



Appropriation Account 2012

Vote 32

Jobs, Enterprise and Innovation

Introduction

As Accounting Officer for Vote 32, 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 Minister for Jobs, Enterprise and Innovation, including certain services administered by that Office, for payment of certain subsidies, grants and a grant-in-aid, and for the payment of certain grants under the cash-limited schemes.

The expenditure outturn is compared with the sums:

- (a) 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, and
- (b) provided for capital supply services in 2012 out of unspent 2011 appropriations, under the deferred arrangements established by Section 91 of the Finance Act 2004.

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 the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

John Murphy
Accounting Officer
Department of Jobs, Enterprise and Innovation

27 March 2013

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

Vote 32 Jobs, Enterprise and Innovation

I have audited the appropriation account for Vote 32 Jobs, Enterprise and Innovation 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 32 Jobs, Enterprise and Innovation 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 Jobs, Enterprise and Innovation. The appropriation account is in agreement with the books of accounts.

Seamus McCarthy
Comptroller and Auditor General

18 September 2013

Vote 32 Jobs, Enterprise and Innovation Appropriation Account 2012

		2012		2011
		Estimate provision		Outturn
		€000	€000	€000
Programme Expenditure				
A	Jobs and Enterprise Development			
	<i>Original</i>	400,598		
	<i>Deferred Surrender</i>	13,125		
	<i>Supplementary</i>	501	414,224	400,505
B	Innovation			
	<i>Original</i>	396,868		
	<i>Deferred Surrender</i>	5,000		
	<i>Supplementary</i>	1	401,869	376,608
C	Regulation		84,087	73,773
Gross expenditure				
	<i>Original</i>	881,553		
	<i>Deferred Surrender</i>	18,125		
	<i>Supplementary</i>	502		
			900,180	850,886
	<i>Deduct</i>			
D	Appropriations-in-aid			
	<i>Original</i>	53,272		
	<i>Supplementary</i>	500	53,772	50,342
Net expenditure				
	<i>Original</i>	828,281		
	<i>Deferred Surrender</i>	18,125		
	<i>Supplementary</i>	2		
			846,408	800,544
				788,527

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2012	2011
	€	€
Surplus	45,863,737	56,314,575
Deferred surrender	25,000,000	18,125,000
Surplus to be surrendered	<u>20,863,737</u>	<u>38,189,575</u>

Analysis of administration expenditure

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	21,540	20,674	22,797
ii Travel and subsistence	506	451	410
iii Training and development and incidental expenses	494	497	462
iv Postal and telecommunications services	615	529	663
v Office equipment and external IT services	3,331	2,933	2,952
vi Office premises expenses	852	754	932
vii Consultancy services and value for money and policy reviews	231	123	139
viii Advertising and information resources	259	86	150
ix EU Presidency	1,956	619	—
	<u>29,784</u>	<u>26,666</u>	<u>28,505</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Programme cost	824,221	816,108
Pay ¹	21,047	22,796
Non pay	5,618	5,708
Gross expenditure	850,886	844,612
<i>Deduct</i>		
Appropriations-in-aid	50,342	56,085
Net expenditure	800,544	788,527
Changes in capital assets		
Purchases cash	(452)	
Depreciation	2,236	
Loss on disposals	—	
	1,784	1,889
Changes in assets under development		
Cash payments	(955)	(839)
Changes in net current assets		
Decrease in closing accruals	(718)	
Increase in stock	(38)	
	(756)	656
Direct expenditure	800,617	790,233
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	21,864	22,048
Notional rents	1,685	1,669
Net programme cost	824,166	813,950

¹ The difference of €373,000 between the pay figure shown in the Operating Cost Statement (€21,047,000) and the pay figure included at (i) of the administration cost analysis (€20,674,000), relates to pay related expenditure on the EU Presidency, which is included at (ix) of the administration cost analysis. The estimate provision of all costs associated with the EU Presidency was included under a separate heading in the administration cost analysis.

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 32 borne elsewhere.

