



Appropriation Account 2012

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, 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 Central Statistics Office, (CSO).

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.

A census of population was taken in 2011 and therefore expenditure in that year (€74.7 million) was substantially higher than in 2012 (€41.2 million).

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:

Depreciation

Assets that cost €3.214 million and were employed during the 2011 Census of Population are being depreciated over a two year period (2011-2012).

Some office equipment assets are being depreciated at 10%.

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

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

This responsibility is exercised in the context of the resources available to me and my other obligations as Director 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 Office
- 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 Office is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

Note 6 outlines a salary overpayment to one individual. The Office has thoroughly reviewed the circumstances of this overpayment and has implemented new and more thorough procedures in relation to staff assigned to work in other Civil or Public Service bodies. The principal steps taken include:

- an immediate examination of all external assignments from the Office to confirm that pay arrangements for other relevant staff were in order and did not involve any overpayment;
- the implementation of stronger communications protocols between Office's HR and Payroll sections, with tracking and confirmation of all payroll instructions
- the introduction of regular cross-checks of the staff lists on the HR and Payroll systems
- seconded staff are now paid directly by the organisation to which they are assigned and not by the Office.

Internal Audit and Audit Committee

I confirm that the Office 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 Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. 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.

Pádraig Dalton
Accounting Officer
Central Statistics Office

21 March 2013

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

Vote 4 Central Statistics Office

I have audited the appropriation account for Vote 4 Central Statistics Office 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 by his Office and for the regularity and propriety of all transactions in the appropriation accounts.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare 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 4 Central Statistics Office for the year ended 31 December 2012.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Office. The appropriation account is in agreement with the books of account.

Duplicate salary payment

Note 6 to the appropriation account refers to a salary overpayment to one individual. The Statement on Internal Financial Control outlines the steps taken by the Office in relation to the matter. Chapter 4 of my report on the accounts of the public services for 2012 outlines the circumstances of the case.

Seamus McCarthy
Comptroller and Auditor General

13 September 2013

Vote 4 Central Statistics Office Appropriation Account 2012

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme Expenditure			
A Delivery of annual statistical programme	45,402	41,223	74,700
Gross expenditure	45,402	41,223	74,700
<i>Deduct</i>			
B Appropriations-in-aid	1,900	3,633	2,574
Net expenditure	43,502	37,590	72,126

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	5,911,939	7,941,176

Analysis of administration expenditure

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	34,789	33,963	37,490
ii Travel and subsistence	894	941	913
iii Training and development and incidental expenses	1,673	1,087	2,977
iv Postal and telecommunications services	1,100	687	1,506
v Office equipment and external IT services	3,760	2,433	5,553
vi Office premises expenses	1,575	1,081	1,135
vii Consultancy services and value for money and policy reviews	61	26	17
viii Collection of statistics	1,550	1,005	25,109
	45,402	41,223	74,700

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Pay	33,963	37,490
Non pay	7,260	37,210
Gross expenditure	41,223	74,700
<i>Deduct</i>		
Appropriations-in-aid	3,633	2,574
Net expenditure	37,590	72,126
Changes in capital assets		
Purchases cash	(315)	
Loss on disposals	2	
Depreciation	5,324	
	5,011	5,013
Changes in assets under development		
Cash payments	(1,299)	(1,822)
Changes in net current assets		
Increase in closing accruals	870	
Decrease in stock	33	
	903	(777)
Direct expenditure	42,205	74,540
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	6,678	6,948
Notional rents	1,405	1,347
Net programme cost	50,288	82,835

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 4 borne elsewhere.

	2012	2011
	€000	€000
Vote 9 Office of the Revenue Commissioners	2,505	3,210
Vote 12 Superannuation and Retired Allowances	3,161	2,569
Vote 13 Office of Public Works	1,012	1,169
	6,678	6,948

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	14,895	18,558
Capital assets under development	2.4	487	923
		15,382	19,481
Current assets			
Stocks	2.6	100	133
Prepayments		814	937
Accrued income		674	1,183
Other debit balances		810	121
Net liability from the Exchequer	2.8	610	1,162
Total current assets		3,008	3,536
Less current liabilities			
Bank and cash	2.5	345	(136)
Accrued expenses		197	164
Deferred income		250	53
Other credit balances	2.7	1,075	1,419
Total current liabilities		1,867	1,500
Net current assets		1,141	2,036
Net assets		16,523	21,517
Represented by:			
State funding account	2.1	16,523	21,517

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		21,517	24,124
Adjustments ¹		(379)	(16)
Funding drawn down	2.2	44,268	79,074
Non cash expenditure – notional rent	1	1,405	1,347
Transfers		—	(177)
Net programme cost	1	(50,288)	(82,835)
Balance at 31 December		16,523	21,517
2.2 Funding drawn down	Note	2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	43,502	80,067
Surplus to be surrendered	Account	(5,912)	(7,941)
		37,590	72,126
Expenditure (cash) borne elsewhere	1	6,678	6,948
Total funding drawn down		44,268	79,074

¹ Less adjustments in Capital Assets and Capital Assets under Development in notes 2.3 and 2.4.

2.3 Capital Assets

	Land and buildings €000	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets				
Cost or valuation at 1 January 2012	34	57,197	3,447	60,678
Additions	—	1,668	11	1,679
Disposals	—	(589)	(13)	(602)
Assets transferred ¹	—	(25)	—	(25)
Cost or valuation at 31 December 2012	34	58,251	3,445	61,730
Accumulated depreciation				
Opening balance at 1 January 2012	34	39,159	2,927	42,120
Depreciation for the year	—	5,200	124	5,324
Depreciation on disposals	—	(590)	(9)	(599)
Depreciation on transfers	—	(10)	—	(10)
Cumulative depreciation at 31 December 2012	34	43,759	3,042	46,835
Net assets at 31 December 2012	—	14,492	403	14,895
Net assets at 31 December 2011	—	18,038	520	18,558

¹ 30 laptop computers that had been used in the collection of the 2011 Census of Population were transferred to two Government departments in 2012.

