



## **Appropriation Account 2012**

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**Vote 37**

**Social Protection**

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## Introduction

As Accounting Officer for Vote 37, 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 Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund and for certain grants.

The Social Welfare and Pensions Act 2010 made provision for the transfer of certain functions to the Department of Social Protection (the Department). Funding responsibility for FÁS employment programmes and associated administration costs transferred from the Department of Education and Skills to the Department from 1 January 2011. All rights, assets and liabilities relating to such functions transferred from FÁS to the Department on 1 January 2012.

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.

In 2012, the format of the revised estimate of the sums granted by Dáil Éireann was changed to reflect expenditure by programme, and then programme expenditure by subhead. This necessitated the grouping of expenditure by programme. The account follows the revised estimates format. Comparative expenditure for 2011 has also been adjusted.

### **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:

#### ***Recognition of Payments***

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Early encashment by customers may arise in Post Offices at year end. Where such payments refer to the subsequent year they are recognised as a prepayment.

#### ***Treatment of recovered overpayments***

Recovery of debts in respect of general scheme overpayments are brought to account as follows:

- Debts recovered by way of monetary receipt are brought to account on a cash receipts basis.
- Debts recovered by way of deduction from scheme entitlements are off-set against scheme expenditure at the date of deduction.

## **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.

Following the identification, during the 2012 audit, of deficiencies in regard to the reconciliation of the Department's asset registers with the amounts recorded in the appropriation account, procedures have been put in place in 2013 to carry out an annual reconciliation of control totals between the asset registers and the statutory appropriation account presented for audit. The 2012 appropriation account has been amended to account for prior year adjustments and my officials who are responsible for reconciling and maintaining asset registers have been made aware of the accounting requirements to keep the register fully reconciled.

As disclosed in Note 6.5 of the account, there were four cases of suspected misappropriations by employees of the Department. In response to those cases, the Department has implemented a number of measures, including those listed below, to further strengthen internal controls thereby reducing the risk of possible internal financial misappropriation:

- Enhanced controls for cash refund procedures were introduced in October 2012 in the local/branch office network.
- New internal fraud policy and procedures were issued in May 2013. All staff members are required to sign a declaration that they have read and understand the policy and procedures.
- In 2013, an additional ten staff are being assigned to the Department's Internal Control Support Unit (ICSU). This will provide enhanced capacity to carry out inspections and increase internal control awareness across the Department.
- In 2013, more rigorous monitoring of local management audits was introduced by ICSU.

### ***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.

**Niamh O'Donoghue**  
Accounting Officer  
Department of Social Protection

24 September 2013

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

### **Vote 37 Social Protection**

I have audited the appropriation account for Vote 37 Social Protection 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**

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 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 37 Social Protection 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 Social Protection. The appropriation account is in agreement with the books of accounts.

**Regularity of expenditure**

Chapter 17 of my report on the accounts of the public services for 2012 relates to welfare payments in excess of entitlement included in the 2012 account for Vote 37. I consider the estimated level of irregular payment to be material.

I also draw attention to the statement of internal financial control which discloses the Department's response to cases of suspected misappropriation by employees of the Department.

**Reporting on matters arising from audit**

Chapters 16, 18 and 19 of my report on the accounts of the public services for 2012 refer to certain other matters relating to Vote 37.

**Seamus McCarthy**  
Comptroller and Auditor General

27 September 2013

## Vote 37 Social Protection

### Appropriation Account 2012

			2012	2011
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
<b>Programme Expenditure</b>				
<b>Social Assistance Schemes, Services, Administration and Payment to Social Insurance Fund</b>				
Administration <sup>1</sup>	<i>Original</i>	499,653		
	<i>Supplementary</i>	<u>(11,600)</u>	488,053	476,000
				432,639
Pensions	<i>Original</i>	967,100		
	<i>Supplementary</i>	<u>(4,000)</u>	963,100	963,211
				971,769
Working age – income supports	<i>Original</i>	4,268,684		
	<i>Supplementary</i>	<u>280,200</u>	4,548,884	4,532,929
				4,509,686
Working age – employment supports	<i>Original</i>	969,853		
	<i>Supplementary</i>	<u>(12,200)</u>	957,653	951,918
				903,258
Illness, disability and carers <sup>2</sup>	<i>Original</i>	1,850,353		
	<i>Supplementary</i>	<u>5,600</u>	1,855,953	1,851,521
				1,842,311
Children <sup>2</sup>	<i>Original</i>	2,381,858		
	<i>Supplementary</i>	<u>200</u>	2,382,058	2,376,547
				2,412,169
Supplementary payments	<i>Original</i>	883,389		
	<i>Supplementary</i>	<u>5,400</u>	888,789	890,454
				1,018,163
Subvention to the Social Insurance Fund	<i>Original</i>	1,816,009		
	<i>Supplementary</i>	<u>417,900</u>	2,233,909	2,084,009
				1,460,362

<sup>1</sup> The 2011 figure does not include administration expenditure for former FÁS schemes which was borne under a number of subheads for Working Age – Employment Supports. In 2012 administration expenditure for FÁS is now borne under subhead A.1 and A.2.

