



## **Appropriation Account 2012**

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**Vote 16**

**Valuation Office**

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## Introduction

As Accounting Officer for Vote 16, 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 Valuation Office.

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 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

#### *Responsibility for System of Internal Financial Control*

The report of the Working Group on the Accountability of Secretaries General and Accounting Officers recommends that Accounting Officers submit with their Appropriation Accounts a descriptive statement on internal financial controls. The report stresses that improving systems of internal financial control is a continuous process and acknowledges that full installation of comprehensive control systems represents a multi-year development agenda.

Against that background, as Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is put in place, maintained and operated by the Valuation Office. 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 period. The work of strengthening systems and controls continued throughout 2012.

#### *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
- procedures are in place for reporting significant control failures and ensuring appropriate corrective action
- an Audit Committee operated in the Office in 2012.

### ***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
- capital investment control guidelines and project management disciplines are followed.

### ***Internal Audit***

I can confirm that the Valuation Office has an internal audit function, which operates in accordance with a written charter. Part of the internal audit function was outsourced in 2012 to a firm of accountants who reported to the Head of Internal Audit.

### ***Enhancing Internal Control***

In line with the Working Group report's recognition that improving systems of internal financial control is a continuous process, I am continuing with the work of improving the control environment in order to fully implement the report's recommendations and to eliminate weaknesses that previously emerged. Accordingly, I have described the actions I have taken or which are planned in relation to the following elements of the system of internal financial control:

- One Internal Audit review was carried out in 2012 and the report of that audit was approved by the Audit Committee. A further audit was commissioned in 2012 and will commence early in 2013. That audit will examine the IT systems in the Office.
- A review of the risk management structures and procedures was finalised and approved by the Audit Committee. The risk register has been updated and processes for dealing with risk have been strengthened. The register is reviewed by the Management Committee on a quarterly basis.
- The Office continues to engage an accountant in a part-time capacity to support the accounting functions in the Office.
- Procedures for regular reconciliation of funds requested from the Paymaster General, paid through payroll software and attributed to general ledger bank account codes were in place and were overseen by the accountant.
- Arrangements to ensure that procurement requirements and guidelines are fully complied with have been strengthened.
- Arrangements were made with customers to accept payments by electronic fund transfer.

Relevant training has been provided for staff working in the financial area and this training will continue in 2013.

**John O'Sullivan**  
Accounting Officer  
Valuation Office

27 March 2013

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

### **Vote 16 Valuation Office**

I have audited the appropriation account for Vote 16 Valuation Office 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. The accounting policies and notes form part of the account.

#### ***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 his control, for the efficiency and economy of administration in his Office 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 a report each year, 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 16 Valuation Office 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 Valuation Office. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

11 September 2013

## Vote 16 Valuation Office Appropriation Account 2012

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme Expenditure</b>			
A Provision of State valuation service	10,148	8,268	8,905
B Administration services for the Valuation Tribunal	574	617	654
<b>Gross expenditure</b>	<b>10,722</b>	<b>8,885</b>	<b>9,559</b>
<i>Deduct</i>			
C Appropriations-in-aid	2,174	1,254	2,427
<b>Net expenditure</b>	<b>8,548</b>	<b>7,631</b>	<b>7,132</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	916,648	1,075,653

**Analysis of administration expenditure**

		<b>2012</b>		<b>2011</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
i	Salaries, wages and allowances	7,549	7,511	7,974
ii	Travel and subsistence	407	106	164
iii	Training and development and incidental expenses	363	228	138
iv	Postal and telecommunications services	180	67	118
v	Office equipment and external IT services	611	514	476
vi	Office premises expenses	211	125	110
vii	Consultancy services and value for money and policy reviews	95	19	84
		<b>9,416</b>	<b>8,570</b>	<b>9,064</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Programme cost	315	495
Pay	7,511	7,974
Non pay	1,059	1,090
<b>Gross expenditure</b>	<b>8,885</b>	<b>9,559</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>1,254</b>	<b>2,427</b>
<b>Net expenditure</b>	<b>7,631</b>	<b>7,132</b>
<b>Changes in capital assets</b>		
Purchases cash	(63)	
Depreciation	272	
Loss on disposals	1	
	210	246
<b>Changes in assets under development</b>		
Cash payments	(155)	(152)
<b>Changes in net current assets</b>		
Increase in closing accruals	219	
Increase in stock	(7)	
	212	518
<b>Direct expenditure</b>	<b>7,898</b>	<b>7,744</b>
Net allied services expenditure (note 1.1)	5,049	5,754
<b>Net programme cost</b>	<b>12,947</b>	<b>13,498</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 16 borne elsewhere.

