets		235	489
Net assets		1,426	6,011
Represented by:			
State funding account		1,426	6,011

¹ The 2011 balances reflect that certain functions were transferred from the Department of Finance to the Department of Public Expenditure and Reform in 2011. The 2010 balances have not been split between the two Departments.

² See footnote 3 to the operating cost statement (note 1).

2.1 Capital Assets

	IT equipmen €000	Furniture and fittings €000	Office equipment €000	Total €000
Gross assets				
Cost or valuation at 1 January 2011	24,343	5,247	2,280	31,870
Additions	—	25	88	113
Transfers to Department of Public Expenditure and Reform	(24,343)	—	—	(24,343)
Cost or valuation at 31 December 2011	—	5,272	2,368	7,640
Accumulated depreciation				
Opening balance at 1 January 2011	20,389	3,973	2,172	26,534
Transfers to Department of Public Expenditure and Reform	(20,389)	—	—	(20,389)
Depreciation for the year	—	238	66	304
Cumulative depreciation at 31 December 2011	—	4,211	2,238	6,449
Net assets at 31 December 2011	—	1,061	130	1,191
Net assets at 31 December 2010	3,954	1,274	108	5,336

Up to 31 December 2010, all capital assets were recorded on the asset register of the Department of Finance. The asset register does not record the location of the business unit using the asset. As a result, it was not possible to split the assets between those units remaining in the Department and those transferring to the Department of Public Expenditure and Reform. In general, furniture and fittings and office equipment assets are now recorded on the asset register of the Department of Finance and IT equipment assets are recorded on the asset register of the Department of Public Expenditure and Reform. Depreciation on assets is charged to each Department on the basis of staff numbers.

2.2 Capital Assets under Development

at 31 December 2011

In-house computer applications

€000

Amounts brought forward at 1 January 2011	186
Amounts transferred to Department of Public Expenditure and Reform	(186)
Balance at 31 December 2011	—

2.3 Bank and Cash	2011	2010
at 31 December	€000	€000
PMG balances and cash	586	1,230
Orders outstanding	(1)	(4)
	<u>585</u>	<u>1,226</u>
2.4 Stocks	2011	2010
at 31 December	€000	€000
Stationery	17	22
IT consumables	6	33
	<u>23</u>	<u>55</u>
2.5 Other Debit Balances	2011	2010
at 31 December	€000	€000
Recoupable salaries	—	43
Recoupable travel expenditure	43	21
Recoupable travel pass scheme expenditure	71	135
Other debit suspense items	6	14
	<u>120</u>	<u>213</u>
2.6 Other Credit Balances	2011	2010
at 31 December	€000	€000
Amounts due to the State		
Income Tax	264	572
Pay Related Social Insurance	117	298
Professional Services Withholding Tax	46	174
Value Added Tax	22	30
Pension contributions	45	61
Income Levy	—	60
Universal Social Charge	78	—
	<u>572</u>	<u>1,195</u>
Payroll deductions held in suspense	84	178
Recoupable salaries	30	—
Due for OPW managed services	1	—
Other credit suspense items	5	43
	<u>692</u>	<u>1,416</u>

2.7 Net Liability to the Exchequer

at 31 December

	2011	2010
	€000	€000
Surplus to be surrendered	3,275	8,283
Exchequer grant undrawn	(3,262)	(8,260)
Net liability to the Exchequer	<u>13</u>	<u>23</u>

Represented by:**Debtors**

Bank and cash	585	1,226
Debit balances: suspense	120	213
	<u>705</u>	<u>1,439</u>

Creditors

Due to State	(572)	(1,195)
Credit balances: suspense	(120)	(221)
	<u>(692)</u>	<u>(1,416)</u>

	<u>13</u>	<u>23</u>
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2.8 Commitments

at 31 December

	2011	2010
	€000	€000
Total of legally enforceable commitments	<u>30</u>	<u>480</u>

