

6 Payroll Accrual for National Accounts

- 6.1** National accounts are a series of statistical data giving information on the overall performance of the economy including the main government finance statistics such as the budget deficit and debt. They are compiled by the Central Statistics Office (CSO), as provided for by EU regulations, according to the European System of National and Regional Accounts framework and provide a basis for country-by-country comparison of economic and fiscal data. The national accounts include information that is required for, among other purposes, fiscal monitoring of national budget deficits under the Excessive Deficit Procedure.¹
- 6.2** The national accounts record expenditure and economic flows on an accrual basis. This recognises a transaction in the period the service or good is provided. In contrast, the appropriation accounts of government departments are prepared on a cash basis, and record transactions when the liability to pay for the good or service has matured and the payment is made. However, appropriation accounts include accrual-based operating cost information in a note to the account.
- 6.3** Public service staff pay costs and payments to pensioners are recognised in the appropriation accounts at the point of payment. Payments are made either weekly, fortnightly or monthly, and normally are paid in arrears. The accounting policies and principles for appropriation accounts set by the Department of Public Expenditure and Reform (the Department) specify that there is no accrual recognised for the earned but unpaid element of salary at the year end.
- 6.4** As the number of days covered by pay periods does not exactly match the number of days in the calendar year, an accrual element builds up over time. This gives rise to an extra pay period every ten to eleven years for fortnightly paid staff, and every five to six years for weekly paid staff, and represents the crystallisation of this liability.
- 6.5** To enable the introduction of the reporting of this accrual element of payroll and payments to pensioners for the purpose of the national accounts, the Department
- published information for the first time in the Revised Estimates Volume for 2015 on the estimated accrued Exchequer pay and pensions liabilities at end of 2014 and 2015, and
 - requested departments to include the accrued liabilities for Exchequer pay and Exchequer pensions at the end of 2013 and 2014 as part of the appropriation accounts submitted for audit, together with an estimate of the accrual for 2015.
- 6.6** The accrual information submitted by departments with the appropriation account was audited as part of the statutory audit of the accounts. No material changes to the figures submitted were required following the audit.
- 6.7** By agreement with the Department, the information is presented in the annex to this report in a format specified by the CSO. The table also includes information in relation to Houses of the Oireachtas which is funded directly from the Exchequer and which prepares its financial statements in the appropriation account format.

¹ The Excessive Deficit Procedure is derived from the Treaty on the Functioning of the European Union (as provided for in the Lisbon Treaty) and the requirement that member states avoid excessive government deficits. The European Council of Finance Ministers (ECOFIN) is the appropriate body for deciding on whether sanctions should be applied to member states who breach the budgetary rules. National accounts provide the economic and fiscal information to enable ECOFIN to monitor government deficits.