2.4 Capital Assets under Development

	In-house computer applications
at 31 December	2012
	€000
Amounts brought forward at 1 January	923
Adjustments in respect of short-term projects ²	(364)
Cash payments for the year	1,299
Transferred to asset register	(1,371)
Balance at 31 December	487

² All systems under development with a short-term life span for example, one-off survey forms and short duration surveys will no longer be transferred to the asset register.

2.5 Bank and Cash

	2012	2011
at 31 December	€000	€000
PMG balances and cash	(338)	146
Orders outstanding	(7)	(10)
	(345)	136

2.6 Stocks	2012	2011
at 31 December	€000	€000
Stationery	61	90
IT consumables	33	37
Publications	6	6
	<u>100</u>	<u>133</u>

2.7 Other Credit Balances	2012	2011
at 31 December	€000	€000
Amounts due to the State		
Income Tax	338	418
Pay Related Social Insurance	213	273
Professional Services Withholding Tax	—	93
Value Added Tax	4	16
Pension contributions	89	83
Universal Social Charge	129	138
	<u>773</u>	<u>1,021</u>
Payroll deductions held in suspense	193	224
Other credit suspense items	109	174
	<u>1,075</u>	<u>1,419</u>

2.8 Net Liability from the Exchequer	2012	2011
at 31 December	€000	€000
Surplus to be surrendered	5,912	7,941
Exchequer grant undrawn	(6,522)	(9,103)
Net liability from the Exchequer	<u>(610)</u>	<u>(1,162)</u>

Represented by:**Debtors**

Debit balances: suspense	<u>810</u>	<u>121</u>
	810	121

Creditors

Bank and cash	(345)	136
Due to State	(773)	(1,021)
Credit balances: suspense	<u>(302)</u>	<u>(398)</u>
	(1,420)	(1,283)
	<u>(610)</u>	<u>(1,162)</u>

2.9 Commitments	2012	2011
at 31 December	€000	€000
Total of legally enforceable commitments	6,761	815

3 Programme Expenditure by Subhead

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A Delivery of annual statistical programme			
A.1 Administration - pay	34,789	33,963	37,490
A.2 Administration - non pay	10,613	7,260	37,210
	<u>45,402</u>	<u>41,223</u>	<u>74,700</u>

Significant variations

Overall, the expenditure in relation to Programme A was €4,179,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Training and development and incidental expenses	586	The saving arose because of continued tight control of all expenditure during the year. Much of the Office's training and development needs were met from in-house resources.
Postal and telecommunications services	413	Savings continue to be made on telecommunications costs following the introduction of Voice Over Internet Protocol (VOIP) telephony. All costs associated with postage were minimised during 2012 and fewer reminder letters issued.
Office equipment and external IT services	1,327	The saving arose because of continued control of all IT and office machinery related costs in 2012. External IT services were much reduced in 2012.
Office premises expenses	494	The saving was due to lower than expected office premises costs in all three CSO premises during 2012. The decision not to fully vacate the Census premises in Swords meant that expected costs associated with the hand back of the premises were not incurred.
Collection of statistics	545	The saving arose because of continued tight control of all field costs associated with CSO surveys in 2012.

4 Receipts

4.1 Appropriations-in-aid	2012		2011
	Estimated	Realised	Realised
	€000	€000	€000
1. European Union receipts	130	1,565	453
2. Miscellaneous	70	200	94
3. Receipts from pension-related deductions on public service remuneration	1,700	1,868	2,027
Total	1,900	3,633	2,574

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
European Union receipts	(1,435)	Receipts from European Union contracts were higher than expected in 2012 due to the receipt of balancing payments of €1,085,000. These were in respect of contracts relating to two agricultural surveys in 2005 and 2007, following a review by Eurostat of the interpretation of the regulation governing the eligible costs.
Miscellaneous	(130)	Miscellaneous receipts were higher than expected in 2012 because of a partial recoupment of a salary overpayment that occurred between 2006 and 2012. The overpayment was discovered in 2012.
Receipts from pension-related deductions on public service remuneration	(168)	Receipts from the pension related deduction were higher than expected because of the higher numbers of staff employed; primarily as a result of the processing work associated with the 2011 Census of Population.

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)	648	808
	2012	2011
	€000	€000
Pay	31,601	34,828
Higher, special or additional duties allowance	126	217
Other allowances	61	63
Overtime	120	155
Employer's PRSI	2,055	2,227
Total Pay	33,963	37,490

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	116	—	—	10,354
Overtime and extra attendance	51	2	13,649	13,096
Shift and roster allowances	11	—	—	—

Certain individuals received extra remuneration in more than one category.

6 Miscellaneous

6.1 Support for statistical endeavour

The Office awarded prize money of €3,300 in 2012 as part of the second John Hooper Medal for Statistics Competition. This competition was open to senior cycle second level students in Ireland.

6.2 Salary Overpayment

A salary overpayment to one individual, amounting to €206,000 over a period from 2006 to 2012, was discovered in October 2012. To date, the individual has voluntarily refunded over €201,000 of this amount and the CSO is seeking recovery of the remaining balance of approximately €4,800.

6.3 Legal Costs

	2012	2011
	€000	€000
Legal costs paid during the year are categorised as follows:		
Legal fees	27	1
Compensation costs	50	—
	<u>77</u>	<u>1</u>

Legal Fees include medical, engineer and investigator fees.