

Appropriation Account 2018

Vote 16

Valuation Office

Introduction

As Accounting Officer for Vote 16, 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 2018 for the salaries and expenses of the Valuation Office and certain minor services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.311 million is liable for surrender to the Exchequer.

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, as set out by the Department of Public Expenditure and Reform in Circular 24 of 2018, have been applied in the preparation of the account.

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 Valuation 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.

Shared services

Human resource functions are provided on a shared services basis by the National Shared Service Office (Vote 18). The payroll function transferred to the National Shared Service Office in June 2017. The CEO of the Shared Services Vote is Accounting Officer for Vote 18, and is responsible for the operation of controls within the shared service centres.

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Service Office for the provision of human resource and payroll shared services.

I rely on a letter of assurance from the CEO of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Office.

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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

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 Valuation 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 in operation
- the Valuation Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal audit and audit committee

I confirm that the Valuation 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 Valuation 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.

Risk and control framework

The Valuation Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Valuation Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2018 that resulted in, or may result in, a material loss.

John O'Sullivan
Accounting Officer
Valuation Office

28 March 2019

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Valuation Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 16 Valuation Office for the year ended 31 December 2018 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 16 Valuation Office for the year ended 31 December 2018
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Valuation Office and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

19 September 2019

Vote 16 Valuation Office

Appropriation Account 2018

	Estimate provision	2018 Outturn	2017 Outturn
	€000	€000	€000
Programme expenditure			
A Provision of a State valuation service	10,488	9,248	9,107
B Administration services for the Valuation Tribunal	1,099	669	581
Gross expenditure	11,587	9,917	9,688
<i>Deduct</i>			
C Appropriations-in-aid	1,147	1,788	1,307
Net expenditure	10,440	8,129	8,381

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2018	2017
	€	€
Surplus to be surrendered	2,310,642	1,857,762

John O'Sullivan
Accounting Officer
Valuation Office

28 March 2019

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2018

	Note	2018	2017
		€000	€000
Programme cost		558	1,277
Pay		7,289	6,725
Non pay		2,070	1,686
Gross expenditure		9,917	9,688
<i>Deduct</i>			
Appropriations-in-aid		1,788	1,307
Net expenditure		8,129	8,381
Changes in capital assets			
Purchases cash	2.2	(110)	
Depreciation	2.2	183	
		73	135
Changes in net current assets			
Increase in closing accruals		12	
Decrease in stock		20	
		32	136
Direct expenditure		8,234	8,652
Net allied services expenditure	1.1	5,832	4,648
Net programme cost		14,066	13,300

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 16 borne elsewhere.

	2018	2017
	€000	€000
Vote 12 Superannuation and Retired Allowances	4,008	3,818
Vote 13 Office of Public Works	1,811	821
Vote 18 National Shared Services Office	13	9
	5,832	4,648

Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
Capital assets	2.2	249	322
Current assets			
Bank and cash	2.3	123	191
Stocks		20	40
Prepayments		70	43
Accrued income		89	108
Other debit balances	2.4	93	10
Net Exchequer funding due	2.6	8	(38)
Total current assets		<u>403</u>	<u>354</u>
Less current liabilities			
Accrued expenses		182	133
Deferred income		186	215
Other credit balances	2.5	<u>224</u>	<u>163</u>
Total current liabilities		<u>592</u>	<u>511</u>
Net current liabilities		<u>(189)</u>	<u>(157)</u>
Net assets		<u>60</u>	<u>165</u>
Represented by:			
State funding account	2.1	<u>60</u>	<u>165</u>

2.1 State funding account

	Note	2018 €000	2017 €000
Balance at 1 January		165	436
Disbursements from the Vote			
Estimate provision	Account	10,440	
Surplus to be surrendered	Account	<u>(2,311)</u>	
Net vote		8,129	8,381
Expenditure (cash) borne elsewhere	1.1	5,832	4,648
Net programme cost	1	<u>(14,066)</u>	<u>(13,300)</u>
Balance at 31 December		<u>60</u>	<u>165</u>

2.2 Capital assets

	Office & IT Equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2018	1,729	1,129	2,858
Additions	91	19	110
Disposals	(133)	(18)	(151)
Cost or valuation at 31 December 2018	1,687	1,130	2,817
Accumulated depreciation			
Opening balance at 1 January 2018	1,468	1,068	2,536
Depreciation for the year	169	14	183
Depreciation on disposals	(133)	(18)	(151)
Cumulative depreciation at 31 December 2018	1,504	1,064	2,568
Net assets at 31 December 2018	183	66	249
Net assets at 31 December 2017	261	61	322

2.3 Bank and cash

at 31 December	2018	2017
	€000	€000
PMG balances	9	12
Other bank account balances	114	179
	123	191

2.4 Other debit balances

at 31 December	2018	2017
	€000	€000
Recoupable travel pass scheme	88	8
Other debit balance suspense items	5	2
	93	10

2.5 Other credit balances

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income Tax	128	101
Pay Related Social Insurance	67	54
Value Added Tax	2	1
Professional Services Withholding Tax	7	4
	<u>204</u>	<u>160</u>
Miscellaneous liabilities	20	3
	<u>224</u>	<u>163</u>

2.6 Net Exchequer funding due

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	2,311	1,858
Exchequer grant undrawn	(2,319)	(1,820)
Net Exchequer funding due	<u>(8)</u>	<u>38</u>
Represented by:		
Debtors		
Bank and cash	123	191
Debit balances: suspense	93	10
	<u>216</u>	<u>201</u>
Creditors		
Due to State	(204)	(160)
Credit balances: suspense	(20)	(3)
	<u>(224)</u>	<u>(163)</u>
	<u>(8)</u>	<u>38</u>

