



Appropriation Account 2012

Vote 2

Department of the Taoiseach

Introduction

As Accounting Officer for Vote 2, 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 Department of the Taoiseach, including certain services administered by the Department and for payment of grants and grants-in-aid.

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

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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 Department
- 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 Department 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 Department 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 Department 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.

Martin Fraser
Accounting Officer
Department of the Taoiseach

26 March 2013

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

Vote 2 Department of the Taoiseach

I have audited the appropriation account for Vote 2 Department of the Taoiseach 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 his control, for the efficiency and economy of administration in his Department 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 2 Department of the Taoiseach 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 Department of the Taoiseach. The appropriation account is in agreement with the books of account.

Seamus McCarthy
Comptroller and Auditor General

28 June 2013

Vote 2 Department of the Taoiseach Appropriation Account 2012

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme Expenditure				
A	Supporting the work of the Taoiseach and Government	24,539	22,362	18,436
Gross expenditure		24,539	22,362	18,436
<i>Deduct</i>				
B	Appropriations-in-aid	912	881	837
Net expenditure		23,627	21,481	17,599

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	2,146,203	3,440,502

Analysis of administration expenditure

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,100	11,266	11,307
ii	Travel and subsistence	325	333	227
iii	Training and development and incidental expenses	783	664	1,360
iv	Postal and telecommunications services	360	355	310
v	Office equipment and external IT services	971	695	792
vi	Office premises expenses	410	390	470
vii	Consultancy services and value for money and policy reviews	20	1	13
viii	EU Presidency	2,200	1,351	—
		17,169	15,055	14,479

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Programme cost	7,307	3,957
Pay ¹	11,685	11,307
Non pay	3,370	3,172
Gross expenditure	22,362	18,436
<i>Deduct</i>		
Appropriations-in-aid	881	837
Net expenditure	21,481	17,599
Changes in capital assets		
Purchases cash	(134)	
Depreciation	122	
	(12)	51
Changes in net current assets		
Decrease in closing accruals	(83)	
Decrease in stock	16	
	(67)	(104)
Direct expenditure	21,402	17,546
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,418	5,147
Notional rents	1,076	1,083
Net programme cost	26,896	23,776

¹ The pay figure for 2012 includes salaries for the EU Presidency amounting to €418,791

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 2 borne elsewhere less amounts incurred in relation to other Votes.

	2012	2011
	€000	€000
Vote 12 Superannuation and Retired Allowances	2,529	3,020
Vote 13 Office of Public Works	713	580
Vote 20 Garda Síochána	187	805
Vote 24 Justice and Equality	228	257
Vote 36 Defence	75	75
Taoisigh, Ministerial etc. pensions (Central Fund)	688	410
Services provided to President's Establishment (Vote 1)	(2)	—
	<u>4,418</u>	<u>5,147</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	383	371
Current assets			
Bank and cash	2.4	273	469
Stocks	2.5	118	134
Prepayments		353	274
Other debit balances	2.6	71	253
Net liability from the Exchequer	2.8	107	(379)
Total current assets		922	751
Less current liabilities			
Accrued expenses		105	109
Other credit balances	2.7	451	343
Total current liabilities		556	452
Net current assets		366	299
Net assets		749	670
Represented by:			
State funding account	2.1	749	670

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		670	617
Funding drawn down	2.2	25,899	22,746
Non cash expenditure – notional rent	1	1,076	1,083
Net programme cost	1	(26,896)	(23,776)
Balance at 31 December		749	670

2.2 Funding drawn down	Note	2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	23,627	21,039
Surplus to be surrendered	Account	(2,146)	(3,440)
		21,481	17,599
Expenditure (cash) borne elsewhere	1	4,418	5,147
Total funding drawn down		25,899	22,746

2.3 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2012	3,052	574	3,626
Additions	110	24	134
Disposals	(106)	(3)	(109)
Cost or valuation at 31 December 2012	<u>3,056</u>	<u>595</u>	<u>3,651</u>
Accumulated depreciation			
Opening balance at 1 January 2012	2,821	434	3,255
Depreciation for the year	85	37	122
Depreciation on disposals	(106)	(3)	(109)
Cumulative depreciation at 31 December 2012	<u>2,800</u>	<u>468</u>	<u>3,268</u>
Net assets at 31 December 2012	<u>256</u>	<u>127</u>	<u>383</u>
Net assets at 31 December 2011	<u>231</u>	<u>140</u>	<u>371</u>

2.4 Bank and Cash

	2012 €000	2011 €000
at 31 December		
PMG balances and cash	303	737
Orders outstanding	(30)	(268)
	<u>273</u>	<u>469</u>

2.5 Stocks

	2012 €000	2011 €000
at 31 December		
Gifts	10	11
Stationery	42	46
Publications	41	46
Consumables etc	25	31
	<u>118</u>	<u>134</u>

2.6 Other Debit Balances

	2012 €000	2011 €000
at 31 December		
Payroll suspense account	—	195
Recoupment of travel pass scheme	65	54
Other	6	4
	<u>71</u>	<u>253</u>

