



Appropriation Account 2012

Vote 19

Office of the Ombudsman

Introduction

As Accounting Officer for Vote 19, 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 Office of the Ombudsman, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

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.

Amalgamation with the Office of the Commission for Public Service Appointments

The Ombudsman (Amendment) Act, 2012, which formalised the merger between the Office of the Commission for Public Service Appointments and the Office of the Ombudsman was enacted on 23 October 2012. The accounting functions were merged with effect from 1 January 2013. From this date onwards, the votes of the Office of the Commission for Public Service Appointments and the Office of the Ombudsman will be merged. Certain aspects of the merger had proceeded in advance of the legislation being enacted. The two organisations agreed a Memorandum of Understanding in December 2010 dealing with administrative matters to provide a flexible basis for both offices. The areas covered in the Memorandum are personnel matters relating to CPSA staff, finance matters and management of budgets, training and associated payments and general staff matters.

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 Office of the Ombudsman.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General/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
- the Office uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.

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 Office. Risk management is increasingly integral to the Office's strategic and business processes. This is brought about through risk registers, strategic and business plans and individual PMDS targets
- there are systems aimed at ensuring the security of the ICT systems. The Office has in place modern computer desktop hardware and software, which is available to all staff. Servers, networks and systems, back-up and firewall facilities are also in place. This system was reviewed in 2012 and it is functioning effectively
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Office 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 Committee

I confirm that the Office has an internal audit function with appropriately trained personnel. The internal audit unit operated under a draft charter in 2012 which I formally approved in 2013. Its work is informed by analysis of the financial risks to which the Office 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. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

The evaluation of internal controls is performed by the Office's internal auditor and this process is supported by an Audit Committee which includes three external members and operates under an Audit Committee charter. The internal audit function is reviewed periodically by me and the Audit Committee. The Committee, in developing its audit plans, also has regard to any comments the Comptroller and Auditor General may make arising from an audit of the appropriation account.

The Audit Committee of the Office of the Ombudsman has taken over responsibility for the internal audit function of the Office of the Commission for Public Service Appointments.

Bernadette McNally
Accounting Officer
Office of the Ombudsman

28 February 2013

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

Vote 19 Office of the Ombudsman

I have audited the appropriation account for Vote 19 Office of the Ombudsman 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 her 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 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 19 Office of the Ombudsman 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 Office of the Ombudsman. The appropriation account is in agreement with the books of account.

Seamus McCarthy
Comptroller and Auditor General

4 September 2013

Vote 19 Office of the Ombudsman Appropriation Account 2012

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme Expenditure			
A Ombudsman function	4,712	4,174	4,432
B Standards in Public Office Commission	917	870	861
C Office of the Information Commissioner/ Office of the Commissioner for Environmental Information	1,466	1,212	1,500
Gross expenditure	7,095	6,256	6,793
<i>Deduct</i>			
D Appropriations-in-aid	380	360	368
Net expenditure	6,715	5,896	6,425

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	818,785	653,534

Analysis of administration expenditure

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	5,690	5,403	5,535
ii	Travel and subsistence	53	34	34
iii	Training and development and incidental expenses	445	270	268
iv	Postal and telecommunications services	86	53	67
v	Office equipment and external IT services	189	163	179
vi	Office premises expenses	188	97	205
vii	Consultancy and value for money and policy reviews	181	80	50
viii	Legal fees	263	156	455
		7,095	6,256	6,793

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Pay	5,403	5,535
Non pay	853	1,258
Gross expenditure	6,256	6,793
<i>Deduct</i>		
Appropriations-in-aid	360	368
Net expenditure	5,896	6,425
Changes in capital assets		
Purchases cash	(35)	
Depreciation	81	
Loss on disposals	—	
	46	10
Changes in net current assets		
Decrease in closing accruals	(47)	
Decrease in stock	1	
	(46)	116
Direct expenditure	5,896	6,551
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	1,575	1,691
Net programme cost	7,471	8,242

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 19 borne elsewhere.