<sup>2</sup> Disability Allowance and Child Benefit expenditure includes EU receipts of €341,273 (€223,440 and €117,834 respectively). EU receipts are accounted for by netting against expenditure.

		2012		2011
		Estimate provision		Outturn
		€000	€000	€000
<b>Gross expenditure</b>				
	<i>Original</i>	13,636,899		
	<i>Supplementary</i>	<u>681,500</u>		
		<b>14,318,399</b>	<b>14,126,589</b>	<b>13,550,357</b>
<b>Deduct</b>				
<b>Appropriations-in-aid</b>				
	<i>Original</i>	238,964		
	<i>Supplementary</i>	<u>(3,500)</u>		
		<b>235,464</b>	<b>244,824</b>	<b>232,753</b>
<b>Net expenditure</b>				
	<i>Original</i>	13,397,935		
	<i>Supplementary</i>	<u>685,000</u>		
		<b>14,082,935</b>	<b>13,881,765</b>	<b>13,317,604</b>

**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	201,170,217	109,807,760
Deferred surrender	(1,050,000)	—
Surplus to be surrendered	<u>200,120,217</u>	<u>109,807,760</u>



**Analysis of administration expenditure<sup>1</sup>**

			2012	2011
	<b>Estimate provision</b>		<b>Outturn</b>	<b>Outturn</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
i. Salaries, wages and allowances				
	<i>Original</i>	308,439		
	<i>Supplementary</i>	<u>(2,800)</u>	305,639	303,369
ii. Travel and subsistence				
	<i>Original</i>	6,591		
	<i>Supplementary</i>	<u>(1,591)</u>	5,000	5,088
iii. Training and development and incidental expenses				
	<i>Original</i>	16,395		
	<i>Supplementary</i>	<u>3,000</u>	19,395	14,489
iv. Postal and telecommunications services				
	<i>Original</i>	22,253		
	<i>Supplementary</i>	<u>(1,081)</u>	21,172	21,690
v. Office equipment and external IT services				
	<i>Original</i>	30,678		
	<i>Supplementary</i>	<u>(4,050)</u>	26,628	25,413
vi. Office premises expenses				
	<i>Original</i>	25,458		
	<i>Supplementary</i>	<u>(2,158)</u>	23,300	18,548
vii. Consultancy services and value for money and policy reviews			1,331	1,085
viii. Payments for agency services				893
	<i>Original</i>	81,000		
	<i>Supplementary</i>	<u>2,630</u>	83,630	83,358
ix. eGovernment related projects				
	<i>Original</i>	7,500		
	<i>Supplementary</i>	<u>(5,550)</u>	1,950	2,938
x. EU Presidency			8	22
<b>Total of administrative expenditure</b>			<b>488,053</b>	<b>476,000</b>
	<i>Original</i>	499,653		
	<i>Supplementary</i>	<u>(11,600)</u>		
			<b>488,053</b>	<b>476,000</b>
				<b>432,639</b>

<sup>1</sup> The 2011 outturn does not include administration expenditure for former FÁS schemes which is now borne under subheads A.1 and A.2.

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2012

	2012		2011
	€000	€000	€000
Programme cost		13,650,589	13,117,718
Pay		303,369	297,936
Non pay		172,631	134,703
<b>Gross expenditure</b>		<b>14,126,589</b>	<b>13,550,357</b>
<i>Deduct</i>			
<b>Appropriations-in-aid</b>		<b>244,824</b>	<b>232,753</b>
<b>Net expenditure</b>		<b>13,881,765</b>	<b>13,317,604</b>
<b>Changes in capital assets</b>			
Purchases cash	(9,747)		
Depreciation	15,287		
Loss on disposals	2	5,542	6,024
<b>Changes in assets under development</b>			
Cash payments		(2,555)	(5,925)
<b>Changes in net current assets</b>			
Increase in closing accruals	3,584		
Decrease in stock	170		
		3,754	(826)
<b>Direct expenditure</b>		<b>13,888,506</b>	<b>13,316,877</b>
<b>Expenditure borne elsewhere</b>			
Net allied services expenditure (note 1.1)		36,187	39,402
Notional rents		10,985	10,393
<b>Net programme cost</b>		<b>13,935,678</b>	<b>13,366,672</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 37 borne elsewhere.

