

6 Vote Accounting and Budget Management

- 6.1** Dáil Éireann provides money for the services of government departments and offices by
- approving estimates of receipts and expenditure for those services in the course of each year
 - giving statutory effect to the estimates in an annual Appropriation Act.
- 6.2** Expenditure is provided for under 'votes', with one or more covering the functions of each department or office. The first part of the estimate for each vote (referred to as the ambit) provides an outline of the services to be financed. The ambit is incorporated in the annual Appropriation Act and so represents the purposes for which funds have been authorised by Dáil Éireann.
- 6.3** At the end of each financial year, each department and office is required to prepare an account, known as the appropriation account, for each voted service administered by it. The statutory requirement is for the appropriation account to report the outturn for the year compared with the amount provided by Dáil Éireann.
- 6.4** In addition to voted services, some government departments administer statutory funds. Generally, these are funded from sources other than the Central Fund and therefore, that funding is not 'voted' by Dáil Éireann. Examples of such funds and their main income sources are
- Social Insurance Fund (PRSI contributions)
 - Local Government Fund (motor tax and local property tax receipts)
 - National Training Fund (training fund levy receipts and EU grants)
 - Environment Fund (plastic bag and landfill levies).
- 6.5** In presenting estimates and expenditure reports, the Department of Public Expenditure and Reform includes the Social Insurance Fund (€8.5 billion in 2016 estimates) and the National Training Fund (€362 million in 2016 estimates) in total gross expenditure. The Department advises that this is in recognition of the significant expenditure funded by PRSI contributions, the role of the relevant departments in relation to the expenditure incurred by those funds and that, where there is a shortfall in these funds in any financial year, the amount involved may be paid into the funds from moneys provided by Dáil Éireann.

Results of 2016 audits of appropriation accounts

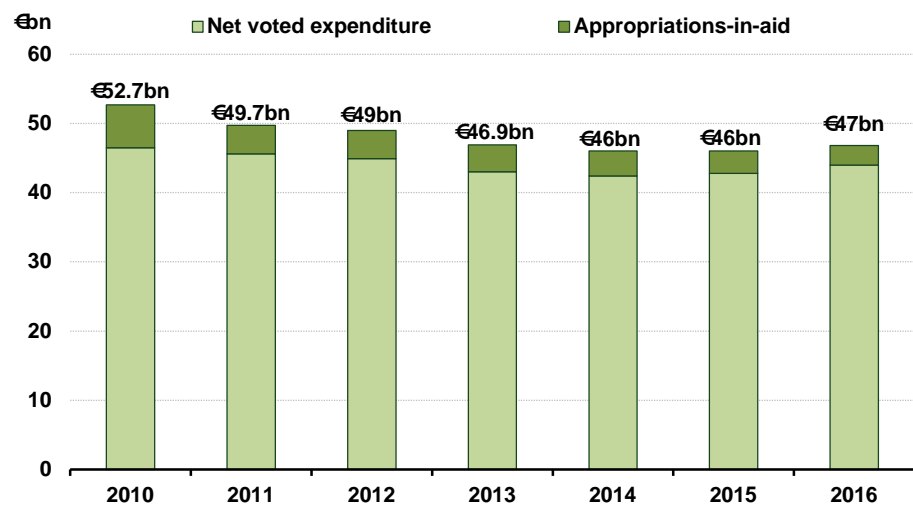
- 6.6** Audits of the 2016 appropriation accounts for all votes have been completed. Each account, together with the related audit report, is being presented to Dáil Éireann with this report.
- 6.7** A summary of the amounts appropriated in 2016 for voted public services is included in Annex 6A (Figure 6A.1). The outturn for the year is also shown, together with the surplus of appropriations over expenditure.

- 6.8** The final amount appropriated for public services in 2016 was €47.5 billion. This comprised supply grants totalling €44.6 billion, capital funding carried over from 2015 totalling €12 million and appropriations-in-aid of €2.8 billion.