2.7 Commitments

at 31 December	2018	2017
	€000	€000
Total of legally enforceable commitments	<u>494</u>	<u>696</u>

Note 3 Vote Expenditure

Analysis of administration expenditure

	Estimate provision €000	2018	2017
		Outturn	Outturn
		€000	€000
i Salaries, wages and allowances	8,505	7,289	6,725
ii Travel and subsistence	271	259	222
iii Training and development and incidental expenses	885	883	515
iv Postal and telecommunications services	105	136	131
v Office equipment and external IT services	527	630	639
vi Office premises expenses	161	112	97
vii Consultancy services; value for money and policy reviews	60	50	82
	10,514	9,359	8,411

Significant variations

Administration expenditure has been apportioned across the programmes, to present complete programme costings. The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €8.505 million, outturn €7.289 million

The expenditure in relation to salaries, wages and allowances showed an underspend of €1.216 million due to higher than estimated rate of retirements and also to lower than expected uptake of advertised professional posts.

Programme A Provision of a State valuation service

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	8,116	7,108	6,482
A.2	Administration – non-pay	1,299	1,582	1,348
A.3	Fees to counsel and other legal expenses	73	5	1
A.4	National revaluation projects	1,000	553	1,276
		10,488	9,248	9,107

Significant variations

Overall the expenditure in relation to Programme A was €1.24 million lower than originally provided. €725,000 of this related to administration expenditure and has already been explained.

A4 National revaluation projects

Estimate provision €1 million, outturn €553,000

Overall, A.4 showed an outturn €447,000 lower than originally provided for. Expenditure for 2018 related to the final payments for an outsourcing project and were less than anticipated due to a pro-rata reduction in the overall cost. This was as a result of a lower than estimated number of cases to be valued within the project.

Programme B Administration services for the Valuation Tribunal

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	389	181	243
B.2	Administration – non-pay	710	488	338
		1,099	669	581

Significant variations

Overall the expenditure in relation to Programme B was €430,000 lower than originally provided.

B.1 Administration – pay

Estimate provision €389,000, outturn €181,000

The expenditure in relation to administration pay shows an outturn of €208,000 lower than originally provided for. The under spend arose due to there being fewer than anticipated staff resources allocated to this programme due to a corresponding reduction from the expected number of Appeal cases to be processed during the year.

B2 Administration – non pay

Estimate provision €710,000, outturn €488,000

The expenditure in relation to administration – non pay shows an outturn €222,000 lower than originally provided for. The reduction related directly to the reduced number of appeal cases processed.

Note 4 Receipts

4.1 Appropriations-in-aid

	2018		2017
	Estimated	Realised	Realised
	€000	€000	€000
1. Valuation Tribunal appeal fees	60	53	296
2. Valuation certificates	120	107	91
3. Valuation revision fees	600	1,286	613
4. Fees from appeals to the Commissioner	—	—	—
5. Miscellaneous receipts	65	44	31
6. Receipts from pension related deduction on public service remuneration	302	298	276
Total	1,147	1,788	1,307

Significant variations

Overall appropriations-in-aid were €641,000 more than estimate.

3 Valuation revision fees

Estimate provision €600,000, outturn €1.286 million

The valuation revision fee receipts were €686,000 greater than originally provided for. Having recruited additional staff during 2017 and 2018, there was a concentration of effort on processing the revision cases on hand. As revisions are subject to a fee, the activity generated receipts significantly greater than anticipated income.

Note 5 Staffing and Remuneration

5.1 Employee numbers (full time equivalents)

	2018	2017
Number of staff at year end	130	124

5.2 Pay

	2018	2017
	€000	€000
Pay	6,649	6,173
Higher, special or additional duties allowance	103	78
Other allowances	9	14
Overtime	10	12
Employer's PRSI	518	448
Total pay	7,289	6,725

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
Higher, special or additional duties	22	1	11,605	8,274
Other allowances	3	—	4,693	4,693
Overtime	11	—	5,638	4,852
Extra remuneration in more than one category	17	2	11,605	9,545

5.4 Other remuneration arrangements

€50,345 in total was paid to five retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 apply to these fees.

Note 6 Miscellaneous

6.1 Merger

As part of a programme of rationalisation of State bodies, a Government decision was made on 31 October 2012 to merge the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority. The new organisation arising from the merger will be known as Tailte Éireann. The establishment of the new entity requires primary legislation. The Tailte Éireann Bill to provide for the merger is being finalised.

Responsibility for the Valuation Office, Ordnance Survey Ireland and the Property Registration Authority transferred to the Department of Housing Planning and Local Government from the Department of Justice and Equality on 1 January 2018, as did responsibility for the establishment of Tailte Éireann.

The Chief Executive Designate for Tailte Éireann, who was appointed on 1 July 2013, has been working towards the development of a detailed plan for the establishment of the new entity. He will continue to work with the Registrar of Deeds and Titles, the Chief Survey Officer and other members of the Programme Board on the planning and design of the necessary infrastructure for the new organisation. DHPLG are providing guidance and support to the Programme Board in relation to the required legislation and other issues relevant to the merger.

The Valuation Office will continue to provide every support in bringing about the establishment of Tailte Éireann.

When established, Tailte Éireann will be responsible for providing the authoritative property registration system, national mapping and surveying infrastructure and property valuation service for the State. As such, it will be the primary national source of property information and geo-spatial data and will be a leader in the development and delivery of land information services.