	2012	2011
	€000	€000
Vote 12 Superannuation and Retired Allowances	28,054	23,645
Vote 13 Office of Public Works	8,128	15,501
Vote 20 Garda Síochána	—	66
Central Fund - Ministerial pensions	5	190
	<u>36,187</u>	<u>39,402</u>

## 2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
<b>Capital assets</b>	2.3	50,507	49,466
<b>Capital assets under development</b>	2.4	<u>13,364</u>	<u>19,880</u>
		<b>63,871</b>	<b>69,346</b>
<b>Current assets</b>			
Stocks	2.6	539	709
Prepayments <sup>1</sup>		50,866	2,119
Social Insurance Fund suspense account <sup>2</sup>		129,790	308,800
Other debit balances	2.7	<u>38,625</u>	<u>20,373</u>
<b>Total current assets</b>		<b>219,820</b>	<b>332,001</b>
<b>Less current liabilities</b>			
Bank and cash	2.5	76,729	293,390
Accrued expenses <sup>1</sup>		67,564	15,216
Other credit balances	2.8	15,574	22,048
Net liability to the Exchequer	2.9	<u>76,112</u>	<u>13,735</u>
<b>Total current liabilities</b>		<b>235,979</b>	<b>344,389</b>
<b>Net current liabilities</b>		<u>(16,159)</u>	<u>(12,388)</u>
<b>Net assets</b>		<b>47,712</b>	<b>56,958</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<u><b>47,712</b></u>	<u><b>56,958</b></u>

<sup>1</sup> The increase in both accruals and prepayments for the year ended 31 December 2012 when compared to 31 December 2011 is mainly attributable to the inclusion of accruals and prepayments for Community Employment and Jobs Initiative schemes.

<sup>2</sup> Represents advances from Vote 37 to the Social Insurance Fund subvention suspense account which were not expended by year end.

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		56,958	55,895
Adjustment <sup>3</sup>		(2,958)	—
Funding drawn down	2.2	13,917,952	13,357,006
Non cash expenditure – notional rent	1	10,985	10,393
Fixed asset net transfer		—	336
FÁS net asset transfer		453	—
Net programme cost	1	<u>(13,935,678)</u>	<u>(13,366,672)</u>
<b>Balance at 31 December</b>		<b>47,712</b>	<b>56,958</b>

<sup>3</sup> Adjustment is the difference between the net increase in capital assets of €2.567 million, a net decrease in accumulated depreciation of €0.514 million and a net decrease in capital assets under development of €5.011 million.

<b>2.2 Funding drawn down</b>	<b>Note</b>	<b>2012</b>	<b>2011</b>
		<b>€000</b>	<b>€000</b>
Disbursements from the Vote			
Estimate provision	Account	14,082,935	13,427,412
Deferred surrender	Account	(1,050)	—
Surplus to be surrendered	Account	<u>(200,120)</u>	<u>(109,808)</u>
		13,881,765	13,317,604
Expenditure (cash) borne elsewhere	1	<u>36,187</u>	<u>39,402</u>
<b>Total funding drawn down</b>		<b><u>13,917,952</u></b>	<b><u>13,357,006</u></b>

### 2.3 Capital Assets

	<b>Office equipment</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Gross assets</b>			
Cost or valuation at 1 January 2012	266,595	31,830	298,425
Adjustment <sup>1</sup>	2,567	—	2,567
Assets transferred from FÁS	5,599	—	5,599
Additions	12,900	924	13,824
Disposals	(98)	(2)	(100)
Cost or valuation at 31 December 2012	<u>287,563</u>	<u>32,752</u>	<u>320,315</u>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2012	223,857	25,102	248,959
Adjustment <sup>1</sup>	514	—	514
Assets transferred from FÁS	5,146	—	5,146
Depreciation for the year	13,838	1,449	15,287
Depreciation on disposals	(96)	(2)	(98)
Cumulative depreciation at 31 December 2012	<u>243,259</u>	<u>26,549</u>	<u>269,808</u>
<b>Net assets at 31 December 2012</b>	<u>44,304</u>	<u>6,203</u>	<u>50,507</u>
<b>Net assets at 31 December 2011</b>	<u>42,738</u>	<u>6,728</u>	<u>49,466</u>

<sup>1</sup> Adjustments arise from:

- Capital assets under development completed in 2010 but which were not transferred to asset register (cost €10.9 million and accumulated depreciation €2.2 million).
- Overstatement by €8.3 million of the cost of assets and by €1.7 million of accumulated depreciation.