Vote outturn

- 6.9** Aggregate expenditure and appropriations-in-aid of all votes for the years 2010 to 2016 are summarised in Figure 6.1. The total amount spent by departments and offices in 2016 was €47 billion. After deduction of realised appropriations-in-aid totalling €3 billion, the net expenditure in the year was €44 billion.

Figure 6.1 Voted expenditure outturn, 2010 to 2016



Source: Reports on the Accounts of the Public Services, 2010 to 2016. Annex 6A

Excess vote — Vote 35 Army Pensions

- 6.10** The Appropriation Act sets a limit on the expenditure of each vote and on the amount of appropriations-in-aid that can be used by the vote. Any receipts in excess of the appropriations-in-aid limit specified cannot be used to fund expenditure and are required to be surrendered to the Exchequer. Expenditure greater than the limit specified in the Appropriation Act requires the approval of Dáil Éireann — this is known as an excess vote. An excess vote can also arise where any shortfall in appropriations-in-aid is not matched by savings in expenditure.
- 6.11** The amount appropriated by the Oireachtas for Vote 35 Army Pensions was €234,690,000. Expenditure incurred was €234,713,299 which was €23,299 in excess of the amount appropriated.
- 6.12** During the audit of the appropriation account for Vote 35, it was noted that €26,464 relating to pension payments made in 2016 on foot of separation or divorce court orders had been charged to a suspense account, and due to an oversight related to work pressure at the year end, were not charged to the Vote until early in 2017. The effect of this was that total expenditure in 2016 was understated by €26,464, and overstated by this amount for 2017. When this transaction was corrected and the amount charged to the 2016 accounts, the total gross expenditure on the Vote exceeds the amount appropriated by the Oireachtas by €23,299. There are surplus appropriations-in-aid of €237,466 which can be applied to meet the excess but this is subject to the specific approval of Dáil Éireann.

6.13 The process in place to deal with pension adjustment orders made by the courts in separation and divorce cases was unnecessarily complex. The Accounting Officer has advised that simpler procedures have been implemented from 1 January 2017. In addition a new system of monthly checks and reconciliations to be conducted during the final quarter of the year has been introduced, to help bolster existing internal controls around the operation of suspense accounts. He states that these checks should help highlight potential issues, if any, in a timely manner and allow for any necessary action to be taken.

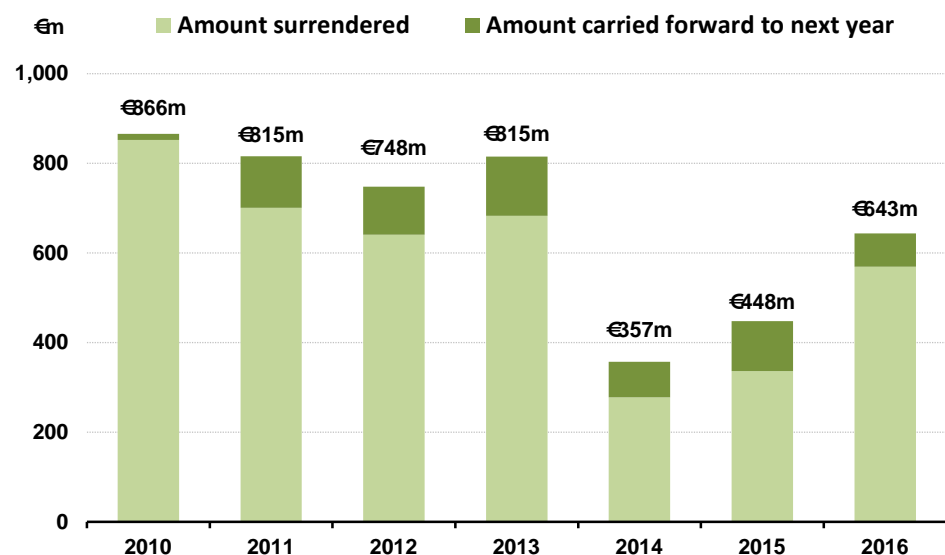
6.14 *Public Financial Procedures* set out the process to be followed where an excess vote arises

- The Comptroller and Auditor General reports the excess to the Dáil through the Committee of Public Accounts (PAC).
- If satisfied, the PAC issues a report to the effect that it sees no objection to the excess sum being sanctioned by the Dáil by means of an excess vote.
- The Minister for Public Expenditure and Reform decides whether an excess vote should be put to the Dáil. Where this course is acceptable to the Minister, he presents a statement of excess to Dáil Éireann for approval.