	2012	2011
	€000	€000
Vote 9 Office of the Revenue Commissioners	255	262
Vote 12 Superannuation and Retired Allowances	15,394	14,830
Vote 13 Office of Public Works	5,962	6,512
Vote 20 Garda Síochána	—	61
Central Fund - Ministerial pensions	253	383
	<u>21,864</u>	<u>22,048</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	6,637	7,498
Capital assets under development	2.4	584	552
		7,221	8,050
Current Assets			
Bank and cash	2.5	27,929	37,596
Stocks	2.6	317	279
Prepayments		575	442
Accrued income		1,078	883
Other debit balances	2.7	1,375	1,699
Total current assets		31,274	40,899
Less current liabilities			
Accrued expenses		441	647
Deferred income		1,484	1,668
Other credit balances	2.8	4,029	18,774
Net liability to the Exchequer	2.9	25,275	20,521
Total current liabilities		31,229	41,610
Net current assets/ (liabilities)		45	(711)
Net assets		7,266	7,339
Represented by:			
State funding account	2.1	7,266	7,339

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		7,339	9,373
Funding drawn down	2.2	822,408	810,575
Non cash expenditure – notional rent	1	1,685	1,669
Net programme cost	1	(824,166)	(813,950)
Loss on transfer of assets to Department of Social Protection		—	(328)
Balance at 31 December		7,266	7,339
2.2 Funding drawn down			
Note			
		2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	846,408	844,841
Deferred surrender	Account	(25,000)	(18,125)
Surplus to be surrendered	Account	(20,864)	(38,189)
		800,544	788,527
Expenditure (cash) borne elsewhere	1	21,864	22,048
Total funding drawn down		822,408	810,575

2.3 Capital Assets

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2012	32,887	6,624	39,511
Prior year adjustment ¹	(4)	4	—
Additions	1,358	17	1,375
Disposals	(153)	(3)	(156)
Cost or valuation at 31 December 2012	<u>34,088</u>	<u>6,642</u>	<u>40,730</u>
Accumulated depreciation			
Opening balance at 1 January 2012	25,740	6,273	32,013
Prior year adjustment ¹	(1)	1	—
Depreciation for the year	2,074	162	2,236
Depreciation on disposals	(153)	(3)	(156)
Cumulative depreciation at 31 December 2012	<u>27,660</u>	<u>6,433</u>	<u>34,093</u>
Net assets at 31 December 2012	<u>6,428</u>	<u>209</u>	<u>6,637</u>
Net assets at 31 December 2011	<u>7,147</u>	<u>351</u>	<u>7,498</u>

¹ The prior year adjustment reflects the reclassification of certain assets and the related impact on accumulated depreciation following a review of the asset register.

2.4 Capital Assets under Development

at 31 December	In-house computer applications
	€000
Amounts brought forward at 1 January 2012	552
Cash payments in year	955
Brought into use in year	(923)
Balance at 31 December 2012	<u>584</u>

2.5 Bank and Cash	2012	2011
at 31 December	€000	€000
PMG balances and cash	27,985	37,771
Orders outstanding	(56)	(175)
	<u>27,929</u>	<u>37,596</u>

2.6 Stocks	2012	2011
at 31 December	€000	€000
Stationery	238	201
IT supplies	60	61
Cleaning materials	19	17
	<u>317</u>	<u>279</u>

2.7 Other Debit Balances	2012	2011
at 31 December	€000	€000
Imprests advanced	—	20
Department of Justice and Equality	—	35
Department of Arts, Sport and Tourism	—	7
Advances to OPW	217	30
Miscellaneous debit balances	483	527
Recoupable expenditure	675	1,080
	<u>1,375</u>	<u>1,699</u>

2.8 Other Credit Balances	2012	2011
at 31 December	€000	€000
Amounts due to the State		
Income Tax	91	66
Superannuation contributions	—	389
Pay Related Social Insurance	65	(25)
Income Levy	(1)	(1)
Professional Services Withholding Tax	86	71
VAT on Intra EU Acquisitions	2	31
	<u>243</u>	<u>531</u>
Miscellaneous credit balances	3,786	18,243
	<u>4,029</u>	<u>18,774</u>