**2.4 Capital Assets under Development**

at 31 December 2012

	<b>In-house computer applications €000</b>
Amounts brought forward at 1 January 2012	19,880
Adjustment <sup>1</sup>	(5,011)
Cash payments for the year <sup>2</sup>	2,555
Transferred to asset register	(4,060)
Balance at 31 December 2012	<u>13,364</u>

<sup>1</sup> Adjustment arises from

- A reduction of €10.9 million in respect of assets completed in 2010 but not transferred to the asset register at that time
- An increase of €5.9 million in respect of assets transferred to the asset register in 2010 and 2011 but which had been omitted from cash payments in 2010 and 2011.

<sup>2</sup> Cash payments do not include in-house developed software which is fully developed during the course of the year.**2.5 Bank and Cash**

at 31 December

	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
An Post balances	157,020	10,918
PMG balances	(364,601)	(424,308)
Other bank and cash	131,001	120,719
Orders outstanding	(149)	(719)
	<u>(76,729)</u>	<u>(293,390)</u>

**An Post Balance**

An Post accounts are pre-funded by Vote 37 and the Social Insurance Fund (SIF) to meet the Department's expenditure liabilities as they fall due. At the end of 2012, the combined balance held by An Post in respect of SIF and Vote 37 was €184,131,631. The corresponding balance at the end of 2011 was €166,175,440.

During 2012, a settlement was reached with An Post in regard to historic lost in transit personal payable orders (PPOs) and missing manual payment vouchers (MPVs). The total amount agreed for settlement was €2,812,473 whereby An Post has waived their debt of €1,432,703 for a Department consideration of €1,379,770. The settlement was sanctioned by the Department of Public Expenditure and Reform on 14 November 2012.

Following on from the above settlement, seventeen dormant PPO accounts with An Post totalling (€68,546) were closed. The net remaining balance as recorded by An Post as due to the Department of €19,143 was transferred to an active electronic information transfer (EIT) account. The account closure necessitated, without the passing of any consideration, a once off reduction in SIF and Vote 37 expenditure of €32,842 and €54,847 respectively. The closure was subject to sanction by the Department of Public Expenditure and Reform on 26 March 2013.

**2.6 Stocks**

at 31 December	2012	2011
	€000	€000
Stationery	521	703
IT consumables	18	6
	<u>539</u>	<u>709</u>

**2.7 Other Debit Balances**

at 31 December	2012	2011
	€000	€000
Advances to An Post for postage expenditure	1,014	1,026
Advances to OPW for office furniture, building and electrical work	5,707	887
Payment and Agency Reconciliation Platform suspense	57	57
Prepayment via An Post	23,093	11,575
Other debit suspense	7,285	4,837
Due from Social Insurance Fund (SIF) in respect of SIF schemes	1,469	1,991
	<u>38,625</u>	<u>20,373</u>

**2.8 Other Credit Balances**

at 31 December	2012	2011
	€000	€000
<b>Amounts due to the State</b>		
Income Tax	2,776	2,667
Superannuation contributions	659	567
Pay Related Social Insurance	1,777	1,637
Interstat Value Added Tax	65	31
Professional Services Withholding Tax	142	507
Extra Exchequer receipts	1	54
	<u>5,420</u>	<u>5,463</u>
Payroll deductions	2,843	2,857
Due to SIF in respect of Vote schemes	6,306	12,591
Other credit suspense items	1,005	1,137
	<u>15,574</u>	<u>22,048</u>

**2.9 Net Liability to the Exchequer**

at 31 December	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	200,120	109,808
Deferred surrender	1,050	—
	<u>201,170</u>	<u>109,808</u>
Exchequer grant undrawn	(125,058)	(96,073)
Net liability to the Exchequer	<u><u>76,112</u></u>	<u><u>13,735</u></u>

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

Debit balances: suspense	<u>168,415</u>	<u>329,173</u>
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**Creditors**

Banks and cash	(76,729)	(293,390)
Due to State	(5,420)	(5,463)
Credit balances: suspense	(10,154)	(16,585)
	<u>(92,303)</u>	<u>(315,438)</u>
	<u><u>76,112</u></u>	<u><u>13,735</u></u>

**2.10 Commitments**

at 31 December	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Total of legally enforceable commitments	32,370	30,504

**Multi-annual Capital Commitments**

<b>Project</b>	<b>Expenditure to end 2011</b>	<b>Expenditure in 2012</b>	<b>Subsequent Years</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Public Services Card	2,873	2,877	22,047	27,797

**2.11 Matured Liabilities**

The total amount of matured liabilities undischarged at 31 December 2012 was €87,037.

