



Appropriation Account 2012

Vote 23

Property Registration Authority

Introduction

As Accounting Officer for Vote 23, 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 Property Registration Authority.

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 except for the following;

Statement of Capital Assets – Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

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 Authority.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive of the Authority. 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 Authority
- 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 Authority 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 Authority 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 Authority 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.

Frank Treacy
Chief Executive Officer
Property Registration Authority

8 March 2013

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

Vote 23 Property Registration Authority

I have audited the appropriation account for Vote 23 Property Registration Authority 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 the Authority 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 23 Property Registration Authority 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 Property Registration Authority. The appropriation account is in agreement with the books of account.

Seamus McCarthy
Comptroller and Auditor General

28 June 2013

Vote 23 Property Registration Authority Appropriation Account 2012

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme Expenditure				
A	Manage the Land Registry and the Registry of Deeds	33,830	32,280	32,838
Gross expenditure		<u>33,830</u>	<u>32,280</u>	<u>32,838</u>
<i>Deduct</i>				
B	Appropriations-in-aid	1,169	1,313	1,355
Net expenditure		<u><u>32,661</u></u>	<u><u>30,967</u></u>	<u><u>31,483</u></u>

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	1,694,060	3,688,530

Analysis of administration expenditure

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	25,868	25,114	26,046
ii	Travel and subsistence	110	88	97
iii	Training and development and incidental expenses	3,918	4,347	3,749
iv	Postal and telecommunications services	1,060	708	794
v	Office equipment and external IT services	2,169	1,283	1,436
vi	Office premises expenses	680	729	696
vii	Consultancy services	25	11	20
		<u>33,830</u>	<u>32,280</u>	<u>32,838</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Programme cost	—	—
Pay	25,114	26,046
Non pay	7,166	6,792
Gross expenditure	32,280	32,838
<i>Deduct</i>		
Appropriations-in-aid	1,313	1,355
Net expenditure	30,967	31,483
Changes in capital assets		
Purchases cash	(170)	
Depreciation	3,100	
Loss on disposals	4	
	2,934	3,557
Changes in net current assets		
Decrease in closing accruals	(152)	
Decrease in stock	18	
	(134)	4
Direct expenditure	33,767	35,044
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,968	5,481
Notional rents	2,425	2,385
Net programme cost	41,160	42,910

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 23 borne elsewhere.

	2012	2011
	€000	€000
Vote 12 Superannuation and Retired Allowances	3,503	4,030
Vote 13 Office of Public Works	1,199	1,206
Vote 24 Justice and Equality - Financial Shared Services Centre	266	245
	<u>4,968</u>	<u>5,481</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	3,866	6,802
Current assets			
Bank and cash	2.4	131	(330)
Stocks	2.5	305	323
Prepayments		705	635
Accrued income		31	—
Other debit balances	2.6	51	556
Net liability from the Exchequer	2.8	533	483
Total current assets		1,756	1,667
Less current liabilities			
Accrued expenses		104	157
Other credit balances	2.7	715	709
Total current liabilities		819	866
Net current assets		937	801
Net assets		4,803	7,603
Represented by:			
State funding account	2.1	4,803	7,603

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		7,603	11,164
Funding drawn down	2.2	35,935	36,964
Non cash expenditure – notional rent	1	2,425	2,385
Net programme cost	1	(41,160)	(42,910)
Balance at 31 December		4,803	7,603

2.2 Funding drawn down	Note	2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	32,661	35,172
Surplus to be surrendered	Account	(1,694)	(3,689)
		30,967	31,483
Expenditure (cash) borne elsewhere	1	4,968	5,481
Total funding drawn down		35,935	36,964

2.3 Capital Assets

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2012	39,882	4,182	44,064
Additions	167	1	168
Disposals	(320)	(21)	(341)
Cost or valuation at 31 December 2012	<u>39,729</u>	<u>4,162</u>	<u>43,891</u>
Accumulated depreciation			
Opening balance at 1 January 2012	33,495	3,767	37,262
Depreciation for the year	3,018	82	3,100
Depreciation on disposals	(319)	(18)	(337)
Cumulative depreciation at 31 December 2012	<u>36,194</u>	<u>3,831</u>	<u>40,025</u>
Net assets at 31 December 2012	<u>3,535</u>	<u>331</u>	<u>3,866</u>
Net assets at 31 December 2011	<u>6,387</u>	<u>415</u>	<u>6,802</u>