2.7 Other Credit Balances	2012	2011
at 31 December	€000	€000

Amounts due to the State

Income Tax	217	184
Pay Related Social Insurance	74	60
Value Added Tax	6	4
Retention Tax	35	4
	<u>332</u>	<u>252</u>
Payroll deductions held in suspense	75	90
Other	44	1
	<u>451</u>	<u>343</u>

2.8 Net Liability from the Exchequer	2012	2011
at 31 December	€000	€000

Surplus to be surrendered	2,146	3,440
Exchequer grant undrawn	(2,253)	(3,061)
Net liability from the Exchequer	<u>(107)</u>	<u>379</u>

Represented by:

Debtors

Bank and cash	273	469
Debit balances: suspense	71	253
	<u>344</u>	<u>722</u>

Creditors

Due to State	(332)	(252)
Credit balances: suspense	(119)	(91)
	<u>(451)</u>	<u>(343)</u>
	<u>(107)</u>	<u>379</u>

2.9 Commitments	2012	2011
at 31 December	€000	€000

Total of legally enforceable commitments	16	10
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3 Programme Expenditure by Subhead

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Supporting the work of the Taoiseach and Government			
A.1	Administration - pay	13,100	11,685	11,307
A.2	Administration - non pay	4,069	3,370	3,172
A.3	National Economic and Social Council (grant-in-aid)	2,220	2,027	2,280
A.4	Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	650	1,593	1,601
A.5	Constitutional Convention	300	216	—
A.6	Referendum on EU Fiscal Stability Treaty	4,200	3,471	—
—	<i>Commemoration initiatives</i>	—	—	76
		24,539	22,362	18,436

Significant variations

Overall, the gross expenditure in relation to the programme was €2,177,000 lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided €000	Explanation
National Economic and Social Council (grant-in-aid)	193	Savings in 2012 were, in the main, due to a review of commercial rates and the redeployment of NESC staff to work on policy issues in the Department of Finance.
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	(943)	Variance principally due to payment of third party costs amounting to €501,679 which were not budgeted for in 2012 and costs of €300,800 for judicial reviews which took place in 2010.
Referendum on EU Fiscal Stability Treaty	729	Variance due to under spend by the Referendum Commission (€146,573) and by the Department (€582,242) on the Government Information Campaign. (See Note 6.5)

4 Receipts

4.1 Appropriations-in-aid	2012		2011
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from pension-related deductions on public service remuneration	812	852	808
2. Miscellaneous	100	29	29
Total	912	881	837

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)	215	183
	2012	2011
	€000	€000
Pay	12,092	11,820
Higher, special or additional duties allowance	401	392
Overtime and extra attendance	477	486
Employer's PRSI	757	638
Total Pay	13,727	13,336

The 2012 figures in the table above include staff from the Department (174), National Economic and Social Council (NESC) (19), the Constitutional Convention (3), the Tribunal of Inquiry (1) and temporary EU presidency staff (18).

The 2011 comparative figures above and Note 5.1 have been amended to reflect these consolidated staff figures.

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	47	14	28,430	28,312
Overtime and extra attendance	75	14	26,746	28,121

Certain individuals received extra remuneration in more than one category.

Certain individuals in NESC received an allowance of 16.67% of salary in lieu of pension.

5.2 Other Remuneration Arrangements

Ex-gratia payments of €1,390 (2011 - €9,062) and €29,681 (2011 - €29,682) were made in respect of agreed retired benefits to two former employees.

Ex-gratia payments of €2,539 each were made in 2012 to three staff members of the Tribunal of Inquiry.

6 Miscellaneous

6.1 Commissions and Inquiries

Commission, Committee or Special Inquiry

	Year of appointment	2012 €000	2011 €000
Tribunal of Inquiry (Payments to Messrs Haughey and Lowry)	1997	1,593	1,601

Cumulative expenditure to the end of December 2012 was €44.6 million.

There will be further payments associated with this Tribunal of Inquiry. Final costs cannot be determined at this point.

6.2 Official Gifts

The account includes the sum of €3,997 which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2012. (€3,480- 2011).

6.3 Other

In addition to expenditure in the Account the following amounts were received in 2012:

The account includes €11,367 (2011: €10,460) received from Vote 7, Office of the Minister for Finance for a co-funded Multisite Library project which provides enhanced library and information services to both departments.

6.4 Legal Costs

Legal costs paid during the year are categorised as follows:

	2012	2011
Legal Fees	241,676	43,535
Compensation costs	—	—
	<u>241,676</u>	<u>43,535</u>

The Department paid €175,126 in respect of costs in a High Court case taken against the Government about the holding of a by-election in Donegal South-West, and €66,550 in respect of costs relating to the appeal to the Supreme Court. This appeal was withdrawn in November 2011.

6.5 Referendum on EU Fiscal Stability Treaty

The Referendum on the Stability Treaty was held on 31 May 2012 and was carried. A budget of €2,200,000 was allocated for the Referendum Commission. The outturn was €2,053,427 and a balance of €146,573 was returned.

A budget of €2,000,000 was provided for a Government Information campaign. Expenditure was €1,417,758.

Other Referendum expenses, for example the printing of ballot papers, return officer expenses etc. were charged to the Central Fund.