Annex A Accrued liabilities for Exchequer pay and Exchequer pensions^a

| Vote No. | Title | 2013 | | 2014 | | 2015 | |
|----------|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Gross €000 | Net €000 | Gross €000 | Net €000 | Gross €000 | Net €000 |
| | | | actual | | | estimates | |
| 1 | President's Establishment | 39 | 37 | 44 | 41 | 3 | 3 |
| 2 | Department of the Taoiseach | 334 | 313 | 374 | 350 | 36 | 34 |
| 3 | Office of the Attorney General | 301 | 284 | 318 | 296 | 18 | 17 |
| 4 | Central Statistics Office | 784 | 738 | 885 | 833 | 156 | 151 |
| 5 | Office of the Director of Public Prosecutions | 380 | 353 | 411 | 383 | 24 | 23 |
| 6 | Office of the Chief State Solicitor | 431 | 406 | 482 | 451 | 25 | 24 |
| 7 | Office of the Minister for Finance | 494 | 467 | 502 | 472 | 55 | 42 |
| 8 | Office of the Comptroller and Auditor General | 292 | 274 | 323 | 304 | 1 | 1 |
| 9 | Office of the Revenue Commissioners | 7,118 | 6,691 | 7,980 | 7,507 | 1,375 | 1,322 |
| 10 | Office of the Appeals Commissioners | 12 | 11 | 16 | 15 | 1 | – |
| 11 | Office of the Minister for Public Expenditure and Reform | 618 | 573 | 674 | 628 | 20 | 19 |
| 12 | Superannuation and Retired Allowances | 13,565 | 13,565 | 16,714 | 16,714 | – | – |
| 13 | Office of Public Works | 2,660 | 2,515 | 2,870 | 2,721 | 1,118 | 1,068 |
| 14 | State Laboratory | 159 | 148 | 153 | 144 | 6 | 6 |
| 15 | Secret Service | – | – | – | – | – | – |
| 16 | Valuation Office | 215 | 202 | 229 | 215 | 9 | 9 |
| 17 | Public Appointments Service | 116 | 110 | 142 | 134 | 25 | 25 |
| 18 | Shared Services | 153 | 145 | 261 | 248 | 241 | 234 |
| 19 | Office of the Ombudsman | 171 | 160 | 170 | 158 | 17 | 16 |
| 20 | Garda Síochána | 35,323 | 31,586 | 38,619 | 36,037 | 26,051 | 24,672 |
| 21 | Prisons | 3,033 | 2,826 | 3,862 | 3,607 | 4,086 | 3,807 |
| 22 | Courts Service | 1,298 | 1,222 | 1,487 | 1,406 | 249 | 241 |
| 23 | Property Registration Authority | 601 | 568 | 645 | 617 | 117 | 113 |
| 24 | Justice and Equality | 2,846 | 2,672 | 3,195 | 3,017 | 421 | 408 |
| 25 | Environment, Community and Local Government | 1,403 | 1,309 | 1,468 | 1,370 | 76 | 73 |
| 26 | Education and Skills | 157,156 | 148,290 | 168,436 | 159,179 | 58,852 | 55,511 |
| 27 | International Co-operation | 382 | 359 | 434 | 405 | 19 | 18 |
| 28 | Foreign Affairs and Trade | 1,621 | 1,532 | 1,890 | 1,789 | 310 | 301 |
| 29 | Communications, Energy and Natural Resources | 438 | 410 | 493 | 461 | 26 | 26 |
| 30 | Agriculture, Food and the Marine | 4,710 | 4,415 | 5,063 | 4,748 | 497 | 477 |
| 31 | Transport, Tourism and Sport | 794 | 732 | 820 | 760 | 1 | 1 |
| 32 | Jobs, Enterprise and Innovation | 1,354 | 1,272 | 1,606 | 1,508 | 222 | 216 |
| 33 | Arts, Heritage and the Gaeltacht | 896 | 844 | 1,013 | 955 | 80 | 76 |
| 34 | National Gallery | 49 | 47 | 95 | 90 | – | – |
| 35 | Army Pensions | – | – | – | – | – | – |
| 36 | Defence | 6,326 | 5,991 | 867 | 817 | 1,030 | 987 |
| 37 | Social Protection | 7,297 | 6,659 | 8,116 | 7,412 | 1,764 | 1,675 |
| 38 | Health | 617 | 576 | 668 | 624 | 42 | 40 |
| 39 | Health Service Executive | 64,740 | 55,854 | 76,510 | 66,010 | 23,541 | 20,311 |
| 40 | Children and Youth Affairs | 14,679 | 13,101 | 13,064 | 11,483 | 12,918 | 11,304 |
| 41 | Office of Government Procurement | 90 | 84 | 252 | 237 | 22 | 21 |
| | Houses of the Oireachtas | 668 | 632 | 190 | 147 | 243 | 236 |
| | Total | 334,163 | 307,973 | 361,341 | 334,293 | 133,697 | 123,508 |

Note: a Net pay is the total (gross) pay after deducting the pension related deduction introduced under financial emergency legislation.