Surpluses

6.15 The 2016 surpluses amounted to €643 million (see Figure 6.2). Of that amount, a total of €74 million was approved for carry over to 2017. The balance of €569 million was due for surrender. The sums liable for surrender or carried over to 2017 for each vote are shown in Annex 6A (Figure 6A.2).

Figure 6.2 Surplus appropriations, 2010 to 2016



Source: Reports on the Accounts of the Public Service, 2010 to 2016, Annex 6A

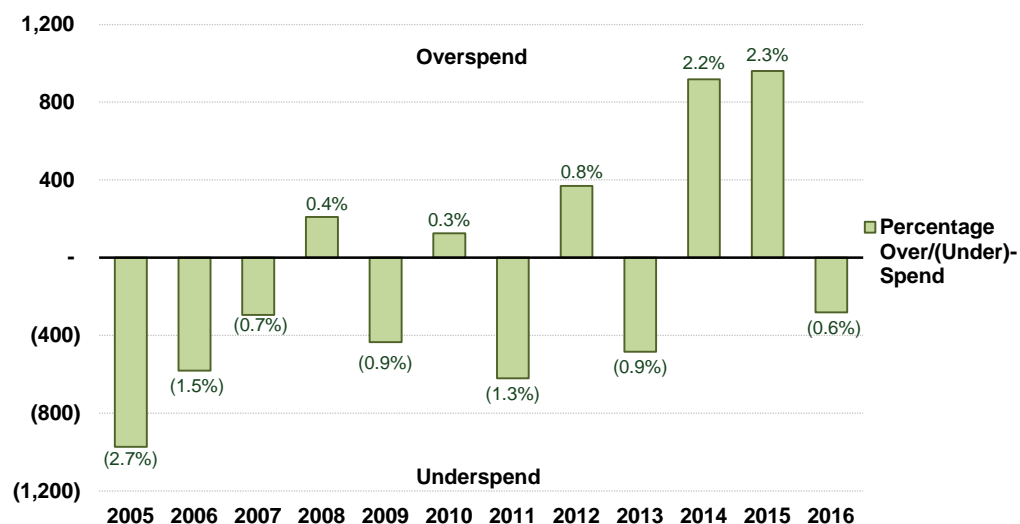
Exchequer extra receipts

- 6.16 Certain sums collected by departments and offices are directed by the Department of Public Expenditure and Reform to be credited to the Exchequer, and not treated as appropriations-in-aid. This includes court fine receipts and Property Registration Authority fee receipts. Windfall receipts are also usually brought to account in this way, including proceeds of significant sales of property, receipts on foot of surplus income or profits of State companies, interest, dividends or capital repayments, compensation payments and voluntary surrender of salary.
- 6.17 Where Exchequer extra receipts arose in 2016, the amounts are shown in notes to the relevant appropriation accounts. The total Exchequer extra receipts recorded by departments and offices in 2016 was €133 million (2015: €157m). The aggregate amount of those receipts reported in each account is set out in Annex 6A (Figure 6A.3).

Budget variance

- 6.18 The original estimate amount approved represents the forecast of the amount required to meet the cost of the services to be provided from each vote. The budget variance is therefore the difference between the original estimate of net expenditure and the actual outturn in a year.¹ Figure 6.3 sets out the budget variance for all votes combined, for the years 2005 to 2016.

Figure 6.3 Net expenditure variance from original budget, all votes, 2005 to 2016



Source: Analysis by the Office of the Comptroller and Auditor General

¹ There is a statutory provision for unspent capital allocations to be carried over to the following year for use for the same purpose, with Department of Public Expenditure and Reform agreement. In this report, such carryover amounts are treated as part of the annual departmental appropriations.

