

**Appropriation Account 2018**

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**Vote 28**

**Foreign Affairs and Trade**

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## Introduction

As Accounting Officer for Vote 28, 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 Office of the Minister for Foreign Affairs and Trade, and for certain services administered by that Office, including grants and contributions to international organisations.

The expenditure outturn is compared with the sum 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 €30.517 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 have been applied in the preparation of the account except for the following:

### ***Capital assets***

The carrying value of land and buildings included in capital assets are based on a valuations conducted in 2005 as adjusted by

- improvements to land and buildings since 2005 which are reflected at cost
- land and buildings acquired since 2005 are also reflected at cost
- three mission properties are included on the basis of valuations conducted in 2011.

### ***Depreciation***

Vehicles are depreciated on straight line basis at a rate of 20% per annum.

### ***Foreign exchange transactions***

Transactions arising in foreign currencies are translated into Euro at the market rate of exchange prevailing at the beginning of each month. Foreign exchange transactions completed by Headquarters are recorded at the rate at date of settlement of the transaction.

### ***Accruals, prepayments, commitments and stocks at diplomatic missions***

Accruals, prepayments, commitments and stocks do not include amounts in respect of the Department's diplomatic missions other than those relating to property rental.

## **Statement on Internal Financial Control**

### ***Responsibility for the 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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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 control 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.
- 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, 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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

***Non-compliance with procurement rules***

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with all relevant procurement guidelines. Twenty-four contracts, with a value of €5,294,483, have been included in the circular 40/02 return as they exceed the reporting threshold of €25,000 and were awarded (inter alia) without a competitive process, as follows

- Ten contracts with a value of €2,343,299 are considered non-competitive and non-compliant. These contracts were extended beyond the original contract date without a new competitive process.
- Fourteen contracts with a value of €2,951,184 are considered non-competitive but compliant. These contracts were not tendered as nine related to provision of proprietary ICT services (€2,549,459) and five related to situations where there was a single suitable supplier available (€401,725). These contracts will be reviewed by my Department's procurement team during 2019.

***Capital assets***

Over recent audits the Office of the Comptroller and Auditor General has commented on weaknesses in the Department's fixed asset register. The Department initiated and completed a review of its fixed asset registers during 2018 and four mission fixed asset registers were reviewed and updated. This review focused on the quality of the information maintained in the fixed asset register, the elimination of fully depreciated assets no longer in use, the removal of items incorrectly classified as fixed assets and reconciling the registers to the Department's trial balance. This review resulted in fully depreciated equipment, furniture and fittings assets, with an original cost of €2.4 million, being disposed of during 2018. This is reflected in disposals in Note 2.2.

During 2019 a full review of all the Department's remaining fixed asset registers commenced. This review is using the lessons learned from the 2018 review to update and enhance the information recorded in the fixed asset registers. It is intended to complete this full review during 2019 and reflect any adjustments in the 2019 appropriation account.

There are fully depreciated assets, with an original cost of €61.5 million, recognised in the statement of financial position that are not recorded in the asset register as they had a nil net book value when the fixed asset register was first established (see Note 2.2). These fully depreciated assets are included in this 2019 review of the fixed asset registers and may result in their removal from the statement of financial position or being added to a fixed asset register to facilitate tracking in the future.

***Internal audit and audit committee***

I confirm that the Department 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 Department is exposed and its annual internal audit plan, approved by me, is based on this analysis. The annual plans aims 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

***Shared services***

I have fulfilled my responsibilities in relation to the requirements of the Service Level Agreement between this Department and the National Shared Service Office for the provision of payroll and human resource functions.

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

***Risk and control framework***

The Department 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 Department and these have been identified, evaluated and graded according to their significance. The register is reviewed by the Management Board at least four times a year. These reviews inform planning and allocation of resources to ensure risks are managed to an acceptable residual level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff. Evaluation and Audit Unit also carries out periodic reviews of the Department's risk management system as part of its multi-annual internal audit plan.

***Ongoing monitoring and review of internal controls***

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

***Review of effectiveness***

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department'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 controls were identified in relation to 2018 that resulted in, or may result in, a material loss.

**Niall Burgess**  
Accounting Officer  
Department of Foreign Affairs and Trade

20 September 2019

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 28 Foreign Affairs and Trade**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 28 Foreign Affairs and Trade 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 28 Foreign Affairs and Trade 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 Department of Foreign Affairs and Trade 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*.