2.9 Net Liability to the Exchequer	2012	2011
at 31 December	€000	€000
Surplus to be surrendered	20,864	38,190
Deferred surrender	25,000	18,125
Exchequer grant undrawn	(20,589)	(35,794)
Net liability to the Exchequer	<u>25,275</u>	<u>20,521</u>

Represented by:**Debtors**

Bank and cash	27,929	37,596
Debit balances: suspense	1,375	1,699
	<u>29,304</u>	<u>39,295</u>

Creditors

Due to State	(243)	(531)
Credit balances: suspense	(3,786)	(18,243)
	<u>(4,029)</u>	<u>(18,774)</u>

	<u>25,275</u>	<u>20,521</u>
--	---------------	---------------

2.10 Commitments	2012	2011
at 31 December	€000	€000

Global commitments

(A) Procurement	51	71
(B) Grants ¹	1,082,095	1,239,167
	<u>1,082,146</u>	<u>1,239,238</u>

¹ Includes expenditure from own resource income.

Multi-annual capital commitments over €6.35 million

	Cumulative Expenditure to 31 December 2011 ²	Expenditure in 2012	Subsequent years	Total
	€000	€000	€000	€000
IDA Ireland	228,400	38,000	53,200	319,600
Enterprise Ireland	87,285	29,014	93,860	210,159
Shannon Development	13,094	3,839	6,488	23,421
Science Foundation Ireland	166,837	53,062	86,256	306,155
Programme for Research in Third Level Institutions (PRLTI)	55,623	26,881	111,895	194,399
	<u>551,239</u>	<u>150,796</u>	<u>351,699</u>	<u>1,053,734</u>

² Excludes projects completed by end of 2011.

2.11 Matured Liabilities.

Estimated matured liabilities un-discharged at the year-end were €162,831.

3 Programme Expenditure by Subhead

		2012		2011
		Estimate provision		Outturn
		€000	€000	€000
A	Jobs and Enterprise Development			
A.1	Administration – pay		5,655	7,028
A.2	Administration – non pay		1,424	1,374
A.3	Forfás		52,672	51,422
A.4	InterTrade Ireland		8,009	8,164
A.5	IDA Ireland			
		<i>Original</i>	121,822	
		<i>Supplementary</i>	10,000	
			131,822	131,822
A.6	Shannon Free Airport Development Company Limited		9,202	7,655
A.7	Enterprise Ireland			
		<i>Original</i>	155,787	
		<i>Deferred Surrender</i>	13,125	
		<i>Supplementary</i>	(13,000)	
			155,912	140,187
A.8	County Enterprise Development		26,386	30,320
A.9	Monitoring and Evaluation of EU Programmes		89	—
A.10	INTERREG Enterprise Development			
		<i>Original</i>	3,000	
		<i>Supplementary</i>	3,000	
			6,000	5,999
A.11	National Standards Authority of Ireland - grant for administration and general expenses		6,322	6,245
A.12	Microfinance Loan Fund		10,000	10,000
A.13	Subscriptions to International Organisations, etc.		28	29
A.14	Commissions, Committees and Special Inquiries		1	1
A.15	Other services		193	11
A.16	Export Credit Insurance - refund to the Exchequer		8	9
A.17	Temporary Partial Credit Guarantee Scheme			
		<i>Original</i>	—	
		<i>Supplementary</i>	501	
			501	239
—	<i>Enterprise Ireland - Temporary Employment Subsidy Scheme – Cash- Limited</i>		—	—
			414,224	400,505
				379,356