	2012	2011
	€000	€000
Vote 12 Superannuation and Retired Allowances	3,661	3,920
Vote 13 Office of Public Works	1,388	1,834
	5,049	5,754



## 2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
<b>Capital assets</b>	2.3	474	534
<b>Capital assets under development</b>	2.4	21	16
		<b>495</b>	<b>550</b>
<b>Current assets</b>			
Bank and cash	2.5	—	364
Stocks	2.6	45	38
Prepayments		154	152
Accrued income		12	245
Other debit balances	2.7	134	76
Due from Exchequer	2.9	70	—
<b>Total current assets</b>		<b>415</b>	<b>875</b>
<b>Less current liabilities</b>			
Bank and cash	2.5	33	—
Accrued expenses		72	61
Deferred income		80	103
Other credit balances	2.8	171	199
Net liability to the Exchequer	2.9	—	241
<b>Total current liabilities</b>		<b>356</b>	<b>604</b>
<b>Net current assets</b>		<b>59</b>	<b>271</b>
<b>Net assets</b>		<b>554</b>	<b>821</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>554</b>	<b>821</b>

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		821	1,333
Funding drawn down	2.2	12,680	12,886
Fixed assets prior year adjustment		—	100
Net programme cost	1	(12,947)	(13,498)
<b>Balance at 31 December</b>		<b>554</b>	<b>821</b>

<b>2.2 Funding drawn down</b>	<b>Note</b>	<b>2012</b>	<b>2011</b>
		<b>€000</b>	<b>€000</b>
Disbursements from the Vote			
Estimate provision	Account	8,548	8,208
Surplus to be surrendered	Account	(917)	(1,076)
		<u>7,631</u>	<u>7,132</u>
Expenditure (cash) borne elsewhere	1	5,049	5,754
<b>Total funding drawn down</b>		<b><u>12,680</u></b>	<b><u>12,886</u></b>

### 2.3 Capital Assets

	<b>Office equipment</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Gross assets</b>			
Cost or valuation at 1 January 2012	2,489	1,370	3,859
Additions	211	2	213
Disposals	(64)	—	(64)
Cost or valuation at 31 December 2012	<u>2,636</u>	<u>1,372</u>	<u>4,008</u>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2012	2,016	1,309	3,325
Depreciation for the year	251	21	272
Depreciation on disposals	(63)	—	(63)
Cumulative depreciation at 31 December 2012	<u>2,204</u>	<u>1,330</u>	<u>3,534</u>
<b>Net assets at 31 December 2012</b>	<u>432</u>	<u>42</u>	<u>474</u>
<b>Net assets at 31 December 2011</b>	<u>473</u>	<u>61</u>	<u>534</u>

### 2.4 Capital Assets under Development

at 31 December	<b>In-house computer applications</b>
	<b>€000</b>
Amounts brought forward at 1 January 2012	16
Transferred to capital assets	(150)
Cash payments for the year	<u>155</u>
Amounts carried forward at 31 December 2012	<u>21</u>

### 2.5 Bank and Cash

at 31 December	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
PMG balances and cash	(31)	378
Orders outstanding	(2)	(14)
	<u>(33)</u>	<u>364</u>

<b>2.6 Stocks</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Valuation Office consumable stocks	40	33
Valuation Tribunal consumable stocks	5	5
	<u>45</u>	<u>38</u>

<b>2.7 Other Debit Balances</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Debit suspense items	134	76

<b>2.8 Other Credit Balances</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Amounts due to the State		
Income Tax	112	121
Pay Related Social Insurance	48	48
Professional Services Withholding Tax	11	28
Pensions	—	(2)
	<u>171</u>	<u>195</u>
Payroll deductions held in suspense	—	4
	<u>171</u>	<u>199</u>

