



Appropriation Account 2012

Vote 6

Office of the Chief State Solicitor

Introduction

As Accounting Officer for Vote 6, 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 Chief State Solicitor.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2012, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

Information and Communications Technology Security

The Office applies good practice controls to mitigate against key security risks associated with information and communications technology (ICT). Review and upgrade, where necessary, of ICT security systems is an ongoing process.

The firewall systems were upgraded in 2011 and continue to function effectively.

Administrative and Financial Controls

The MAC and the Audit Committee regularly review controls. All internal audit reports are considered by the MAC.

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 Head of Office. 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
- There were a number of instances where goods and services had not been tendered for or where quotations had not been sought from a number of suppliers. The value of the related payments in the year amounted to €663,267. The Office did not have a dedicated Procurement Officer in place during 2012. This situation has been resolved and the Office has commenced a review process in order to ensure full compliance with public procurement guidelines.

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.

Eileen Creedon
Accounting Officer
Office of the Chief State Solicitor

27 March 2013

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

Vote 6 Office of the Chief State Solicitor

I have audited the appropriation account for Vote 6 Office of the Chief State Solicitor 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 her control, for the efficiency and economy of administration by her 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 6 Office of the Chief State Solicitor 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.

Non-compliance with public procurement rules

The Accounting Officer has disclosed in the Statement on Internal Financial Control that there were material instances of non-compliance with national procurement guidelines in respect of contracts that operated in the year.

Seamus McCarthy
Comptroller and Auditor General

17 September 2013

Vote 6 Office of the Chief State Solicitor Appropriation Account 2012

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme Expenditure			
A Provision of legal services	34,812	30,679	32,915
Gross expenditure	34,812	30,679	32,915
<i>Deduct</i>			
B Appropriations-in-aid	1,860	1,876	2,332
Net expenditure	32,952	28,803	30,583

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	4,148,587	3,605,195

Analysis of administration expenditure

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	14,843	14,245	14,404
ii Travel and subsistence	61	65	61
iii Training and development and incidental expenses	1,055	919	991
iv Postal and telecommunications services	350	344	339
v Office Equipment and external IT services	750	579	716
vi Office premises expenses	410	171	445
vii Consultancy services and value for money policy reviews	29	11	20
	17,498	16,334	16,976

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012	2011
	€000	€000
Programme cost	14,345	15,939
Pay	14,245	14,404
Non pay	2,089	2,572
Gross expenditure	30,679	32,915
<i>Deduct</i>		
Appropriations-in-aid	1,876	2,332
Net expenditure	28,803	30,583
Changes in capital assets		
Purchases cash	(169)	
Depreciation	302	
	133	71
Changes in assets under development		
Cash payments	(38)	(25)
Changes in net current assets		
Decrease in closing accruals	(897)	
Decrease in stock	18	
	(879)	(2,086)
Direct expenditure	28,019	28,543
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,084	2,136
Notional rents	821	826
Net programme cost	30,924	31,505

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 6 borne elsewhere.

	2012	2011
	€000	€000
Vote 7 Finance	61	98
Vote 12 Superannuation and Retired Allowances	1,085	1,410
Vote 13 Office of Public Works	938	628
	<u>2,084</u>	<u>2,136</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital assets	2.3	767	900
Capital assets under development	2.4	63	25
		830	925
Current assets			
Bank and cash	2.5	1,377	(215)
Stocks	2.6	49	67
Prepayments		188	154
Accrued income		9,122	8,637
Other debit balances	2.7	397	129
Net liability from the Exchequer	2.9	702	1,996
Total current assets		11,835	10,768
Less current liabilities			
Accrued expenses		1,024	1,402
Other credit balances	2.8	2,476	1,910
Total current liabilities		3,500	3,312
Net current assets		8,335	7,456
Net assets		9,165	8,381
Represented by:			
State funding account	2.1	9,165	8,381

2.1 State Funding Account	Note	2012 €000	2011 €000
Balance at 1 January		8,381	6,341
Funding drawn down	2.2	30,887	32,719
Non cash expenditure – notional rent	1	821	826
Net programme cost	1	(30,924)	(31,505)
Balance at 31 December		9,165	8,381

2.2 Funding drawn down	Note	2012 €000	2011 €000
Disbursements from the Vote			
Estimate provision	Account	32,952	34,188
Surplus to be surrendered	Account	(4,149)	(3,605)
		28,803	30,583
Expenditure (cash) borne elsewhere	1	2,084	2,136
Total funding drawn down		30,887	32,719

2.3 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2012	3,811	1,695	5,506
Additions	141	28	169
Disposals	(117)	(9)	(126)
Cost or valuation at 31 December 2012	3,835	1,714	5,549
Accumulated depreciation			
Opening balance at 1 January 2012	3,423	1,183	4,606
Depreciation for the year	213	89	302
Depreciation on disposals	(117)	(9)	(126)
Cumulative depreciation at 31 December 2012	3,519	1,263	4,782
Net assets at 31 December 2012	316	451	767
Net assets at 31 December 2011	388	512	900