Significant variations

Overall, the expenditure in relation to Programme A was €13,719,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Shannon Free Airport Development Company Limited	1,547	Shannon Development did not require the full capital allocation as it had funds carried forward and it was agreed that it could use grant refunds of €1,225,054 to co-fund grant payments. Savings were also achieved as the number of retirees was less than anticipated.
Enterprise Ireland	15,725	The savings in Enterprise Ireland arose across a number of expense headings through a combination of deferring expenditure and some efficiency / value for money savings. The Capital under spend was due mainly to lower drawdown of funds under the International Fund Ireland (IFI) venture capital fund and lower than expected claims from client companies. Many company expansion plans supported by EI in 2008 and, to a lesser extent, in subsequent years were overtaken by events associated with the downturn and for many of the clients the projects were either scaled back or discontinued. An under spend arose due to the postponement of a major refurbishment project in the Cork office and the decision not to proceed with the re-branding in the regional and overseas office networks.
County Enterprise Development	(3,934)	The original allocation was supplemented by an additional €3.775 million Capital Allocation, sourced from savings elsewhere in the Department. This increased the total Capital Expenditure allocation to €18.775 million and was used to enable the CEBs to fund further investment by their clients. Final expenditure incurred was €18.764 million with minor overall savings. On the current expenditure side, an additional €157,864 was incurred to meet the costs associated with the pension payments to those CEB staff that availed of the ISER.
Other services	182	This subhead covers the cost of miscellaneous payments which may arise across the Department, including potential legal costs, for which provision has not been made elsewhere in the Vote. The Department is obliged to make a contingency provision for such costs that may be one off in nature and where the timing of expenditure is not certain.
Temporary Partial Credit Guarantee Scheme	262	The Temporary Partial Credit Guarantee Scheme was not launched until 18 October 2012 as primary legislation was required. The Supplementary Estimate taken on 11 July 2012 was based on the Scheme being launched earlier in the year.

	Estimate provision		2012	2011
			Outturn	Outturn
	€000	€000	€000	€000
B Innovation				
B.1 Administration – pay		6,086	4,654	5,057
B.2 Administration – non pay		2,306	1,585	1,554
B.3 Patents Office		2,959	3,165	3,147
B.4 Science and Technology Development Programme				
	<i>Original</i>	314,580		
	<i>Deferred Surrender</i>	5,000		
	<i>Supplementary</i>	<u>(4,999)</u>	314,581	294,867
B.5 Dublin- City of Science		1,500	1,350	932
B.6 Programme for Research in Third Level Institutions (PRTL)				
	<i>Original</i>	52,954		
	<i>Supplementary</i>	<u>5,000</u>	57,954	54,705
B.7 Subscriptions to International Organisations, etc.		16,256	16,254	16,238
B.8 Commissions, Committees and Special Inquiries		1	1	2
B.9 Legal costs		6	—	—
B.10 Other services		220	27	18
			<u>401,869</u>	<u>376,608</u>
				<u>387,463</u>

Significant variations

Overall, the expenditure in relation to Programme B was €25,261,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Administration - non pay	721	Overall, administrative non-pay expenditure over the 3 Programmes was 17% less than estimated. As this is the first year in which the administration costs have been allocated and apportioned over the programmes, it has given rise to significant variances between the programmes. The apportionment basis will be reviewed in the context of the 2013 estimates.
Patents Office	(206)	Prior to 2012, expenditure in respect of the Patents Office was included in the administrative subheads. The excess arose across a number of the administrative areas including IT, pay and travel and subsistence.
Science and Technology Development Programme	19,714	Savings of €24 million arose from slower than anticipated drawdown of funds in 2012 and due to restrictions on project approvals as a result of legacy controls implemented in 2010 on capital commitments and project approvals. Additional funding of €3.7 million was made available to the Tyndall Institute to purchase research equipment.

Description	Less/ (more) than provided €000	Explanation
Dublin- City of Science	150	In 2009, the Government approved a total allocation of €2.97 million for the years 2009 - 2012 towards the costs of staging the Euro Science Open Forum in Dublin in July 2012. In 2011, City of Science requested that €100,000 of their 2012 funding allocation be brought forward to 2011; in order to generate a marketing campaign for the event and to procure some related marketing materials to support early registration and this request was granted. The expenditure on these activities in 2011 (rather than in 2012, as had been planned initially), combined with savings on various expenditure lines resulted in the drawdown variance in 2012.
Programme for Research in Third Level Institutions (PRTL)	3,249	The variance occurred in respect of 15 Structured PhD and Emergent Technology programmes under Cycle 5 of the PRTL. These programmes were initiated in late 2011 and involve a cohort of 350 students. In the initial stages the successful recruitment of suitably qualified personnel to participate at PhD level was challenging and hampered progress, and, in the latter part of 2012 the late submission of complete Q4 expenditure details impacted on the available drawdown and consequently gave rise to the variance.
Other services	193	This subhead covers the cost of miscellaneous payments which may arise across the Department, including potential legal costs, for which provision has not been made elsewhere in the Vote. The Department is obliged to make a contingency provision for such costs that may be one off in nature and where the timing of expenditure is not certain.