- 6.19 Between 2005 and 2007, net voted expenditure was less than originally estimated each year. Since 2008, there has not been a consistent pattern of variances. In 2016, net expenditure was €244 million less than the original forecast.

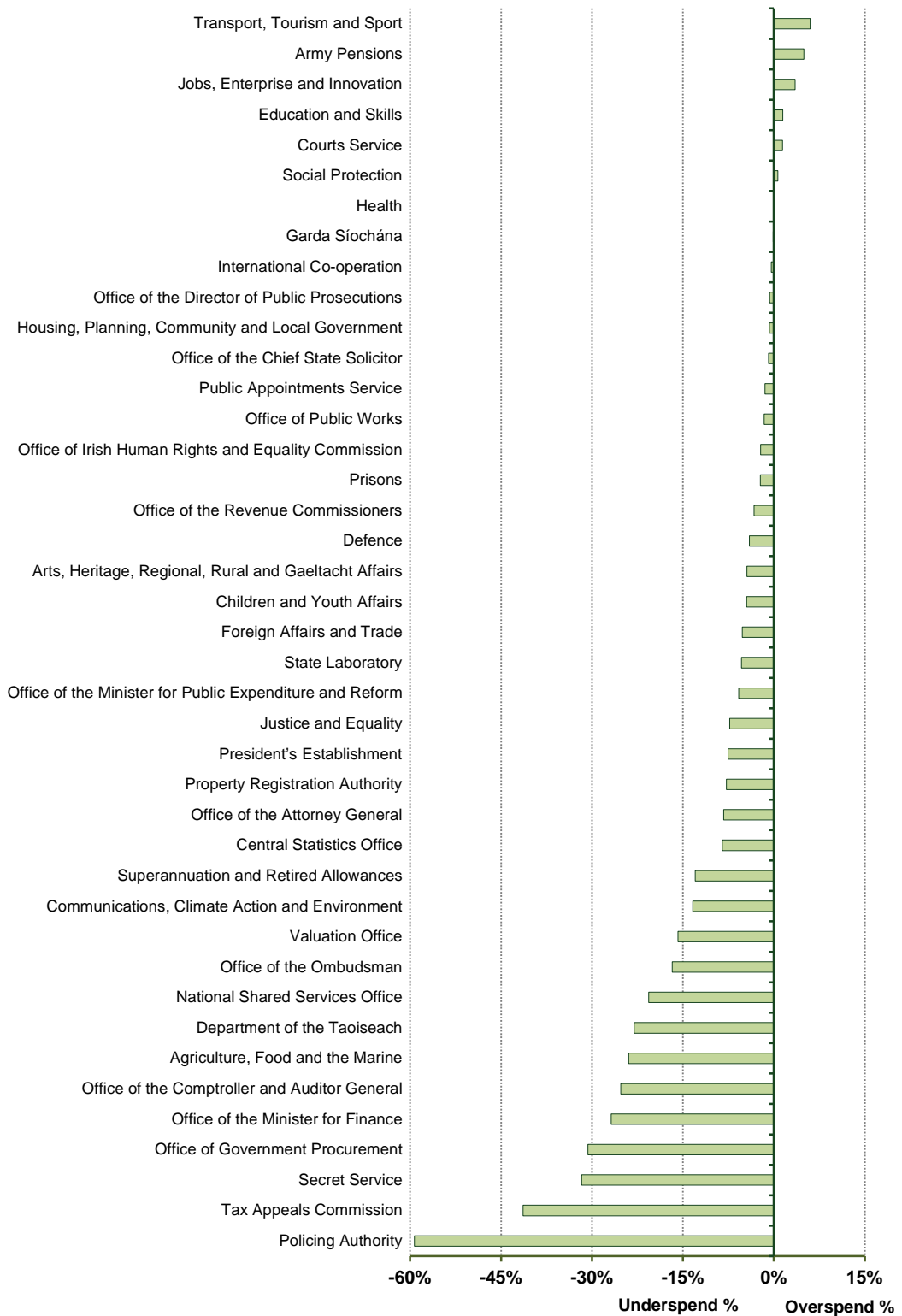
Budget variance by Vote

6.20 The three votes with the largest monetary net variance in 2016 were Agriculture, Food and the Marine (€253 million less than the original estimate), Education and Skills (€121 million more than the original estimate) and Transport, Tourism and Sport (€82 million more than the original estimate).