2.4 Capital Assets under Development

at 31 December	Computer applications €000
Amounts brought forward at 1 January 2012	25
Cash payments in year	38
Transferred to asset register	—
Balance at 31 December 2012	63

2.5 Bank and Cash

at 31 December	2012 €000	2011 €000
PMG balances and cash	1,569	23
Orders outstanding	(192)	(238)
	1,377	(215)

2.6 Stocks

at 31 December	2012 €000	2011 €000
Stationery	49	67

2.7 Other Debit Balances

at 31 December	2012 €000	2011 €000
Miscellaneous	397	129

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

Amounts due to the State		
Income Tax	242	248
Pay Related Social Insurance	108	107
Professional Services Withholding Tax	244	410
Value Added Tax	10	7
Pension contributions	51	52
	<u>655</u>	<u>824</u>
Payroll deductions held in suspense	51	55
Other credit suspense items	1,770	1,031
	<u>2,476</u>	<u>1,910</u>

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

Surplus to be surrendered	4,149	3,605
Exchequer grant undrawn	(4,851)	(5,601)
Net liability from the Exchequer	<u>(702)</u>	<u>(1,996)</u>

Represented by:**Debtors**

Bank and cash	397	129
Debit balances: suspense	1,377	(215)
	<u>1,774</u>	<u>(86)</u>

Creditors

Due to State	(655)	(824)
Credit balances: suspense	(1,821)	(1,086)
	<u>(2,476)</u>	<u>(1,910)</u>
	<u>(702)</u>	<u>(1,996)</u>

2.10 Commitments	2012	2011
at 31 December	€000	€000

Total of legally enforceable commitments	868	893
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While the Office did have commitments in respect of legal fees at the year end, these are not quantifiable in a significant sense and are subject to inherent uncertainties and unpredictable factors associated generally with legal costs forecasts. They are, however, also subject to controls directed at the administration of costs and the observation of budgetary limits.

2.11 Matured Liabilities

The total amount of matured liabilities undischarged at 31 December 2012 amounted to €18,425.

3 Programme Expenditure by Subhead

		2012		2011
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Provision of legal services			
A.1	Administration - pay	14,843	14,245	14,404
A.2	Administration - non -pay	2,655	2,089	2,572
A.3	External legal services	248	142	147
A.4	Fees to counsel	12,550	9,528	10,268
A.5	General law expenses	4,516	4,675	5,524
		<u>34,812</u>	<u>30,679</u>	<u>32,915</u>

Significant variations

Overall, the expenditure in relation to Programme A was €4,133,000 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
External legal services	106	This subhead provides for the use of local State solicitors to handle cases in courts outside Dublin. It is very difficult to predict the number of such cases that will arise in a particular year or the fees if the case is out of the ordinary range of work.
Fees to counsel	3,022	Expenditure on counsels' fees is dependent on the level of activity in the courts and as such is difficult to forecast. The management of expenditure on counsels' fees is a key activity for the Chief State Solicitor's Office and the Office has achieved further savings during 2012. The Office continues to manage this Subhead actively to secure greater economy.

4 Receipts

4.1 Appropriations-in-aid	2012		2011
	Estimated	Realised	Realised
	€000	€000	€000
1. Costs and fees received by the Office of the Chief State Solicitor	1,000	960	1,382
2. Receipts from pension-related deductions on public service remuneration	860	916	950
	<u>1,860</u>	<u>1,876</u>	<u>2,332</u>

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%. No outturn of the Vote met these criteria in 2012.

4.2 Extra receipts payable to the Exchequer

A total of €13,813 was lodged to the Exchequer under the State Property Act, 1954.

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)	217	223
	2012	2011
	€000	€000
Pay	13,144	13,326
Higher, special or additional duties allowance	80	87
Other allowances	8	13
Overtime	20	28
Employer's PRSI	993	950
Total Pay	14,245	14,404

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	32	—	9,280	10,914
Other Allowances	5	—	1,783	6,873
Overtime	18	—	5,464	5,401

Certain individuals received extra remuneration in more than one category.

6 Miscellaneous

6.1 Legal Costs	2012	2011
	€000	€000
Legal costs paid during the year are categorised as follows:		
Fees to counsel	9,529	10,268
General law expenses	1,135	1,436
Attorney General's scheme	3,540	4,088
External legal services	142	147
Compensation paid	—	—
	<u>14,346</u>	<u>15,939</u>

6.2 Monies Held in Trust

The CSSO maintains a number of commercial bank accounts. Monies in these accounts are held in trust on behalf of client departments and offices and third parties who are involved primarily in property transactions. No monies from the CSSO Estimate allocation are transmitted through these bank accounts. The amount held at the end of 2012 is €4.456 million.