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Regulation			
C.1	Administration – pay	11,255	9,365	10,990
C.2	Administration – non pay	3,058	2,659	2,721
C.3	Workplace Relations Programme	18,203	17,650	18,172
C.4	Grants for Trade Union Education and Advisory Services – Cash-Limited	944	944	874
C.5	Workplace Innovation Fund Promotion of Partnership	226	67	255
C.6	Trade Union Amalgamations	10	—	—
C.7	Office of the Director of Corporate Enforcement	5,697	3,436	3,397
C.8	Competition Authority	4,654	3,871	3,621
C.9	National Consumer Agency	7,841	5,752	7,121
C.10	Consumer Support	47	47	—
C.11	Companies Registration Office and Registry of Friendly Societies - grant for administration and general expenses	7,368	6,990	7,463
C.12	Irish Auditing and Accounting Supervisory Authority (grant-in-aid)	1,639	1,476	1,442
C.13	Personal Injuries Assessment Board	58	55	55
C.14	Health and Safety Authority - grant for administration and general expenses	19,706	19,006	19,828
C.15	National Framework Committee for Work/Life Balance Policies	2	—	—
C.16	Subscriptions to International Organisations, etc.	1,564	1,568	1,589
C.17	Commissions, Committees and Special Inquiries	400	319	204
C.18	Legal costs	1,064	433	60
C.19	Research including manpower surveys	168	24	1
C.20	Other services	183	111	—
		84,087	73,773	77,793

Significant variations

Overall, the expenditure in relation to Programme C was €10,314,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Workplace Innovation Fund Promotion of Partnership	159	The 2012 estimate constituted expected drawdown of funds by Enterprise Ireland (EI). Approval by EI for projects commenced in April 2007 and it was anticipated from the start that the projects would take time to develop. Provision was made to meet the liabilities for grants already approved, however, the uncertain economic climate meant that companies approved for grants under the scheme deferred plans to undertake project activity and all of the allocation was not drawn down by the end of 2012.
Office of the Director of Corporate Enforcement	2,261	Savings on pay resulted from staff reductions arising from the Incentivised Scheme of Early Retirement. The bulk of the savings on non-pay arose as a number of large cases currently before the Courts did not proceed as quickly as expected. The timing and outcome of cases is largely outside the control of the Office and, as a result, it is difficult to anticipate the timing or level of costs which the Office may have to bear. As most of the cases in question remain to be determined, the Office continues to face the prospect of very large legal costs falling due for payment in 2013 or later years.
Competition Authority	783	The Competition Authority drew down only €150,214 of its non-pay allocation of €998,000 during 2012 due to it having a surplus in its bank account from the beginning of 2012. The surplus arose from the accumulation of funds to cover any contingent liability in the case of any award of legal costs against the Authority in a court case. Such a liability did not arise in 2012.
National Consumer Agency	2,089	In 2012 reduced funding was required for the Agency as the 2011 levy on regulated financial service providers was in excess of its expenditure for the year. This excess was used to fund 2012 expenditure. In addition, pay expenditure was lower than expected as the total number of staff employed was lower than the ECF staffing level and savings were achieved in areas such as legal costs, consumer and awareness programmes and facility costs.
Companies Registration Office and Registry of Friendly Societies - grant for administration and general expenses	378	The savings are due to a number of innovative and cost saving measures introduced by the Companies Registration Office and the Registry of Friendly Societies in 2011 which were fully realised in 2012. These measures included replacing the posting of non-statutory annual return reminders with e-mail reminders, re-tendering for a range of services and providing more cost effective on-line services to customers, such as improved electronic system for incorporating new companies and enhancements to e-filing and auto-registration options.

