

Appropriation Account 2018

Vote 37

Employment Affairs and Social Protection

Introduction

As Accounting Officer for Vote 37, 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 Vote for the Office of the Minister for Employment Affairs and Social Protection, for certain services administered by that Office, for payments to the Social Insurance Fund (SIF) and for certain grants.

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, and
- provided for capital supply services in 2018 out of unspent 2017 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €38.887 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.

Provision of agency services

The Department continues to act as a paying agent of the Department of Finance for the purpose of the discharge of the approved liabilities of the Waterford Crystal pensioners lump sum payments and Waterford Crystal ongoing pensions payments, under section 48B of the Pensions Act 1990 as inserted by section 4 of the Social Welfare and Pensions (No.2) Act 2014. Funding is drawn down by the Department from the Central Fund and transferred by the Department to the National Shared Services Office, who commenced processing the individual payments from October 2017. The amounts paid are reported in the Finance Accounts.

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 except for the following.

Recovery of overpayments

Recovery of debt in respect of general/income-support scheme overpayments is brought to account as follows.

- Cash and deduction recoveries received are brought to account on the date they are matched against the relevant debt holder. Unmatched recovery amounts are held in suspense and are brought to account as income with a corresponding reduction in debt on their identification. As Vote 37 is the dominant recipient of overpayment receipts, unmatched receipts are held in a Vote 37 suspense account pending resolution and subsequent posting to Vote 37 or SIF as appropriate.
- Cash and deduction recoveries in respect of the previous accounting years are treated as income of the current accounting year. Cash and deduction recoveries in respect of the current accounting year are netted off against the expenditure for the current accounting year.

Recognition of payments

Payments consist of those sums which come in the course of payment during the year. Sums are deemed to have come in the course of payment where the liability has been incurred, payment is due and the instruction for the payment (cheque or electronic funds transfer) has been effected on the relevant payment system. Cash welfare payments made through An Post are recognised upon disbursement. Where the normal due payment date falls on a bank holiday, it may be necessary to issue payments early. At year-end, payments issued early by electronic funds transfer by banks or early encashment by customers in post offices, which refer to the subsequent year, are normally recognised as prepayments.

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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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

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

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

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.

Control of capital assets

During 2018, inventory checks were carried out at 45 of the Department's 355 locations, and an electronic inventory of the Department's networked IT hardware assets was compiled and reconciled back to the Department's fixed asset registers. The total value of the physical and electronic inventories reconciled to the asset registers in 2018 is €4.5 million (original cost). €405 million in assets is recorded on the Department's asset registers at the end of 2018. Further physical inventory checks are being planned. New IT asset management software was deployed in 2018.

Ongoing data cleansing of the asset register is in progress to ensure assets can be traced from the asset register back to a physical inventory or equivalent.

A multi-year plan to address asset identification including retirements and transfers, asset tagging and periodic inventories is to be implemented in 2019. The Department's financial system will be used to generate asset tags.

Debt reconciliations

The Department's debt and receipts accounting system (DRAS) allows for the automatic recording and posting of debt recovered in its local offices, from its receiving bank accounts and by way of deduction from the Department's payments to customers.

The DRAS debtor balance at 31 December 2018 was €474 million of which €399 million relates to Vote 37 and €75 million relates to the SIF. Also in 2018, €79 million was recovered via DRAS in respect of scheme overpayments of which €65 million was Vote related and €14 million was SIF related.

Since the introduction of DRAS in late 2014, the annual statements on internal financial control (SIFCs) have made reference to unresolved variances in regard to DRAS related debtors, amounts recovered and bank and cash balances. The Department has recently applied additional resources to this area and has made substantial progress in addressing these issues during 2018.

Variances may exist where related transactions are recorded on more than one accounting system e.g. DRAS, general ledger and bank statements. These variances arise mainly because of account mispostings, system error and timing differences. The DRAS reconciliation section is now identifying these differences as part of the routine reconciliation process and taking action to resolve issues where appropriate. This work will continue during 2019 and remain an integral part of the reconciliation process. Some system and business process changes are envisaged to reduce such occurrences in the future.

The position at 31 December 2018 compared to 2017 is as follows

- As a result of an improved reporting process in DRAS there is no variance (2017: €294,529) between the closing debtor balance as calculated by reference to reports from DRAS on the transactions in the account in the year, and the year-end debtor listing. A once off adjustment of €592,923 (Vote 37: €483,217, SIF: €109,706) was required to align the overpayment balance brought forward from the 2017 statutory accounts with the list of debtors on DRAS at 1 January 2018 (as detailed in Note 4.3 and Note 4 in the Vote 37 Appropriation Accounts and SIF for 2018 respectively).
- Recoveries managed by Central Debt Unit and recorded on DRAS have been fully reconciled to the Department's accounting system. There was no variance at the end of 2018 (2017: €104,170).

