



## **Appropriation Account 2012**

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**Vote 14**

**State Laboratory**

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## **Introduction**

As Accounting Officer for Vote 14, 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 2012 for the salaries and expenses of the State Laboratory.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2012, 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**

#### ***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 maintained and operated by the State Laboratory. 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 manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

#### ***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
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an audit committee to advise me in discharging my responsibilities for the internal financial control system.

***Administrative Controls and Management Reporting***

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the State Laboratory
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the State Laboratory is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

***Internal Audit and Audit Committees***

I confirm that the State Laboratory has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the State Laboratory is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

**Ita Kinahan**  
Accounting Officer  
State Laboratory

1 March 2013

## **Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas**

### **Vote 14 State Laboratory**

I have audited the appropriation account for Vote 14 State Laboratory for the year ended 31 December 2012 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under her control, for the efficiency and economy of administration in the State Laboratory and for the regularity and propriety of all transactions in the appropriation accounts.

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

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

#### ***Scope of audit***

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of Public Financial Procedures have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

***Opinion on the appropriation account***

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 14 State Laboratory for the year ended 31 December 2012.

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 State Laboratory. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

24 July 2013

## Vote 14 State Laboratory Appropriation Account 2012

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme Expenditure</b>			
A Government analytical laboratory and advisory service	9,001	8,305	8,366
<b>Gross expenditure</b>	<b>9,001</b>	<b>8,305</b>	<b>8,366</b>
<i>Deduct</i>			
B Appropriations-in-aid	605	797	896
<b>Net expenditure</b>	<b>8,396</b>	<b>7,508</b>	<b>7,470</b>

### Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2012	2011
	€	€
Surplus to be surrendered	888,200	1,179,987

### Analysis of administration expenditure

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	5,216	4,901	5,006
ii Travel and subsistence	35	22	27
iii Training and development and incidental expenses	231	184	208
iv Postal and telecommunications services	70	65	66
v Office equipment and external IT services	1,947	1,757	1,706
vi Office premises expenses	1,490	1,362	1,341
vii Consultancy services and value for money and policy reviews	12	14	12
	<b>9,001</b>	<b>8,305</b>	<b>8,366</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Pay	4,901	5,006
Non pay	3,404	3,360
<b>Gross expenditure</b>	<b>8,305</b>	<b>8,366</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>797</b>	<b>896</b>
<b>Net expenditure</b>	<b>7,508</b>	<b>7,470</b>
<b>Changes in capital assets</b>		
Purchases cash	(444)	
Depreciation	708	
Loss on disposals	2	
	266	285
<b>Changes in net current assets</b>		
Decrease in closing accruals	(32)	
Decrease in stock	57	
	25	14
<b>Direct expenditure</b>	<b>7,799</b>	<b>7,769</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	748	889
Notional rents	1,465	1,345
<b>Total Operating Cost</b>	<b>10,012</b>	<b>10,003</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 14 borne elsewhere.

	2012	2011
	€000	€000
Vote 7 Finance	23	39
Vote 12 Superannuation and Retired Allowances	725	850
	<b>748</b>	<b>889</b>

## 2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
<b>Capital assets</b>	2.3	1,278	1,544
<b>Current assets</b>			
Bank and cash	2.4	48	331
Stocks	2.5	161	218
Prepayments		697	684
Accrued income		61	37
Other debit balances		16	13
Due from Exchequer	2.7	105	—
<b>Total current assets</b>		<b>1,088</b>	<b>1,283</b>
<b>Less current liabilities</b>			
Accrued expenses		86	81
Other credit balances	2.6	169	298
Net liability to the Exchequer	2.7	—	46
<b>Total current liabilities</b>		<b>255</b>	<b>425</b>
<b>Net current assets</b>		<b>833</b>	<b>858</b>
<b>Net assets</b>		<b>2,111</b>	<b>2,402</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>2,111</b>	<b>2,402</b>

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		2,402	2,634
Funding drawn down	2.2	8,256	8,359
Non cash expenditure – notional rent	1	1,465	1,345
Prior Year Adjustment		—	67
Net programme cost	1	(10,012)	(10,003)
<b>Balance at 31 December</b>		<b>2,111</b>	<b>2,402</b>

2.2 Funding drawn down	Note	2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	8,396	8,650
Surplus to be surrendered	Account	(888)	(1,180)
		7,508	7,470
Expenditure (cash) borne elsewhere	1	748	889
<b>Total funding drawn down</b>		<b>8,256</b>	<b>8,359</b>