**2.12 Contingent Liabilities**

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.

### 3 Programme Expenditure by Subhead

#### A. Social Assistance Schemes, Services, Administration and Payment to Social Insurance Fund

		Estimate provision		2012	2011
		€000	€000	Outturn	Outturn
				€000	€000
<b>Administration</b>					
A.1	Administration – pay				
	<i>Original</i>	308,439			
	<i>Supplementary</i>	<u>(2,800)</u>	305,639	303,369	247,664
A.2	Administration - non pay				
	<i>Original</i>	191,214			
	<i>Supplementary</i>	<u>(8,800)</u>	182,414	172,631	134,703
A.3	Administration – community welfare service <sup>1</sup>		—	—	50,272
A.4	Administration – FÁS <sup>1</sup>		—	—	—
<b>Pensions</b>					
A.5	State Pension (Non-Contributory)				
	<i>Original</i>	967,100			
	<i>Supplementary</i>	<u>(4,000)</u>	963,100	963,211	971,769
<b>Working Age – Income Supports</b>					
A.6	Jobseeker's Allowance				
	<i>Original</i>	2,796,782			
	<i>Supplementary</i>	<u>271,400</u>	3,068,182	3,054,741	2,974,987
A.7	One-Parent Family Payment				
	<i>Original</i>	1,062,990			
	<i>Supplementary</i>	<u>(3,500)</u>	1,059,490	1,057,753	1,088,897
A.8	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension		17,710	17,670	18,173
A.9	Deserted Wife's Allowance		3,650	3,546	4,211
A.10	Basic Supplementary Welfare Allowance Payments				
	<i>Original</i>	159,758			
	<i>Supplementary</i>	<u>20,800</u>	180,558	180,291	174,393
A.11	Farm Assist				
	<i>Original</i>	115,070			
	<i>Supplementary</i>	<u>(7,000)</u>	108,070	108,170	113,724
A.12	Pre-retirement Allowance				
	<i>Original</i>	47,610			
	<i>Supplementary</i>	<u>(1,500)</u>	46,110	46,091	59,942
A.13	Other Working Age – income supports		65,114	64,667	75,359



		<b>2012</b>		<b>2011</b>
		<b>Estimate provision</b>		<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Working Age- Employment Supports</b>				
A.14	Community Employment Programme <sup>1</sup>			
	<i>Original</i>	315,194		
	<i>Supplementary</i>	<u>20,000</u>	335,194	330,399
				349,396
A.15	Rural Social Scheme		45,660	45,242
				46,835
A.16	Tús – Community Work Placement Scheme			
	<i>Original</i>	84,000		
	<i>Supplementary</i>	<u>(18,600)</u>	65,400	67,055
				11,761
A.17	Jobs Initiative			
	<i>Original</i>	27,156		
	<i>Supplementary</i>	<u>(1,000)</u>	26,156	25,794
				29,678
A.18	Community Services Programme		45,400	45,390
				45,452
A.19	Back to Work Allowance			
	<i>Original</i>	137,940		
	<i>Supplementary</i>	<u>(10,900)</u>	127,040	127,203
				114,582
A.20	National Internship Scheme – JobBridge <sup>1</sup>			
	<i>Original</i>	65,780		
	<i>Supplementary</i>	<u>(11,200)</u>	54,580	54,739
				7,914
A.21	Back To Education Allowance			
	<i>Original</i>	183,021		
	<i>Supplementary</i>	<u>15,500</u>	198,521	199,567
				201,519
A.22	Other Working Age – Employment Supports <sup>1</sup>			
	<i>Original</i>	65,702		
	<i>Supplementary</i>	<u>(6,000)</u>	59,702	56,529
				96,121
<b>Illness, Disability And Carers</b>				
A.23	Disability Allowance			
	<i>Original</i>	1,077,963		
	<i>Supplementary</i>	<u>15,200</u>	1,093,163	1,087,513
				1,089,178
A.24	Blind Pension		15,540	15,747
				15,624
A.25	Carer's Allowance			
	<i>Original</i>	520,470		
	<i>Supplementary</i>	<u>(11,300)</u>	509,170	509,671
				507,193
A.26	Domiciliary Care Allowance			
	<i>Original</i>	104,190		
	<i>Supplementary</i>	<u>(1,600)</u>	102,590	102,237
				99,924
A.27	Respite Care Grant			
	<i>Original</i>	132,190		
	<i>Supplementary</i>	<u>3,300</u>	135,490	136,353
				130,392