<b>2.9 Net Liability to/ (from) the Exchequer</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Surplus to be surrendered	917	1,076
Exchequer grant undrawn	(987)	(835)
Net liability from the Exchequer	<u>(70)</u>	<u>241</u>

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

Bank and cash	—	364
Debit balances: suspense	134	76
	<u>134</u>	<u>440</u>

**Creditors**

Bank and cash	(33)	—
Due to State	(171)	(195)
Credit balances: suspense	—	(4)
	<u>(204)</u>	<u>(199)</u>
	<u>(70)</u>	<u>241</u>

<b>2.10 Commitments</b>	<b>2012</b>	<b>2011</b>
at 31 December	€000	€000
Total of legally enforceable commitments	164	35

### 3 Programme Expenditure by Subhead

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>A</b>	<b>Provision of a State Valuation Service</b>			
A.1	Administration - pay	7,208	7,209	7,643
A.2	Administration - non pay	1,867	1,059	1,090
A.3	Fees to counsel and other legal expenses	73	—	172
A.4	National revaluation projects	1,000	—	—
		<u>10,148</u>	<u>8,268</u>	<u>8,905</u>

#### Significant variations

Overall, the gross expenditure in relation to the programme was €1,880,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	808	Non-pay expenditure was less than anticipated due, in large part, to the concentration on revaluation in Dublin and a reduced revision programme around the country.
Fees to counsel and other legal expenses	73	Legal fees only arise where the Office incurs a liability arising from the successful appeal of its valuation and costs are awarded against it. No such liabilities arose in 2012.
National revaluation projects	1,000	Expenditure on specific national revaluation projects in 2012 was contingent on the enactment of enabling legislation. Enabling legislation was not enacted in 2012 and a provision for the same amount under this subhead has been included in the 2013 estimate.

	Estimate provision	2012 Outturn	2011 Outturn
	€000	€000	€000
<b>B Administration Services for the Valuation Tribunal</b>			
B.1 Administration - pay	341	302	331
B.2 Administration - non pay	—	—	—
B.3 Valuation Tribunal – fees, travel and other expenses	233	315	323
	574	617	654

**Significant variations**

An explanation is provided in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 25%. However no outturn satisfied this criteria in 2012.

## 4 Receipts

4.1 Appropriations-in-aid	2012		2011
	Estimated	Realised	Realised
	€000	€000	€000
1. Valuation Tribunal appeal fees	60	27	126
2. Valuation certificates	158	155	139
3. Valuation revision fees	1,270	600	1,377
4. Fees from appeals to the Commissioner	165	1	233
5. Miscellaneous receipts	65	13	61
6. Receipts from pension related deduction on public service remuneration	456	458	491
<b>Total</b>	<b>2,174</b>	<b>1,254</b>	<b>2,427</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%.

Description	Less/ (more) than provided €000	Explanation
Valuation revision fees	670	The revision programme and associated revision fee income was lower than anticipated in 2012 due to a concentration of resources on the revaluation programme (on which there is no fee income) in Dublin.
Fees from appeals to the Commissioner	164	Appeal fees arising from revision were lower than anticipated as a result of the reduced revision programme in 2012.  Income received of €27,000 was cancelled out by refunds of €26,000 issued in respect of revaluation appeals where either value or list status is amended.

### 4.2 Extra receipts payable to the Exchequer

There were no extra Exchequer receipts in 2012 (2011: €29,989).

## 5 Employee Numbers and Pay

	2012	2011
<b>Number of staff at year end</b> (full time equivalents)	131	144
	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Pay	6,925	7,375
Higher, special or additional duties allowance	115	130
Overtime	25	27
Employer's PRSI	446	442
<b>Total Pay</b>	<b>7,511</b>	<b>7,974</b>

### 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	25	1	11,624	9,093
Overtime and extra attendance	15	—	7,020	10,128

Certain individuals received extra remuneration in more than one category.

### 5.2 Other Remuneration Arrangements

Payments totalling €1,540 were made to one retired civil servant who served as an external member on both an office committee and an interview board.

## 6 Miscellaneous Items

Sanction was obtained from the Department of Public Expenditure and Reform to write off irrecoverable debts in the sum of €35,808 in 2012.