Description	Less/ (more) than provided €000	Explanation
Irish Auditing and Accounting Supervisory Authority (grant-in-aid)	163	The 2012 Estimate was premised upon IAASA having a full staff complement. However, the Authority had difficulty in filling a vacancy at project manager level, and also carried the Chief Executive vacancy for circa four months, resulting in the underspend.
Legal costs	631	A number of legal actions of a constitutional nature are pending. It is not possible to anticipate the outcome to these cases, in general, but provision was made for costs in the event that they might arise. A number of these actions were closed without cost to the Department during 2012, but a number remain outstanding.
Research including manpower surveys	144	The purpose of this subhead is to fund research projects approved by the Department's Management Board. The estimate was made up of €99,000 for approved projects and a contingency of €69,000. An allocation of €77,000 was approved for a benchmarking study, however, the contracted cost of this study was €49,000. As the report was not finalised at year end, only a part payment of €24,000 was made to the consultancy firm. An allocation of €21,000 to support research assistance for the Copyright Review Committee, was not requested by the Committee and therefore, the allocation was not drawn down. No further drawdown was required from this subhead in 2012 due to the unusually low level of funding applications for research projects that year.

4 Receipts

4.1 Appropriations-in-aid		2012		2011
		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from the Social Insurance Fund	600	1,083	3,152
2.	Work permit fees	6,000	2,631	2,868
3.	Employment agency licences	200	243	216
4.	Companies Registration Office	19,000	19,802	20,604
5.	Registry of Friendly Societies	100	94	101
6.	Receipts under the Trade Marks Act, 1963 and Patents Act, 1964	8,000	8,588	8,271
7.	Occasional trading licences	4	2	4
8.	National Consumer Agency	343	420	383
9.	Merger notifications	360	240	320
10.	ODCE legal	50	31	211
11.	County Enterprise Development	159	103	27
12.	Miscellaneous	104	243	176
13.	Competition Authority receipts	—	—	400
14.	Enterprise policy (InterTrade Ireland)	40	50	93
15.	NCA - grant for financial information and educational functions	2,167	834	1,563
16.	IAASA pay refund	295	549	490
17.	PIAB pay and superannuation	1,329	1,243	1,909
18.	HSA superannuation	645	511	369
19.	IDA Ireland - Pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act, 2009	1,850	1,931	2,371
20.	SFADCo - pension receipts arising from the Financial Measures (Miscellaneous Provisions) Act, 2009	1,008	1,073	1,138
21.	Receipts from pension - related deduction on public service remuneration	11,018	10,669	11,419
22.	Supplementary estimate – Temporary Loan Guarantee Scheme	500	2	—
Total		53,772	50,342	56,085

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 estimated €000	Explanation
Receipts from the Social Insurance Fund	(483)	The cost of administering redundancy appeals, which is carried out in this Department, is borne by the Social Insurance Fund, administered by Department of Social Protection (DSP). Historically, 20% of payroll costs were recoupable from DSP. A case was put to DSP in 2011 to recoup 30% to reflect the significant increase in the workload associated with appeals. The 2012 estimate was based on 20% recoupment costs. However, DSP subsequently agreed that the recoupment for 2012 should be based on the 30% figure.
Work permit fees	3,369	The reduction in fee receipts can be attributed to: <ul style="list-style-type: none"> • €3.8 million was included in the 2012 Estimate in respect of fee income expected to be received in respect of Timed Out Students. It has transpired that Timed Out Students will be dealt with by the Department of Justice & Equality following the launch in October 2012 of the Student Probationary Extension scheme which allows Timed Out Students to work 40 hours per week without the requirement for a work permit; • unplanned removal of the requirement on Bulgarian and Romanian nationals to have work permits since 1 January 2012. (See Note 6.3); • a general decrease in demand for permits.
Receipts under the Trade Marks Act, 1963 and Patents Act, 1964	(588)	The variation between estimate and income is due to an increase in the amount of renewal fee income from European Patents designating Ireland as the patent country they want the patent to apply to, combined with an increase in fee income from the renewal of International Trade Marks being greater than anticipated.
Merger notifications	120	Mergers and acquisitions above a specific financial threshold must be notified to the Competition Authority and each transaction notified must be accompanied by a prescribed fee of €8,000. Based on the number of mergers notified to the Authority over the past number of years (40 in 2011 and 46 in 2010), the Authority estimated the number for 2012 at 45 which would have realised €360,000 in fees. However, only 32 were notified in 2012. Two of the mergers were not notified until the end of December 2012, and the associated fees were not received by the Department until January 2013.
Miscellaneous	(139)	By its nature, it is difficult to predict what level of income will be received under this category. A significant amount of the excess, approximately €112,000, relates to unused funds returned by County Enterprise Boards. The balance relates to a number of small miscellaneous amounts received by the Department.