6.21 Figure 6.4 sets out, for each vote, the proportionate variance between actual net expenditure and the original estimate in 2016.

- There were six votes where the net expenditure outturn was greater than the original estimate. Transport, Tourism and Sport, at 6%, had the largest percentage overspend compared with its original estimate.
- The remaining 35 votes incurred net expenditure less than originally anticipated in the revised estimates.

Figure 6.4 Net expenditure variance by vote, as a proportion of the original budget, 2016



Source: Analysis by the Office of the Comptroller and Auditor General

Supplementary estimates

- 6.22** When the Dáil approves a vote estimate, it does so at the aggregate level. Departments are allowed some scope to manage budgets by moving allocations between programmes and subheads, but only if the Department of Public Expenditure and Reform agrees. This reallocation process is referred to as virement.
- 6.23** If large adjustments to the budgets for programmes or subheads are required as the year progresses, formal approval must be sought from the Dáil. This is done through the 'supplementary estimate' process. This process may also be used, if required, to increase the cash limit for a vote for the year. Details of supplementary estimates requested are discussed at the relevant Dáil committees before approval is sought from the Dáil itself.
- 6.24** In 2016, seven votes required substantive supplementary estimates to increase the overall amount available (see Figure 6.5). These included two votes — Garda Síochána and Army Pensions — which have required substantive supplementary estimates each year since 2010.

Figure 6.5 Votes with supplementary estimates, 2010 to 2016^a

	2010	2011	2012	2013	2014	2015	2016
Health ^b	●	●	●	●	●	●	
Garda Síochána	●	●	●	●	●	●	●
Army Pensions	●	●	●	●	●	●	●
Transport, Tourism and Sport	○		●	●	●	●	●
Social Protection	●		●			●	●
Jobs, Enterprise and Innovation	○	○	○		○	●	●
Superannuation and Retired Allowances			●		●	●	
Education and Skills	○				●	●	●
Agriculture, Food and the Marine					●	●	○
Public Appointments Service					●	●	
Prisons					●	●	
Children and Youth Affairs					○	●	
Office of the Chief State Solicitor						●	
Environment, Community and Local Government	○	○	○		●		
Courts Service	○	●	●		○		●
Arts, Heritage and the Gaeltacht	●				○		
Department of the Taoiseach					●		
Foreign Affairs and Trade	●						○
Justice and Equality	○	○		○			
Shared Services				○		○	
Communications, Climate Action and the Environment						○	
Office of the Minister for Finance						○	
Defence					○		○
Public Expenditure and Reform		○					

Source: Analysis by the Office of the Comptroller and Auditor General

- Notes:
- Indicates an increase in the net expenditure estimate i.e. a substantive supplementary estimate.
 - Indicates that the increase in net expenditure was a token €1,000 i.e. a technical supplementary estimate.
 - a Vote titles are as per the 2016 Revised Estimates for Public Services. For some votes, different titles may have applied in earlier years in which a supplementary estimate was approved.
 - b From 2015, the HSE was no longer a separate vote. Since then, Exchequer funding is provided to it through grants from the Health Vote. Between 2010 and 2014, the HSE Vote required substantive supplementary estimates, and in 2015 the Health Vote required a substantive supplementary estimate.

Annex 6A Vote financial outturn

Dáil Éireann provides money for the ordinary services of government departments and offices by approving estimates of the amounts required for those services in the course of each year, and giving statutory effect to those estimates in the annual Appropriation Act. The expenditure is provided for under a series of 'votes'. By law, an appropriation account must be produced for each vote. The account must provide details of the outturn for the year against the amount provided by Dáil Éireann.

Figure 6A.1 provides a summary of the outturn on expenditure and receipts relative to the amounts appropriated for public services in 2016.