		Estimate provision		2012	2011
		€000	€000	Outturn	Outturn
				€000	€000
<b>Children</b>					
A.28	Child Benefit	<i>Original</i>	2,078,648		
		<i>Supplementary</i>	<u>(34,400)</u>	2,044,248	2,046,955
					2,076,338
A.29	Family Income Supplement	<i>Original</i>	199,460		
		<i>Supplementary</i>	<u>32,600</u>	232,060	223,608
					204,543
A.30	Back-To-School Clothing And Footwear Allowance	<i>Original</i>	63,700		
		<i>Supplementary</i>	<u>2,000</u>	65,700	65,679
					90,903
A.31	School Meals Schemes			35,000	35,005
					34,975
A.32	Child Related Payments			5,050	5,300
					5,410
<b>Supplementary Payments</b>					
A.33	Rent Supplement	<i>Original</i>	436,001		
		<i>Supplementary</i>	<u>(12,800)</u>	423,201	422,536
					502,747
A.34	Mortgage Interest Supplement	<i>Original</i>	50,880		
		<i>Supplementary</i>	<u>4,900</u>	55,780	55,082
					67,849
A.35	Household Benefits Package	<i>Original</i>	125,001		
		<i>Supplementary</i>	<u>19,900</u>	144,901	143,732
					144,656
A.36	Free Travel			77,000	75,518
					75,597
A.37	Fuel Allowance	<i>Original</i>	144,297		
		<i>Supplementary</i>	<u>(5,500)</u>	138,797	144,692
					179,184
A.38	Grant to the Citizens Information Board	<i>Original</i>	46,843		
		<i>Supplementary</i>	<u>(1,100)</u>	45,743	45,743
					45,114
A.39	Office of the Pensions Ombudsman			1,025	977
					906
A.40	Miscellaneous services			2,342	2,174
					2,110

		2012		2011
		Estimate provision		Outturn
		€000	€000	€000
<b>Subvention To The Social Insurance Fund</b>				
A.41	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005			
	<i>Original</i>	1,816,009		
	<i>Supplementary</i>	417,900	2,233,909	2,084,009
				1,460,362
<b>Total</b>		<b>14,318,399</b>	<b>14,126,589</b>	<b>13,550,357</b>

<sup>1</sup> The 2011 FÁS administration expenditure for former FÁS schemes (A.4) was borne under a number of subheads for Working Age – Employment Supports. In 2012 administration expenditure for Community Welfare and FÁS is now borne under subhead A.1 and A.2.

**Significant variations**

Overall, the expenditure in relation to Programmes was €191.8 million lower than provided. This was mainly due to the following:

<b>Description</b>	<b>Less/ (more) than provided €000</b>	<b>Explanation</b>
Training and development and incidental expenses (A.2.iii)	4,906	There were significant savings on staff training, advertising, cleaning, legal fees and waste disposal.
eGovernment related projects (A.2.ix)	(988)	The original Budget was €7.5 million. This was reduced by €5.5 million in the Supplementary Estimate but expenditure in December 2012 was underestimated. This resulted in expenditure being in excess of the amount provided.
Other Working Age – Employment Supports (A.22)	3,173	This is made up of several schemes. The main underspends were: Local Employment Services (€1,246k), Supported Employment Programme (€736k), Activation and Family Support Programme (€490k) and Wage Subsidy Scheme (€380k). Variances under these headings are accounted for mainly through timing delays in claims from former FÁS programmes coming through for processing in 2012. Most programmes are demand led and uptake has been slow since the programme's inception. This coupled with a high rate of turnover of participants has contributed to the variances.
Miscellaneous services (A.40)	168	This is made up of several schemes. The main underspends were: Rent Allowance (de-control of rents legislation) (€137k), Dormant Accounts - Economic & Social Disadvantaged (€68k) and EU Community Action Programme for Employment and Social Solidarity (Progress) 2007 to 2013 (€75k).
Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005 (A.41)	149,900	SIF income for the year was higher than predicted for the Supplementary Estimate. The Supplementary Estimate was prepared before PRSI receipts for end of November were confirmed. PRSI receipts had been weak from mid-year to October and for this reason, the Department factored in a conservative estimate for PRSI receipts for November and December. Actual receipts in November and December were higher than provided in the Supplementary Estimate.