##### ***Non-compliance with procurement rules***

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2018.

**Seamus McCarthy**  
Comptroller and Auditor General

23 September 2019

## Vote 28 Foreign Affairs and Trade

### Appropriation Account 2018

		2018	2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A	To serve our people at home and abroad and to promote reconciliation and co-operation (“Our People”)	78,883	77,998
B	Protect and advance our values and interests in Europe (“Our Place in Europe”)	27,346	26,556
C	To work for a more just, secure and sustainable world (“Our Values”)	51,598	42,515
D	Promote our economic interests internationally (“Our Prosperity”)	34,139	32,657
E	Strengthen our capacity to deliver our goals (“Our Influence”)	46,175	48,340
	<b>Gross expenditure</b>	<b>238,141</b>	<b>228,066</b>
	<i>Deduct</i>		
F	<b>Appropriations-in-aid</b>	<b>45,243</b>	<b>65,685</b>
	<b>Net expenditure</b>	<b>192,898</b>	<b>159,036</b>

#### 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	30,517,006	24,490,495

#### Niall Burgess

Accounting Officer  
Department of Foreign Affairs and Trade

20 September 2019

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2018

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Programme cost	51,956	55,513
Pay	91,420	85,834
Non pay	84,690	80,911
<b>Gross expenditure</b>	<b>228,066</b>	<b>222,258</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>65,685</b>	<b>63,222</b>
<b>Net expenditure</b>	<b>162,381</b>	<b>159,036</b>
<b>Changes in capital assets</b>		
Purchases cash	(9,493)	
Disposal cash	57	
Profit on disposal	(47)	
Depreciation	4,469	
	(5,014)	(5,358)
<b>Changes in net current assets</b>		
Increase in closing accruals	984	
Decrease in closing prepayments	5,635	
Increase in stock	(544)	
	6,075	(442)
<b>Direct expenditure</b>	<b>163,442</b>	<b>153,236</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	21,105	20,671
Notional rents	2,851	2,422
<b>Net programme cost</b>	<b>187,398</b>	<b>176,329</b>

#### 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 28 borne elsewhere, net of costs of services provided to other Votes.

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Vote 9 Office of the Revenue Commissioners	60	60
Vote 12 Superannuation and Retired Allowances	15,366	15,400
Vote 13 Office of Public Works	5,227	5,299
Vote 18 National Shared Services Office	121	179
Vote 20 An Garda Síochána	213	15
Central Fund – Ministerial Pensions	371	385
	21,358	21,338
Cost of services provided to other Votes	(253)	(667)
	<b>21,105</b>	<b>20,671</b>

**Note 2 Statement of Financial Position as at 31 December 2018**

	Note	2018 €000	2017 €000
<b>Capital assets</b>	2.2	168,505	163,491
<b>Current assets</b>			
Stocks	2.4	8,438	7,894
Prepayments	2.5	5,909	11,544
Other debit balances	2.6	5,387	5,303
Net Exchequer funding	2.8	2,571	(4,801)
<b>Total current assets</b>		<u>22,305</u>	<u>19,940</u>
<b>Less current liabilities</b>			
Bank and cash	2.3	4,649	(3,486)
Accrued expenses		2,254	1,270
Other credit balances	2.7	3,309	3,988
<b>Total current liabilities</b>		<u>10,212</u>	<u>1,772</u>
<b>Net current assets</b>		<u>12,093</u>	<u>18,168</u>
<b>Net assets</b>		<u><u>180,598</u></u>	<u><u>181,659</u></u>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<u><u>180,598</u></u>	<u><u>181,659</u></u>

**2.1 State funding account**

	Note	2018 €000	2017 €000
<b>Balance at 1 January</b>		<b>181,659</b>	<b>184,587</b>
Disbursements from the Vote			
Estimate provision	Account	192,898	
Surplus to be surrendered	Account	<u>(30,517)</u>	
Net vote		162,381	159,037
Expenditure (cash) borne elsewhere	1	21,105	20,671
Non cash expenditure – notional rent	1	2,851	2,422
Net assets transferred to Vote 27		—	(2,982)
Net assets adjusted		—	(5,747)
Net programme cost	1	<u>(187,398)</u>	<u>(176,329)</u>
<b>Balance at 31 December</b>		<u><u>180,598</u></u>	<u><u>181,659</u></u>