Figure 6A.2 shows how surplus appropriations in 2016 were applied — either through deferral of expenditure to 2017, or by surrender to the Exchequer.

Figure 6A.3 shows exchequer extra receipts realised.

Explanations of some of the terms used in the tables are given below.

Supply grant	The money granted (or voted) by Dáil Éireann for each of the public services.
Deferred from 2015	Amount of capital funding not spent in 2015 and carried over for expenditure on capital services in 2016. The carry over of these sums was approved by Dáil Éireann in the Appropriation Act 2015.
Appropriations-in-aid	Departmental receipts which, with the agreement of Dáil Éireann, may be retained to defray the expenses of the vote to which they relate.
Total appropriations	Sum of the supply grant, deferred 2015 capital moneys (if any) and appropriations-in-aid.
Surplus for the year	The excess of total appropriations by Dáil Éireann over the gross expenditure together with any surplus on appropriations-in-aid. The surplus for the year is liable for surrender back to the Exchequer.
Deferred surrender	Amount of capital funding not spent in 2016 which was carried over for expenditure in 2017. These carry overs were approved by Dáil Éireann in the Appropriation Act 2016.
Surplus to be surrendered	Amount of money appropriated in 2016 but not spent in the year or deferred to 2017, and so required to be surrendered to the Exchequer.
Exchequer extra receipts	Departmental receipts that are not appropriated-in-aid of the vote, but are paid directly into the Exchequer.

Figure 6A.1 Summary of appropriations for public services in 2016, by vote

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2015	Appropriations -in-aid	Total	Gross expenditure	Appropriations -in-aid	Net expenditure	Gross surplus (deficit)	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
1	President's Establishment	3,811	—	106	3,917	3,608	84	3,524	309	(22)	287
2	Department of the Taoiseach	29,350	—	870	30,220	23,348	763	22,585	6,872	(107)	6,765
3	Office of the Attorney General	14,695	—	788	15,483	14,221	743	13,478	1,262	(45)	1,217
4	Central Statistics Office	82,081	—	1,435	83,516	76,557	1,442	75,115	6,959	7	6,966
5	Office of the Director of Public Prosecutions	38,886	—	975	39,861	39,417	791	38,626	444	(184)	260
6	Office of the Chief State Solicitor	29,148	—	1,860	31,008	30,004	1,114	28,890	1,004	(746)	258
7	Office of the Minister for Finance	39,479	115	1,400	40,994	31,238	2,271	28,967	9,756	871	10,627
8	Office of the Comptroller and Auditor General	6,761	—	5,759	12,520	11,567	6,514	5,053	953	755	1,708
9	Office of the Revenue Commissioners	331,113	2,000	69,487	402,600	397,003	74,696	322,307	5,597	5,209	10,806
10	Tax Appeals Commission	1,440	—	60	1,500	890	46	844	610	(14)	596
11	Office of the Minister for Public Expenditure and Reform	43,748	—	2,165	45,913	43,188	1,965	41,223	2,725	(200)	2,525
12	Superannuation and Retired Allowances	391,880	—	135,000	526,880	499,500	158,403	341,097	27,380	23,403	50,783
13	Office of Public Works	357,548	7,000	26,978	391,526	391,487	32,685	358,802	39	5,707	5,746
14	State Laboratory	8,450	—	790	9,240	8,882	883	7,999	358	93	451
15	Secret Service	1,000	—	—	1,000	683	—	683	317	—	317
16	Valuation Office	9,491	—	1,150	10,641	9,129	1,139	7,990	1,512	(11)	1,501
17	Public Appointments Service	9,398	—	252	9,650	9,537	275	9,262	113	23	136
18	National Shared Services Office	37,910	1,248	4,780	43,938	36,405	5,338	31,067	7,533	558	8,091
19	Office of the Ombudsman	9,738	—	402	10,140	8,408	302	8,106	1,732	(100)	1,632
20	Garda Síochána	1,451,548	6,644	123,476	1,581,668	1,570,562	123,894	1,446,668	11,106	418	11,524