## 4 Receipts

### 4.1 Appropriations-in-aid

		2012		2011	
		Estimated	Realised	Realised	
		€000	€000	€000	
1.	Recovery of administration expenses from the Social Insurance Fund		177,280	177,600	177,080
2.	Recoveries of Social Assistance overpaid				
	<i>Original</i>	16,000			
	<i>Supplementary</i>	<u>1,500</u>	17,500	21,477	23,320
3.	Repayment from the Social Insurance Fund of amounts paid initially as Social Assistance				
	<i>Original</i>	14,000			
	<i>Supplementary</i>	<u>(4,800)</u>	9,200	9,256	11,829
4.	Receipts under "Liability to Maintain Family" provisions in Part XII of the Social Welfare (Consolidation) Act 2005		500	435	524
5.	Receipts from the General Register Office		500	567	610
6.	Dormant Accounts Receipts				
	<i>Original</i>	466			
	<i>Supplementary</i>	<u>(450)</u>	16	191	274
7.	Receipts from European Social Fund for activation and participation of people with disabilities		15	—	160
8.	Receipts from pension-related deduction on public service remuneration				
	<i>Original</i>	12,833			
	<i>Supplementary</i>	<u>4,400</u>	17,233	16,820	12,508
9.	Receipts from EURES European Job Mobility Fund		285	223	—
10.	Receipts from National Training Fund (Community Employment)				
	<i>Original</i>	7,400			
	<i>Supplementary</i>	<u>(2,700)</u>	4,700	5,919	—
11.	Receipts from the European Globalisation Fund				
	<i>Original</i>	400			
	<i>Supplementary</i>	<u>850</u>	1,250	6,354	945
12.	Receipts from Department of Health – Drugs Task Force supports (Employment Programme)		1,385	1,308	—
13.	Receipts from Pensions Board – staff superannuation				
	<i>Original</i>	650			
	<i>Supplementary</i>	<u>700</u>	1,350	861	714
14.	Miscellaneous				
	<i>Original</i>	7,250			
	<i>Supplementary</i>	<u>(3,000)</u>	4,250	3,813	4,789
<b>Total</b>			<b>235,464</b>	<b>244,824</b>	<b>232,753</b>

**Explanation of significant variations**

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Recoveries of Social Assistance overpaid	(3,977)	There was higher than provided for recovery of overpayments from a range of Social Assistance schemes. Recoveries from Jobseekers Allowance payments increased by €1.4m in 2012 as more debtors in receipt of payments had deductions applied to their entitlement. The Department's overall recovery efforts in 2012 were more successful than previous years. Recoveries have increased by over 100% since 2007 making projections difficult.
Dormant Accounts Receipts	(175)	Receipts totalling €175,000 were received after the supplementary estimates process was completed. Up to November no receipts had been received. All receipts for 2012 were received in December 2012.
Receipts from National Training Fund (Community Employment)	(1,219)	The final claim was higher than expected. These claims are processed on a quarterly basis and usually the claim for the final quarter is not drawn down until the next year. However, it was decided to include the claim for the final quarter as it was drawn down in 2012, and therefore, receipts were higher than anticipated.
Receipts from the European Globalisation Fund	(5,104)	A payment of €5 million was received in December 2012. This had been expected to be received in 2013.
Receipts from Pensions Board – Staff Superannuation	489	There was an error in both the original and the supplementary estimate amounts for Pension Board superannuation. If the correct estimates were used, the outturn is in line with expectations.
Miscellaneous	437	Receipts were lower than expected particularly in cancelled and out of date cheques.

**4.2 Extra receipts payable to the Exchequer**

	2012 €000	2011 €000
Conscience money	9	14
Witness expenses	6	6
Pensions Board fines	74	34
	<u>89</u>	<u>54</u>

Further receipts of €1,093 comprised of €906 in witness expenses and €187 in anonymous receipts were received in 2012 – these were paid to the exchequer in 2013.