**2.2 Capital assets**

	Land and buildings	Motor vehicles	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets <sup>a</sup>						
Cost or valuation at 1 January 2018	155,610	2,694	47,645	73,240	—	279,189
Additions	3,683	497	80	3,741	1,492 <sup>b</sup>	9,493
Disposals	—	(269)	(2,291) <sup>c</sup>	(91) <sup>c</sup>	—	(2,651)
Cost or valuation at 31 December 2018	159,293	2,922	45,434	76,890	1,492	286,031
Accumulated depreciation						
Opening balance at 1 Jan 2018 <sup>a</sup>	—	2,011	46,653	67,033	—	115,697
Depreciation for the year	—	397	420	3,652	—	4,469
Depreciation on disposals	—	(258)	(2,291) <sup>c</sup>	(91) <sup>c</sup>	—	(2,640)
Cumulative depreciation at 31 December 2018	—	2,150	44,782	70,594	—	117,526
<b>Net assets at 31 December 2018</b>	<b>159,293</b>	<b>772</b>	<b>652</b>	<b>6,296</b>	<b>1,492</b>	<b>168,505</b>
Net assets at 31 December 2017	155,610	683	991	6,207	—	163,491

Notes <sup>a</sup> Included in capital assets are fully depreciated assets with a historical cost of €61.476 million which were not included in the fixed asset register as they had no book value when the fixed asset register was established. These assets are fully depreciated and are included in the accumulated depreciation figure. A project is being undertaken in 2019 to assess this historic asset listing and include assets still in use in the fixed asset register.

<sup>b</sup> Assets under development includes assets for the Passport Service Reform Programme which is currently in progress. These assets represent projects that were not complete at 31 December 2018.

<sup>c</sup> In 2018, four mission fixed asset registers were reviewed and updated. Fully depreciated office equipment and furniture and fittings assets, with an original cost of €2.382 million, were included in disposals in 2018.

**2.3 Bank and cash**

at 31 December	2018	2017
	€000	€000
PMG balances	(13,153)	(4,099)
Commercial bank accounts	1,205	946
Mission bank balances and cash	7,299	6,639
	<b>(4,649)</b>	<b>3,486</b>

**2.4 Stocks**

at 31 December	2018	2017
	€000	€000
Passport books and cards	8,250	7,709
Protocol stocks	55	67
Stationery	73	52
Prepaid postage	5	3
IT consumables	55	63
	<b>8,438</b>	<b>7,894</b>

**2.5 Prepayments**

at 31 December	2018	2017
	€000	€000
Mission rents	1,309	1,798
Contributions to international organisations	2,946	7,992
Other prepayments	1,654	1,754
	<b>5,909</b>	<b>11,544</b>

**2.6 Other debit balances**

at 31 December	2018	2017
	€000	€000
Departmental and agency accounts	3,674	3,414
Imprest and personal suspense accounts	1,023	1,060
Salary advance accounts	11	77
Sundry <sup>a</sup>	679	752
	<b>5,387</b>	<b>5,303</b>

Note <sup>a</sup> Sundry debtors include payroll control accounts of €526,000; honorary consul debtors of €143,000; and other balances of €10,000.

**2.7 Other credit balances**

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income Tax	905	1,187
Pay Related Social Insurance	596	713
Universal Social Charge	199	276
Local Property Tax	7	11
Value Added Tax	84	55
Professional Services Withholding Tax	70	59
	<u>1,861</u>	<u>2,301</u>
Sundry creditors <sup>a</sup>	<u>1,448</u>	<u>1,687</u>
	<u><b>3,309</b></u>	<u><b>3,988</b></u>

Note <sup>a</sup> Sundry creditors include amounts due to other Government departments of €1.212 million and suspense accounts of €236,000.