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2015	Appropriations -in-aid	Total	Gross expenditure	Appropriations -in-aid	Net expenditure	Gross surplus (deficit)	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
21	Prisons	318,651	—	13,407	332,058	325,041	13,440	311,601	7,017	33	7,050
22	Courts Service	65,669	—	47,503	113,172	112,365	47,780	64,585	807	277	1,084
23	Property Registration Authority	30,434	—	610	31,044	28,799	750	28,049	2,245	140	2,385
24	Justice and Equality	350,416	—	60,879	411,295	389,842	64,949	324,893	21,453	4,070	25,523
25	Irish Human Rights and Equality Commission	6,190	—	116	6,306	6,208	153	6,055	98	37	135
26	Education and Skills	8,340,653	—	487,309	8,827,962	8,813,454	487,448	8,326,006	14,508	139	14,647
27	International Co-operation	485,281	—	1,150	486,431	484,822	1,518	483,304	1,609	368	1,977
28	Foreign Affairs and Trade	166,759	475	50,253	217,487	215,424	56,903	158,521	2,063	6,650	8,714
29	Communications, Climate Action and Environment	228,486	14,328	237,998	480,812	438,895	228,535	210,360	41,917	(9,463)	32,454
30	Agriculture, Food and the Marine	1,044,661	12,000	306,441	1,363,102	1,257,012	453,147	803,865	106,090	146,706	252,796
31	Transport, Tourism and Sport	1,450,259	16,100	383,326	1,849,685	1,836,107	383,627	1,452,480	13,578	301	13,879
32	Jobs, Enterprise and Innovation	788,325	10,000	47,148	845,473	842,959	52,680	790,279	2,514	5,532	8,046
33	Arts, Heritage, Regional, Rural and Gaeltacht Affairs	370,040	6,158	12,609	388,807	368,150	8,620	359,530	20,657	(3,989)	16,668
34	Housing, Planning, Community and Local Government	1,357,441	32,000	26,464	1,415,905	1,399,026	19,863	1,379,163	16,879	(6,601)	10,277
35	Army Pensions	229,490	—	5,200	234,690	234,713	5,437	229,276	(23)	237	214 ^b
36	Defence	656,616	—	25,155	681,771	670,725	40,667	630,058	11,046	15,512	26,558
37	Social Protection	10,981,429	—	263,960	11,245,389	11,215,323	272,843	10,942,480	30,066	8,883	38,949
38	Health	13,649,033	—	460,221	14,109,254	14,107,220	460,408	13,646,812	2,034	187	2,221
39	Office of Government Procurement	19,982	200	500	20,682	14,424	429	13,995	6,258	(71)	6,187
40	Children and Youth Affairs	1,113,026	3,500	25,450	1,141,976	1,088,428	22,007	1,066,421	53,548	(3,443)	50,105
41	Policing Authority	2,640	—	60	2,700	1,106	31	1,075	1,594	(29)	1,565
Total		44,552,956	111,768	2,833,492	47,498,216	47,055,677	3,034,583	44,021,094	442,539	201,091	643,630

Source: 2016 Appropriation Accounts. Any apparent differences in totals are due to rounding.

Note: a The net surplus is comprised of the excess of total appropriations by Dáil Éireann over the gross expenditure together with the excess/deficit on appropriations-in-aid.

b The net surplus shown for Vote 35 Army Pensions is subject to Dáil Éireann approving the application of surplus appropriations-in-aid to meet the excess expenditure.