3 Programme Expenditure

		2011 Estimate provision €000	2011 Outturn €000	2010 Outturn €000
A	Budget, Taxation and Economic Policy			
A.1.	Administration - pay	6,456	5,966	5,163
A.2.	Administration - non pay	284	270	230
A.3.	Committees and commissions	330	326	312
A.4.	Consultancy and other services	75	17	30
A.5.	Fiscal Advisory Council (grant-in-aid)	300	222	—
A.6.	Commissions and special inquiries	5	2	211
		7,450	6,803	5,946
B	Financial Services Policy			
B.1.	Administration - pay	4,486	4,585	4,456
B.2.	Administration - non pay	184	188	178
B.3.	Committees and commissions	35	26	4
B.4.	Consultancy and other services	4,195	2,213	4,924
B.5.	Commissions and special inquiries	750	629	722
		9,650	7,641	10,284
C	Delivery of Shared Services			
C.1.	Administration - pay	6,815	6,927	6,368
C.2.	Administration - non pay	3,143	3,023	2,890
		9,958	9,950	9,258

Explanation of significant 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
B.4	(1,982)	It was estimated that this allocation would be required for legal advice in relation to the bank guarantee scheme, recapitalisation and restructuring issues, the preparation of legislation and general financial and banking advice. However it is difficult to predict such requirements with any certainty.
B.5	(121)	The work of the commission of investigation into the Banking Sector in Ireland (Nyberg Commission) was concluded earlier than anticipated and legal challenges that had been anticipated and budgeted for did not materialise.

4 Receipts

4.1 Appropriations-in-aid	2011 Estimated €000	2011 Realised €000	2010 Realised €000
1. Recoupment of certain expenses in relation to the stabilisation of the banking sector	300	532	2,335
2. Pension cashflow surpluses	—	—	—
3. Receipts from pension-related deductions on public service remuneration	895	1,158	1,082
4. Miscellaneous	6	122	94
Total	1,201	1,812	3,511

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.	(232)	The costs recoupable under the scheme are difficult to predict.
3.	(263)	It is not possible to estimate accurately the level of receipts as receipts vary depending on the number of staff employed and the percentage deduction varies depending on the salary level of the individual employees.
4.	(116)	Receipts under this heading fluctuate and are difficult to estimate accurately.

4.2 Extra Receipts payable to the Exchequer

Other receipts totalling €8,999 were transferred to the Exchequer during the year in respect of monies received in 2011 which were not proper to the Vote. This figure comprises €7,419 voluntary surrender of pay and €1,580 in respect of travel costs refunded by an international body.

5 Employee Numbers and Pay

	2011	2010
Number of staff at year end (full time equivalents)	272	276
	2011	2010
	€000	€000
Pay ¹	15,927	14,752
Redundancy	145	—
Higher, special or additional duties allowances	166	185
Other allowances	117	214
Overtime	352	302
Employer's PRSI	857	738
Total pay	17,564	16,191

¹ The total pay figure is inclusive of pay in subheads A.1, B.1, B.5, C.1.

5.1 Allowances and Overtime Payments

	Number of Recipients of recipients	€10,000 or more	Maximum individual payment 2011 €	Maximum individual payment 2010 €
Higher, special or additional duties	36	5	15,934	19,551
Other allowances	79	1	89,038	26,637
Overtime	102	11	28,672	30,647

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

5.2 Other Remuneration Arrangements

Two retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €10,470.

This account includes expenditure of €410,072 in respect of 7 officers who were serving outside the Department for all or part of 2011 and whose salaries were paid by the Department.

€41,763 was paid to 19 staff under the terms of the Association of Higher Civil and Public Servants 1% Programme for Competitiveness and Work restructuring agreement.

6 Miscellaneous

6.1 Banking System Functions

The Minister for Finance delegated a number of banking system functions to the National Treasury Management Agency (NTMA) under Statutory Instrument (S.I.) no. 115 of 2010. This delegation was revoked with effect from 5 August 2011 under S.I. no. 395 of 2011 and the NTMA banking unit has since then been seconded to the Department of Finance. At the direction of the Minister, the costs of the unit, comprising staff costs and certain consultancy costs, continue to be met by the NTMA. Costs incurred in the period from 5 August 2011 to 31 December 2011 amounted to €6.3 million.

6.2 Committees and Commissions

	Year of appointment	2011 €000	2010 €000
Credit Union Advisory Committee	1967	26	1
Disabled Drivers Appeals Board	1989	326	312
Independent Review Panel on the Department of Finance	2010	2	211
Commission of Investigation into the banking sector in Ireland	2010	629	722
		983	1,246