**2.8 Net Exchequer funding due**

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	30,517	24,490
Exchequer grant undrawn	<u>(33,088)</u>	<u>(19,689)</u>
<b>Net Exchequer funding</b>	<u><b>(2,571)</b></u>	<u><b>4,801</b></u>
<b>Represented by:</b>		
<b>Debtors</b>		
Other debit balances	5,387	5,303
<b>Creditors</b>		
Bank and cash	(4,649)	3,486
Due to State	(1,861)	(2,301)
Other credit balances	<u>(1,448)</u>	<u>(1,687)</u>
	<u>(7,958)</u>	<u>(502)</u>
	<u><b>(2,571)</b></u>	<u><b>4,801</b></u>

**2.9 Commitments**

at 31 December	2018	2017
	€000	€000
The amount is analysed as follows		
Equipment and other administrative costs	683	1,590
Lease commitments <sup>a</sup>	55,710	13,554
<b>Total commitments</b>	<b>56,393</b>	<b>15,144</b>

Commitments include those amounts for which the Department may be legally liable in 2019 and subsequent years under binding enforceable contracts and relate to property rental payments abroad and commitments to purchase equipment.

Note <sup>a</sup> Property lease commitments are offset by prepayments. Prepaid rents amounted to €1.309 million (2017: €1.795 million) which is included in the prepayments figure of €5.909 million (Note 2.5).  
Lease commitments at 31 December 2018 reflect total future commitments under legally binding lease agreements. In prior years only the first year of lease commitments was disclosed.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	92,563	91,420	85,834
ii Travel and subsistence	6,594	7,123	5,988
iii Training and development and incidental expenses	4,148	5,222	5,792
iv Postal and telecommunications services	5,786	5,938	5,796
v Office equipment and external IT services	29,528	25,995	20,833
vi Office premises expenses	26,819	30,051	32,514
vii Consultancy services and value for money and policy reviews	100	53	3
viii Promotional support and accommodation	10,297	10,309	9,985
	<b>175,835</b>	<b>176,111</b>	<b>166,745</b>

#### 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: €92.563 million, outturn: €91.42 million

The underspend of €1.143 million on salaries, wages and allowances was mainly due to a lower than estimated pay bill due to the recruitment of additional and replacement staff not proceeding as planned.

#### *ii Travel and subsistence*

Estimate provision: €6.594 million, outturn: €7.123 million

The additional €529,000 on expenditure was due to a significant increase in travel by Departmental staff and Ministers arising out of the Brexit negotiations, increased worldwide engagements and active engagement with our EU partners in relation to Brexit and the future of Europe.

#### *iii Training and development and incidental expenses*

Estimate provision: €4.148 million, outturn: €5.222 million

The additional €1.074 million was mainly due to a general higher level of expenditure across a number of areas including training, bank charges, foreign exchange losses and state / official entertainment due to a higher level of official visits.

#### *iv Postal and telecommunications services*

Estimate provision: €5.786 million, outturn: €5.938 million

The additional €152,000 on expenditure was mainly due to the increase in passport application numbers resulting in a related increase in postage costs.

v *Office equipment and external IT services*

Estimate provision: €29.528 million, outturn: €25.995 million

The underspend of €3.533 million was due to savings on stationery relating to passport application forms (€1.3 million) and savings on the rollout of ICT projects (€1.5 million) and (€700,000) due to delays in the procurement process on the passport office reform project

vi *Office premises expenses*

Estimate provision: €26.819 million, outturn: €30.051 million

€2 million of this additional spend related to additional capital expenditure over the original allocation on the purchase by the Department of a premises in Washington DC to allow for the expansion of this strategically important embassy. The balance of the additional expenditure of €1.1 million relates to a general increase in building operation costs and maintenance costs across the Department's global property portfolio.

**Programme A - Our people**

		2018		2017
		Estimate Provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	24,463	24,161	23,266
A.2	Administration – non pay	36,497	38,069	31,704
A.3	Fulbright Commission	254	434	254
A.4	Emergency consular assistance	79	13	17
A.5	Support for Irish emigrant services	11,595	11,772	12,039
A.6	North-South and Anglo-Irish Co-Operation	2,745	3,097	2,719
A.7	International Fund for Ireland	2,650	150	150
A.8	Diaspora affairs	600	302	419
		<b>78,883</b>	<b>77,998</b>	<b>70,568</b>

**Significant Variations**

Overall, the expenditure in relation to Programme A was €885,000 lower than provided. The variation of €1.27 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

**A.3 Fulbright Commission**

Estimate provision: €254,000, outturn: €434,000

It was decided to increase the contribution to the Fulbright Commission by €180,000. This was matched by joint funding by another donor.