Description	Less/(more) than estimated €000	Explanation
NCA - grant for financial information and educational functions	1,333	The financial information and education functions of the National Consumer Agency are funded by means of a levy on regulated financial service entities. As the levy is not collected until late in the year the Department prefunds the non-pay costs through Subhead C.9 and the Agency reimburses the Department to this subhead on recoupment of the levy. The main reason for the variation between estimate and income is due to reduced work being undertaken in the area of financial information and educational functions. This resulted in less expenditure being incurred in this area by the Agency and a consequential reduction in appropriations-in-aid.
IAASA pay refund	(254)	IAASA is part funded by the Department and the accountancy bodies. The Department processes salary and related payments on behalf of IAASA. As the aggregate of these payments exceeds the Exchequer's liability, a refund is made to the Department at year end. The amount expended by the Department on salaries and related payments was €1,476,000 and the Exchequer liability to IAASA in 2012 amounted to €952,000. A refund of €524,000 plus an outstanding balance of €25,000 was due to be refunded to the Department. The increase in the A-in-A amount reflects the fact that the 2012 estimate was premised upon the Authority having a full staff complement for the full year. The agreed ECF staffing figure for 2012 was 15, whereas, the actual numbers serving at 31 December 2012 was 13, which had a corresponding effect on the pay outturn for the year.
HSA superannuation	134	The HSA deducts pension contributions from its employees through its payroll system. It remits these contributions and other superannuation monies net of any retirement lump sums/death gratuities etc. to the Department on a monthly basis. The difference between the estimate and outturn is accounted for by the payment of lump sums to two retiring staff members which had not been expected to arise in 2012.
Supplementary estimate – Temporary Loan Guarantee Scheme	498	The Scheme was not launched until 18 October 2012. The estimated amount had been based on an earlier launch date.

4.2 Extra receipts payable to the Exchequer

	2012		2011
	Estimated €000	Realised €000	Realised €000
Export credit - recoveries from Iraq/Nigeria	100,000	868,518	—
IDA Ireland - interconnectivity project receipts	—	22,000	45,985
IDA Ireland – current	—	201,000	20,000
Enterprise Ireland - current (A7, A8, B4)	591,000	989,935	3,320,822
Enterprise Ireland - capital (A7, A8, B4)	20,344,000	29,738,135	33,299,924
Forfás – current	623,000	623,000	1,232,000
Science Foundation Ireland - capital (B4)	—	427,944	20,436
Miscellaneous	—	5,919	685,397
<i>IDA Ireland – capital</i>	—	—	110,000
<i>PIAB – refund of set up costs</i>	—	—	6,937,640
<i>Health and Safety Authority</i>	—	—	99,314
<i>Information Society – refund in respect of PRISM 111 projects</i>	—	—	10,122
	<u>21,658,000</u>	<u>32,876,451</u>	<u>45,781,640</u>

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents) ¹	2,661	2,824

¹ These figures include employees of The Injuries Board (formerly known as PIAB), a non-commercial state agency that is not in direct receipt of Exchequer funding.