**2.3 Capital Assets**

	Office equipment €000	Furniture and fittings €000	Motor vehicles €000	Total €000
<b>Gross assets</b>				
Cost or valuation at 1 January 2012	11,566	538	20	12,124
Additions	444	—	—	444
Disposals	(97)	—	—	(97)
Cost or valuation at 31 December 2012	<u>11,913</u>	<u>538</u>	<u>20</u>	<u>12,471</u>
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2012	10,195	368	17	10,580
Depreciation for the year	651	54	3	708
Depreciation on disposals	(95)	—	—	(95)
Cumulative depreciation at 31 December 2012	<u>10,751</u>	<u>422</u>	<u>20</u>	<u>11,193</u>
<b>Net assets at 31 December 2012</b>	<b><u>1,162</u></b>	<b><u>116</u></b>	<b><u>—</u></b>	<b><u>1,278</u></b>
<b>Net assets at 31 December 2011</b>	<b><u>1,373</u></b>	<b><u>167</u></b>	<b><u>4</u></b>	<b><u>1,544</u></b>

**2.4 Bank and Cash**

	2012 €000	2011 €000
at 31 December		
PMG balances and cash	48	331
	<u>48</u>	<u>331</u>

**2.5 Stocks**

	2012 €000	2011 €000
at 31 December		
Chemicals and laboratory consumables	141	197
Stationery and IT consumables	20	21
	<u>161</u>	<u>218</u>

**2.6 Other Credit Balances**

	2012 €000	2011 €000
at 31 December		
Amounts due to the State		
Income Tax	57	60
Pay Related Social Insurance	29	29
Universal Social Charge	20	20
Relevant Contracts Tax	4	17
Value Added Tax on intra-EU acquisitions	47	93
	<u>157</u>	<u>219</u>
Payroll deductions held in suspense	—	38
Miscellaneous	12	41
	<u>169</u>	<u>298</u>

<b>2.7 Net Liability from the Exchequer</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Surplus to be surrendered	888	1,180
Exchequer grant undrawn	(993)	(1,134)
Net liability from the Exchequer	<u>(105)</u>	<u>46</u>

**Represented by:****Debtors**

Bank and cash	48	331
Debit balances: suspense	16	13
	<u>64</u>	<u>344</u>

**Creditors**

Due to State	(157)	(219)
Credit balances: suspense	(12)	(79)
	<u>(169)</u>	<u>(298)</u>
	<u>(105)</u>	<u>46</u>

<b>2.8 Commitments</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Total of legally enforceable commitments	46	54

### 3 Programme Expenditure by Subhead

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>A Government Analytical Laboratory and Advisory Service</b>			
A.1 Administration - pay	5,216	4,901	5,006
A.2 Administration - non pay	3,785	3,404	3,360
	9,001	8,305	8,366

#### Significant variations

An explanation is provided in the case of each expenditure subhead where the outturn varied from the amount estimated by more than €100,000, and by more than 25%. No outturn of the Vote met this criteria in 2012.

### 4 Receipts

#### 4.1 Appropriations-in-aid

	2012		2011
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts for various analyses, examinations, tests etc.	300	498	589
2. Receipts from pension-related deductions on public service remuneration	305	299	307
<b>Total</b>	<b>605</b>	<b>797</b>	<b>896</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	Explanation
	€000	
Receipts for various analyses, examinations, tests etc.	(198)	Most of the excess receipts arise from Coroners' fees. As this is a demand led service, it is difficult to accurately predict the income.

## 5 Employee Numbers and Pay

	<b>2012</b>	<b>2011</b>
<b>Number of staff at year end</b> (full time equivalents)	83	85
	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Pay	4,596	4,711
Higher, special or additional duties allowance	26	22
Overtime	4	5
Employer's PRSI	275	268
<b>Total Pay</b>	<b>4,901</b>	<b>5,006</b>

<sup>1</sup> The Employment Control Framework (ECF) ceiling for 2012 was 90 (2011: 91).

<sup>2</sup> The values for pay and allowances in 2011 has been revised to reflect the 2012 analysis.

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2012 €	Maximum individual payment 2011 €
Higher, special or additional duties	12	—	8,722	10,307
Overtime and extra attendance	3	—	1,644	2,790