2.4 Bank and Cash

	2012	2011
at 31 December	€000	€000
PMG balances and cash	131	198
Orders outstanding	—	(528)
	<u>131</u>	<u>(330)</u>

2.5 Stocks

	2012	2011
at 31 December	€000	€000
Stationery	120	151
Miscellaneous supplies	19	18
IT consumables	166	154
	<u>305</u>	<u>323</u>

2.6 Other Debit Balances

	2012	2011
at 31 December	€000	€000
Suspense	44	533
Advances to OPW	—	18
Imprests	7	5
	<u>51</u>	<u>556</u>

2.7 Other Credit Balances	2012	2011
at 31 December	€000	€000
Amounts due to the State		
Income Tax	331	343
Retention Tax	—	1
Pay Related Social Insurance	144	160
Value Added Tax	8	21
	<u>483</u>	<u>525</u>
Payroll deductions held in suspense	200	184
Owed to OPW	32	—
	<u>715</u>	<u>709</u>

2.8 Net Liability from the Exchequer	2012	2011
at 31 December	€000	€000
Surplus to be surrendered	1,694	3,688
Exchequer grant undrawn	(2,227)	(4,171)
Net liability from the Exchequer	<u>(533)</u>	<u>(483)</u>

Represented by:**Debtors**

Bank and cash	138	(330)
Debit balances: suspense	44	556
	<u>182</u>	<u>226</u>

Creditors

Due to State	(483)	(525)
Credit balances: suspense	(232)	(184)
	<u>(715)</u>	<u>(709)</u>
	<u>(533)</u>	<u>(483)</u>

2.9 Commitments	2012	2011
at 31 December	€000	€000
Total of legally enforceable commitments	6,045	104

The Authority entered into an agreement on 2 July 2012 with Ordnance Survey Ireland as a sole supplier for the provision of mapping data. Under the agreement, the Authority made payments of €3.4 million in 2012 and are scheduled to make further payments of €3 million for each of the years 2013 and 2014. This payment schedule may be subject to review pending the progress made in the merger process as described in Note 6.2.

2.10 Matured Liabilities

There were no matured liabilities undischarged at the year end (2011 - €732).

3 Programme Expenditure by Subhead

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A Manage the Land Registry and the Registry of Deeds			
A.1 Administration - pay	25,868	25,114	26,046
A.2 Administration - non pay	7,962	7,166	6,792
	<u>33,830</u>	<u>32,280</u>	<u>32,838</u>

Significant variations

Overall, the gross expenditure in relation to the Programme was €1,550,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Postal and telecommunications services	352	Reduced post and telecommunications expenditure was due to reduced level of postal usage and a rationalisation of telephone arrangements.
Office equipment and external IT services	886	ICT expenditure was less than estimated due to lower maintenance costs of €390,000 and the deferral of ICT capital expenditure of some €400,000 for the enhancement of internal core registration and mapping systems.

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	1,169	1,313	1,355

4.2 Extra receipts payable to the Exchequer

	2012		2011
	Estimated	Realised	Realised
	€000	€000	€000
Land Registry fees	30,000	26,031	23,330
Registry of Deeds fees	1,400	1,140	1,359
Ground rent fees	80	69	77
	<u>31,480</u>	<u>27,240</u>	<u>24,766</u>

Fee income is dependent on the level of activity in the property market.

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)	544	573
	2012	2011
	€000	€000
Pay	23,539	24,481
Higher, special or additional duties allowance	8	—
Other allowances	81	86
Overtime	156	153
Employer's PRSI	1,330	1,326
Total Pay	25,114	26,046

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	1	—	7,721	—
Other Allowances	43	—	7,870	7,870
Overtime	31	3	12,515	13,075

Certain individuals received extra remuneration in more than one category.

6 Miscellaneous

6.1 Compensation Costs

All titles registered on the Land Register are guaranteed by the State. Section 120 of the Registration of Title Act, 1964 provides for the payment of compensation to a person who suffers a loss through reliance on the Register where the loss is not caused or substantially contributed to by the act, neglect or default of himself or his agent. 26 compensation payments (2011 - 32) were paid in 2012, the total costs of which are set out below.

	2012	2011
	€000	€000
Legal fees	—	—
Section 120 compensation costs	58	209
	<u>58</u>	<u>209</u>

6.2 Merger

As part of the Public Service Reform Programme, a Government decision was made on 31 October 2012 to proceed with the merger of the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. Discussions are taking place to develop an implementation plan for the merger. As the functions of the Authority will continue in being there is no change anticipated in the carrying value of assets and liabilities stated on the balance sheet.