	2012	2011
	€000	€000
Pay	168,446	177,339
Higher, special or additional duties allowance	873	953
Other allowances	1,833	1,552
Overtime	567	630
Employer's PRSI	10,701	10,696
Total Pay	182,420	191,170

The number of staff disclosed in the 2011 appropriation account did not reflect the Employment Control Framework (ECF) numbers. The financial details provided in the 2011 account related solely to staff paid from the administrative subheads A1, B1 and C1.

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	209	9	36,053	39,146
Other Allowances	646	38	92,826	69,127
Overtime	221	12	32,086	30,468

Certain individuals received extra remuneration in more than one category.

5.2 Performance and Merit Payments

A total of €17,000 was paid to 56 employees of agencies of the Department in 2012.

5.3 Other Remuneration Arrangements

A total of €148,480 was paid to five retired civil servants who were re-engaged in various duties during 2012.

A company car was provided to the CEO of four agencies of the Department.

6 Miscellaneous

6.1 EU Funding

In addition to grants from the Vote, the following bodies under the aegis of the Department received EU aid directly in 2012 as shown below:

Subhead	Description	2011	2012
		Total	Total
		€	€
A.6	SFADCo	399,078	—
B.4	Science Foundation Ireland	716,685	—
B.5	Forfás	329,450	—
		<u>1,445,213</u>	<u>—</u>

6.2 Commissions, Committees and Special Inquiries

	Year of establishment	2012	2011
		Outturn	Outturn
		€	€
Joint Labour Committees	1946	8,335	18,746
Company Law Inquiries	1994	71,770	—
Company Law Review Group	2000	87,947	19,966
Business Regulation Group	2006	8,299	15,054
Workplace Safety	2002	140,000	140,000
Departmental Audit Committee	2004	3,150	4,500
Sales Law Review Group	2009	1,202	9,173
		<u>320,703</u>	<u>207,439</u>

6.3 Refund of Employment Permit Fees

A Government decision was taken on 17 July 2012 to cease restrictions on labour market access for Bulgarian and Romanian nationals with effect from 1 January 2012. Monies received in respect of permits issued to Bulgarian and Romanian nationals since 1 January 2012 was refunded. This amounted to €153,000 in 2012.

6.4 Legal Costs

Legal costs paid during the year are categorised as follows:	2012	2011
	€	€
Legal fees	967,260	576,683
Compensation	142,332	—
	<u>1,109,592</u>	<u>576,683</u>

6.5 Miscellaneous Payments

Employment and Training Levy - Statement of payments made in accordance with Section 25(1) of the Labour Services Act, 1987

	Total for the year ended 31 December 2012 €	Total for the year ended 31 December 2011 €
Received by Minister for Jobs, Enterprise and Innovation	338,005	310,750
Paid by Minister for Jobs, Enterprise and Innovation into the Exchequer	338,005	310,750

The Employment and Training Levy set at 1% of an individual's total income with some exceptions, was abolished with effect from 6 April 1999. The Department of Jobs, Enterprise and Innovation continues to receive amounts relating to historical payments of taxes. The Employment and Training Levy is collected by the Office of the Revenue Commissioner and paid over to the Department of Jobs, Enterprise and Innovation on a monthly basis. The monies are directly paid over to the Exchequer.

6.6 Contingent Liabilities

A Temporary Partial Credit Guarantee Scheme was established in November 2012. Under this scheme the Government will partially guarantee loans by traditional lenders to viable businesses that are at the margins of commercial lending decisions and have difficulties accessing credit for either of two distinct reasons: (i) insufficient collateral, (ii) the lender does not have the skills or experience to carry out a proper assessment of the proposition, due to a lack of knowledge of new sectors, markets or technologies. The maximum exposure on guaranteed loans in respect of 2012 is €27,150. This liability is expected to arise in 2013.

The Department has a possible liability under the export credit insurance scheme. A company suffered a default on goods supplied many years ago where a shipment was covered by a policy. No claim has been made to date and there is no indication that there will be a claim. The maximum potential claim is in the order of less than €400,000.

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

6.7 Write Offs

Sanction was conveyed by the Department of Public Expenditure and Reform in 2012 to write off a number of historical suspense account balances amounting to €66,785. These balances were charged to the appropriate administrative subheads.