Figure 6A.2 Application of surplus 2016 appropriations, by vote

Vote	Service	Surplus for the year	Deferred surrender (for 2016)	Surplus for surrender
		€000	€000	€000
1	President's Establishment	287	—	287
2	Department of the Taoiseach	6,765	—	6,765
3	Office of the Attorney General	1,217	—	1,217
4	Central Statistics Office	6,966	—	6,966
5	Office of the Director of Public Prosecutions	260	—	260
6	Office of the Chief State Solicitor	258	—	258
7	Office of the Minister for Finance	10,627	227	10,400
8	Office of the Comptroller and Auditor General	1,708	—	1,708
9	Office of the Revenue Commissioners	10,806	2,000	8,806
10	Tax Appeals Commission	596	—	596
11	Office of the Minister for Public Expenditure and Reform	2,525	—	2,525
12	Superannuation and Retired Allowances	50,783	—	50,783
13	Office of Public Works	5,746	—	5,746
14	State Laboratory	451	—	451
15	Secret Service	317	—	317
16	Valuation Office	1,501	—	1,501
17	Public Appointments Service	136	—	136
18	National Shared Services Office	8,091	—	8,091
19	Office of the Ombudsman	1,632	—	1,632
20	Garda Síochána	11,524	9,344	2,180

Figure 6A.3 Exchequer extra receipts 2016, by vote

Vote	Service	Extra receipts realised
		€000
1	President's Establishment	—
2	Department of the Taoiseach	—
3	Office of the Attorney General	—
4	Central Statistics Office	—
5	Office of the Director of Public Prosecutions	23
6	Office of the Chief State Solicitor	10
7	Office of the Minister for Finance	3
8	Office of the Comptroller and Auditor General	—
9	Office of the Revenue Commissioners	1,207
10	Tax Appeals Commission	—
11	Office of the Minister for Public Expenditure and Reform	1
12	Superannuation and Retired Allowances	—
13	Office of Public Works	—
14	State Laboratory	—
15	Secret Service	—
16	Valuation Office	—
17	Public Appointments Service	—
18	National Shared Services Office	—
19	Office of the Ombudsman	—
20	Garda Síochána	3,650

Vote	Service	Surplus for the year	Deferred surrender (for 2015)	Surplus for surrender
		€000	€000	€000
21	Prisons	7,050	2,833	4,217
22	Courts Service	1,084	—	1,084
23	Property Registration Authority	2,385	—	2,385
24	Justice and Equality	25,523	—	25,523
25	Irish Human Rights and Equality Commission	135	—	135
26	Education and Skills	14,647	—	14,647
27	International Co-operation	1,977	—	1,977
28	Foreign Affairs and Trade	8,714	—	8,714
29	Communications, Climate Action and the Environment	32,454	12,128	20,326
30	Agriculture, Food and the Marine	252,796	21,700	231,096
31	Transport, Tourism and Sport	13,879	10,969	2,910
32	Jobs, Enterprise and Innovation	8,046	—	8,046
33	Arts, Heritage, Regional, Rural and Gaeltacht Affairs	16,668	13,548	3,120
34	Housing, Planning, Community and Local Government	10,277	—	10,277
35	Army Pensions	214	—	214 ^a
36	Defence	26,558	—	26,558
37	Social Protection	38,949	—	38,949
38	Health	2,221	—	2,221
39	Office of Government Procurement	6,187	110	6,077
40	Children and Youth Affairs	50,105	1,640	48,465
41	Policing Authority	1,565	—	1,565
Total		643,630	74,499	569,131

Source: 2016 Appropriation Accounts

Note: a The surplus for surrender shown for Vote 35 Army Pensions is subject to Dáil Éireann approving the application of surplus appropriations-in-aid to meet the excess expenditure.

Vote	Service	Extra receipts realised
		€000
21	Prisons	—
22	Courts Service	9,339
23	Property Registration Authority	58,428
24	Justice and Equality	1
25	Irish Human Rights and Equality Commission	—
26	Education and Skills	1,401
27	International Co-operation	—
28	Foreign Affairs and Trade	—
29	Communications, Climate Action and the Environment	39,066
30	Agriculture, Food and the Marine	11,786
31	Transport, Tourism and Sport	1,112
32	Jobs, Enterprise and Innovation	522
33	Arts, Heritage, Regional, Rural and Gaeltacht Affairs	4
34	Housing, Planning, Community and Local Government	2,193
35	Army Pensions	—
36	Defence	1,894
37	Social Protection	38
38	Health	—
39	Office of Government Procurement	37
40	Children and Youth Affairs	2,419
41	Policing Authority	—
Total		133,134

Source: 2016 Appropriation Accounts