**A.6 North-South and Anglo-Irish Co-operation**

Estimate provision: €2.745 million, outturn: €3.097 million

Additional grants of €352,000 were made available under the Peace and Reconciliation Fund to meet increased funding demand under the scheme.

**A.7 International Fund for Ireland**

Estimate provision: €2.65 million, outturn: €150,000

The underspend of €2.50 million was due to the operating environment of the International Fund for Ireland not requiring the disbursement of the grant for programme expenditure for 2018.

**A.8 Diaspora affairs**

Estimate provision: €600,000, outturn: €302,000

Approval was given to vire savings of €298,000 from this subhead to fund increased demand for funding under the support for Irish emigrant services (A.5).

**Programme B Our place in Europe**

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	
B.1 Administration - pay	21,269	21,006	17,620
B.2 Administration - non pay	4,734	4,154	4,309
B.3 Actions consequent on Title V of the Treaty of European Union	418	522	416
B.4 EU engagement	925	874	312
	<b>27,346</b>	<b>26,556</b>	<b>22,657</b>

**Significant variations**

Overall, the expenditure in relation to Programme B was €790,000 lower than provided. Administration expenditure was €843,000 less than provided and has already been explained. This was offset by an increase in spending on subhead B3.

*B.3 Actions consequent on Title V of the Treaty of European Union*

Estimate provision: €418,000, outturn: €522,000

Additional grants of €104,000 were made available under this scheme to meet increased funding demand in 2018.

**Programme C Our values**

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
C.1 Administration – pay	11,523	11,381	11,426
C.2 Administration – non pay	5,081	4,458	4,847
C.3 Contributions to international organisations	34,994	26,676	32,589
	<b>51,598</b>	<b>42,515</b>	<b>48,862</b>

**Significant variations**

Overall, the expenditure in relation to Programme C was €9.083 million lower than originally provided. Administration expenditure was €765,000 less than provided and has already been explained. The balance was due to the following:

*C.3 Contributions to international organisations*

Estimate provision: €34.994 million, outturn: €26.676 million

The shortfall in expenditure of €8.318 million relative to the estimate provision was due to Ireland's contribution to the UN being lower than anticipated. Ireland's UN contributions are difficult to estimate accurately at budget setting time.

**Programme D Our prosperity**

	2018		2017
	Estimate	Outturn	Outturn
	provision		
	€000	€000	€000
D.1 Administration – pay	18,786	18,554	17,140
D.2 Administration – non pay	7,809	6,852	7,557
D.3 Promoting Ireland	4,315	3,995	3,298
D.4 Contributions to national and international organisations	3,229	3,256	2,939
	<b>34,139</b>	<b>32,657</b>	<b>30,934</b>

**Significant variations**

Overall, the expenditure in relation to Programme D was €1.482 million lower than originally provided. The variation of €1.189 million in administration expenditure has already been explained. The balance of the variance was mainly due to the following:

*D.3 Promoting Ireland*

Estimate provision: €4.315 million, outturn: €3.995 million

The underspend of €320,000 relative to the estimate provision was due to lower than anticipated expenditure on promotional events across the mission network.

**Programme E Our influence**

	2018		2017
	Estimate	Outturn	Outturn
	provision		
	€000	€000	€000
E.1 Administration - pay	16,522	16,318	16,382
E.2 Administration - non pay	29,151	31,158	32,494
E.3 Information services	502	864	361
	<b>46,175</b>	<b>48,340</b>	<b>49,237</b>

**Significant variations**

Overall, the expenditure in relation to Programme E was €2.165 million higher than originally provided. The variation of €1.803 million in administration expenditure has already been explained. The balance of the variance was due to the following:

*E.3 Information services*

Estimate provision: €502,000, outturn: €864,000

The overspend of €362,000 relative to the estimate provision was due to higher than anticipated expenditure on information services in relation to the 'Brexit Preparedness' campaign undertaken in the last quarter of 2018.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	2018		2017
	Estimated €000	Realised €000	Realised €000
1 Passport, visa and other consular services	41,020	61,699	59,858
2 Repayment of repatriation and maintenance advances	30	—	14
3 VAT refunds to diplomatic missions	750	834	842
4 Miscellaneous	500	619	214
5 Receipts from pension-related deduction on public service remuneration	2,943	2,533	2,294
<b>Total</b>	<b>45,243</b>	<b>65,685</b>	<b>63,222</b>

#### Significant variations

Overall, appropriations-in-aid were €20.442 million more than the estimate.