## 5 Employee Numbers and Pay

	2012	2011
<b>Number of staff at year end</b> (full time equivalents) <sup>1</sup>	7,034	6,174
	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Pay	304,904	235,979
Higher, special or additional duties allowance	686	627
Other allowances	460	499
Overtime	5,466	5,539
Employer's PRSI	17,249	12,365
<b>Total Pay</b>	<b>328,765</b>	<b>255,009</b>

These figures include details, as applicable, for the Citizens Information Board, Pensions Board and Office of the Pensions Ombudsman and bodies under the aegis of the Department.

<sup>1</sup> On 1 January 2012, as part of the transfer of functions from FÁS Employment and Community Services to the Department, a total of 716 posts transferred to the Department. In 2012 the number of posts redeployed or transferred (not including ex FÁS staff) amounted to 181.63, thus giving a total of 897.63 posts.

### 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	438	12	19,585	19,585
Other allowances	115	17	13,806	13,806
Overtime	3,123	50	23,985	29,327

Certain individuals received extra remuneration in more than one category.

### 5.2 Other Remuneration Arrangements

Redundancy payments of €96,987 were paid to 28 staff under the Redundancy Payments Acts, 1967 to 2007.

## 6 Miscellaneous

### 6.1 Recovery of overpayments

The summary position on assistance overpayments at 31 December 2012 was as follows:

	<b>2012</b>	<b>2011</b>
	<b>Outturn</b>	<b>Outturn</b>
	<b>€000</b>	<b>€000</b>
Overpayments outstanding at 1 January	252,807	231,503
Net overpayments recorded	71,061	61,984
	<u>323,868</u>	<u>293,487</u>
Less:		
Amounts recovered <sup>1</sup>	(40,176)	(37,609)
Amounts written off as irrecoverable	(3,078)	(3,071)
Overpayments outstanding at 31 December	<u>280,614</u>	<u>252,807</u>

<sup>1</sup> The amount recovered includes

- €21,476,182 in cash receipts which arise as a result of cash recoveries from assistance claimants and amounts paid from the Social Insurance Fund to Vote 37 in respect of overpayments recovered by withholding benefit payments. These amounts are accounted for under appropriations-in-aid.
- €18,700,035 withheld from assistance entitlements, which is accounted for as a reduction in scheme expenditure.

### 6.2 Compensation and Legal Costs

Legal costs paid during the year are categorised as follows:

	<b>2012</b>	<b>2011</b>
	<b>€000</b>	<b>€000</b>
Legal fees	236	1,121
Compensation costs	210	137
	<u>446</u>	<u>1,258</u>

Compensation and associated legal and miscellaneous costs totalling €4,574 were paid in three cases of personal injury claims in respect of employees. The payments ranged from €850 to €2,536.

Payments totalling €61,138 and ranging from €170 to €29,876 in respect of legal expenses, damages and costs in nine instances were made in relation to personal injuries sustained on Departmental property and other cases.

Total payments of €211,991 were paid in legal costs ranging from €6,150 to €181,353 in respect of five cases taken against the Department. The cases related to pension entitlements, amendment of marriage register (2 cases), birth registration and on call allowance arrears (this last case involved a departmental employee).



Ex gratia payments, loss of purchasing power payments and legal costs totalling €167,915 and ranging from €20 to €50,760 were made in respect of Child Benefit, One Parent Family Payment, Job Seekers Allowance, Supplementary Welfare Allowance Basic Payment, Rent Supplement, Domiciliary Care Allowance and Back to Education Allowance.

### **6.3 Administrative Budget Carry Forward**

As agreed with the Department of Public Expenditure and Reform under the Administrative Budget scheme, a carry forward from 2012 of savings to the value of €1,900,000 (capital €1,050,000 and non-capital €850,000) is included in the Estimates for 2013.

### **6.4 EU Funds**

A total of €6,354,038 in respect of the European Globalisation Fund (EGF) was received from the EU. The EGF provides one-off time limited individual support to people across Ireland in certain companies and sectors that were made redundant as a result of globalisation.

An amount of €222,800 was received from the EU in respect of the EURES Activity Plan covering the period 1 June 2012 to 31 May 2013. EURES is organised centrally by the European Commission to facilitate the free movement of workers throughout the EU and European Economic Area.

Funding of €34,944 was received from the EU as the final amount due in respect of the European Year for Combating Poverty and Social Inclusion 2010. This funding was allocated to support the implementation and delivery of Ireland's National Programme of Activities during this year.

### **6.5 Possible Misappropriation**

There were four cases of possible misappropriation of public monies by employees with a current estimated value of €1,279,290. The period during which these possible misappropriations occurred ranges from 2003 to 2012.