	2012	2011
	€000	€000
Vote 7 Finance	56	74
Vote 12 Superannuation and Retired Allowances	411	490
Vote 13 Office of Public Works	1,108	1,127
	<u>1,575</u>	<u>1,691</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	158	204
Current assets			
Bank and cash	2.4	457	290
Stocks	2.5	16	17
Prepayments		87	79
Other debit balances		18	16
Net liability from the Exchequer	2.7	39	—
Total current assets		617	402
Less current liabilities			
Accrued expenses		19	58
Other credit balances	2.6	514	259
Net liability to the Exchequer	2.7	—	47
Total current liabilities		533	364
Net current assets		84	38
Net assets		242	242
Represented by:			
State funding account	2.1	242	242

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		242	368
Funding drawn down	2.2	7,471	8,116
Non cash expenditure – notional rent	1	—	—
Net programme cost	1	(7,471)	(8,242)
Balance at 31 December		242	242

2.2 Funding drawn down	Note	2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	6,715	7,079
Surplus to be surrendered	Account	(819)	(654)
		5,896	6,425
Expenditure (cash) borne elsewhere	1	1,575	1,691
Total funding drawn down		7,471	8,116

2.3 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2012	875	503	1,378
Additions	34	1	35
Disposals	(97)	—	(97)
Cost or valuation at 31 December 2012	812	504	1,316
Accumulated depreciation			
Opening balance at 1 January 2012	768	406	1,174
Depreciation for the year	64	17	81
Depreciation on disposals	(97)	—	(97)
Cumulative depreciation at 31 December 2012	735	423	1,158
Net assets at 31 December 2012	77	81	158
Net assets at 31 December 2011	107	97	204

2.4 Bank and Cash

	2012 €000	2011 €000
at 31 December		
PMG balances and cash	458	290
Other cash balances	(1)	—
	457	290

2.5 Stocks

	2012 €000	2011 €000
at 31 December		
Stationery	3	4
IT consumables	13	13
	16	17

2.6 Other Credit Balances

	2012 €000	2011 €000
at 31 December		
Amounts due to the State		
Income Tax	99	100
Pay Related Social Insurance	25	26
Professional Services Withholding Tax	39	3
Value Added Tax	—	1
Pension contributions	12	11
	175	141
Payroll deductions held in suspense	39	37
Other credit suspense items	300	81
	514	259

2.7 Net Liability from the Exchequer	2012	2011
at 31 December	€000	€000
Surplus to be surrendered	819	654
Exchequer grant undrawn	(858)	(607)
Net liability from the Exchequer	<u>(39)</u>	<u>47</u>

Represented by:**Debtors**

Bank and cash	457	290
Debit balances: suspense	18	16
	<u>475</u>	<u>306</u>

Creditors

Due to State	(175)	(141)
Credit balances: suspense	(339)	(118)
	<u>(514)</u>	<u>(259)</u>
	<u>(39)</u>	<u>47</u>

3 Programme Expenditure by Subhead

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A Ombudsman function			
A.1 Administration - pay	4,060	3,806	4,006
A.2 Administration - non pay	652	368	426
	4,712	4,174	4,432

Significant variations

Overall, the expenditure in relation to the Programme A was €538,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	284	More efficient use of resources in conjunction with lower than anticipated spending on training, advertising and consultancy.

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
B Standards in Public Office Commission			
B.1 Administration - pay	620	601	612
B.2 Administration - non pay	297	269	249
	917	870	861

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 25%. However, no outturn on this Programme met these criteria in 2012.

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Office of the Information Commissioner			
C.1	Administration - pay	1,010	996	917
C.2	Administration - non pay	456	216	583
		<u>1,466</u>	<u>1,212</u>	<u>1,500</u>

Significant variations

Overall, the gross expenditure in relation to the Programme C was €254,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration - non pay	240	This was mainly lower than anticipated legal costs arising from appeals of decisions of the Information Commissioner and the Commissioner for Environmental Information to the Courts. The number of legal cases and the cost of each case are difficult to budget for.

4 Receipts

4.1 Appropriations-in-aid	Estimated €000	2012	2011
		Realised €000	Realised €000
1. Miscellaneous	5	5	6
2. Receipts from pension-related deductions on public service remuneration	375	355	362
	380	360	368

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%. However, no outturn on this Vote met these criteria in 2012.

4.2 Extra receipts payable to the Exchequer

An amount of €2,780 was transferred to the Exchequer during the year. This amount was a payover in respect of a voluntary salary deduction.

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)	85	87
	2012	2011
	€000	€000
Pay	5,139	5,256
Higher, special or additional duties allowance	20	19
Overtime	20	33
Employer's PRSI	224	227
Total Pay	5,403	5,535

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	3	1	10,829	10,493
Overtime and extra attendance	8	1	10,178	10,487

5.2 Performance and Merit Payments

A sum of €7,456 was approved for merit awards in 2012. This comprised of 11 individual and 2 group awards.

6 Miscellaneous

6.1 Amalgamation with the Office of the Commission for Public Service Appointments

The Ombudsman (Amendment) Act, 2012, formalised the merger between the Office of the Commission for Public Service Appointments and the Office of the Ombudsman. The accounting functions were merged with effect from 1 January 2013.