Explanations for variances are set out below:

#### 1 *Passport, visa and other consular services*

Estimate provision: €41.02 million, outturn: €61.699 million

Income was ahead by €20.679 million due to the significant increase in the volume of passport applications. As the passport service is a demand-led service it is difficult to project with certainty the level of applications that will be received in any given year.

#### 4 *Miscellaneous*

Estimate provision: €500,000, outturn: €619,000

This relates to a range of receipts received by the Department including refund of security deposits on rented properties, payroll overpayment refunds, refunds from other Government departments/offices and other miscellaneous items. It is difficult to project with certainty the level of these receipts in any given year.

#### 5 *Receipts from pension-related deduction on public service remuneration*

Estimate provision €2.943 million, outturn: €2.533 million

The shortfall of €410,000 arose as receipts were less than anticipated due to an underspend in payroll expenditure leading to fewer receipts from pension related deductions.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers (full time equivalents)

	2018	2017
Number of staff at year end	1,546	1,403

### 5.2 Pay

	2018	2017
	€000	€000
Pay	82,434	77,708
Redundancy and severance	52	96
Higher, special or additional duties allowance	149	154
Other allowances	182	172
Overtime	1,003	881
Employer's PRSI	4,510	3,936
Foreign Social Security/Health Insurance (Missions)	3,090	2,887
<b>Total Pay</b>	<b>91,420</b>	<b>85,834</b>

### 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	37	4	23,318	31,642
Other allowances	109	1	10,181	15,195
Overtime	393	19	31,870	26,492
Extra remuneration in more than one category	65	19	34,236	31,917

### 5.4 Other remuneration arrangements

Payments totalling €7,421 (2017: €26,292) were paid to two (2017: 11) retired civil servants whose services were retained on specialised tasks.

### 5.5 Payroll overpayments

Overpayments recorded by the NSSO at the year-end were €255,567 in respect of 215 individuals (2017: €168,077; 127 individuals).

#### Collection of overpayments

Overpayments at the year-end comprised of the following

- 123 individuals had outstanding overpayments with recovery plans in place at end of year.
- 92 individuals had overpayments with no recovery plan at end of year.

### **5.6 Redundancy and severance**

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Severance payments amounting to €Nil (2017: €50,668) were paid to Nil (2017: two) locally employed staff at embassies abroad.

Severance payments amounting to €51,890 (2017: €45,436) were paid to two (2017: four) former Ministerial staff. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms has been granted.

## Note 6 Miscellaneous

### 6.1 Compensation and legal costs

Legal costs paid during the year are categorised as follows:

	Number of cases	Legal costs	Legal costs	Compensation	2018	2017
		paid by the	awarded	awarded	Total	Total
		Department	awarded		€000	€000
		€000	€000	€000	€000	€000
Claims by employees of the Department	2	38	—	31	69	89
Claims by members of the public	5	2	28	2	32	12
		<b>40</b>	<b>28</b>	<b>33</b>	<b>101</b>	<b>101</b>

### 6.2 Historical adjustment and write off

The following legacy suspense account balances were written off in the year, following receipt of sanction from the Department of Public Expenditure and Reform.

	2018	2017
	€	€
Suspense account balances	8,912	—
Amounts owed by honorary consuls	36,959	—
	<b>45,871</b>	<b>—</b>

## **Appendix A Accounts of Bodies and Funds under the Aegis of the Department of Foreign Affairs and Trade**

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There is one body operating under the aegis of the Department in respect of which there is an obligation to present the accounts to the Houses of the Oireachtas. This is the Ireland – United States Commission for Educational Exchange (Fulbright Commission).

The Commission's latest set of accounts relate to the year ending 30 September 2018. The audit of those accounts was completed on 22 February 2019. The audited accounts and audit report were received by the Department on 26 February 2019 and were presented to the Houses of the Oireachtas on 13 March 2019.

The Department provides an annual grant to the Fulbright Commission, which is financed jointly by the Irish and US Governments and supports study, research, teaching and other educational activities between Ireland and the United States.