- There is a variance of €85,375 (2017: €178,704) between the balance on the bank statements for the Department's receiving bank accounts and the balance on the Department's accounting system. During 2018, pre-DRAS unidentified recoveries of €637,788 (recoveries that could not be identified with a specific PPSN) and which had been included in the bank variance at the end of 2017, were transferred to the unmatched recoveries suspense account in the Vote, in accordance with the Department's accounting policy for the treatment of such recoveries. Significant progress was made during 2018 on the resolution of other variances arising since the introduction of DRAS. The remaining variance of €85,375 is under investigation with a view to resolution in 2019.
- There is no variance between the Department's cash recovery office reports and the accounting system at the end of December 2018 (2017: €27,659). Variances will continue to be investigated and resolved as and when they arise.

Unmatched amounts

Overpaid customers sometimes make repayment with insufficient details to associate it with their outstanding debt. In some cases, the Department is constrained from identifying and matching these amounts to the customer by the lack of information supplied and also by the new General Data Protection Regulations introduced in May 2018. As at 31 December 2018, the total amount recorded on the Department's accounting system for unmatched overpayment recoveries is €3.2 million (2017: €2.8 million). As detailed above, an amount of €637,788 representing unidentified overpayment receipts which predate DRAS are now also included under this heading for 2018.

As the above investigations are nearing completion, the next substantial piece of DRAS related work can now commence. This involves (a) a reconciliation of unmatched customer receipts in suspense on DRAS with unmatched receipts on the Department's accounting system and (b) an age analysis of those receipts. The examination will commence during 2019 with a view to bringing to account, on a permanent basis, those amounts that have been fully investigated but remain unresolved.

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. This includes the following elements

- 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 purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has reported in the 40/02 return to the Department of Public Expenditure and Reform and the Office of the Comptroller and Auditor General fourteen contracts to the value of €2,037,029 that were not subject to a competitive procurement process, of which five contracts with a value of €590,320 are non-compliant.

Details of the contracts which are non-compliant are as follows

- One supply contract for €262,000 was necessary owing to tight project deadlines and technical system changes. Work has begun in preparing an RFT to regularise this procurement.
- One contract with a value of €159,000 was put in place due to a legal challenge to an Office of Government Procurement (OGP) framework. A procurement process has been completed and a new contract will be put in place shortly.
- One supply contract for €97,000 occurred with the increasing demand for Irish translation in the Department. A new contract through an OGP framework has been awarded in 2019.
- A contract for €37,320 has been extended until November 2019 to meet the business needs of the Department and receive best value for money.
- One contract with a value of €35,000 was extended to meet the Department's requirements and complete the necessary work. This is now complete.

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 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 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 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 actions needed to mitigate risks and the business area responsible for the risk actions.

Ongoing monitoring and review

Formal procedures which have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, 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 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 control were identified in relation to 2018 that resulted in losses that require disclosure in the Appropriation Account.

John McKeon

Accounting Officer

Department of Employment Affairs and Social Protection

20 September 2019

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 37 Employment Affairs and Social Protection

Opinion on the appropriation account

I have audited the appropriation account for Vote 37 Employment Affairs and Social Protection 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 37 Employment Affairs and Social Protection 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 Employment Affairs and Social Protection 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*.

Regularity of expenditure

Chapter 12 of my report on the accounts of the public services for 2018 relates to welfare payments in excess of entitlement included in the 2018 account for Vote 37. I consider the estimated level of irregular payment to be material.

Non-compliance with procurement rules

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

Reporting on other matters arising from audit

Chapters 13 and 14 of my report on the accounts of the public services for 2018 examines how the Department measures the timeliness of claim processing and how the Department develops application forms for schemes in paper-based and online formats respectively.

Seamus McCarthy
Comptroller and Auditor General

24 September 2019

Vote 37 Employment Affairs and Social Protection

Appropriation Account 2018

	Estimate provision		2018	2017
	€000	€000	Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
	<i>Original</i>	536,200		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	21,000		
			558,200	541,396
				520,906
Pensions				
	<i>Original</i>	996,790		
	<i>Supplementary</i>	23,710		
			1,020,500	1,020,260
				994,740
Working age – income supports				
	<i>Original</i>	2,581,485		
	<i>Supplementary</i>	31,990		
			2,613,475	2,610,477
				2,845,390
Working age – employment supports				
	<i>Original</i>	805,965		
	<i>Supplementary</i>	(12,945)		
			793,020	796,184
				894,866
Illness, disability and carers				
	<i>Original</i>	2,721,870		
	<i>Supplementary</i>	68,080		
			2,789,950	2,781,217
				2,566,772
Children				
	<i>Original</i>	2,625,370		
	<i>Supplementary</i>	(9,000)		
			2,616,370	2,611,287
				2,603,327
Supplementary payments, etc.				
	<i>Original</i>	568,965		
	<i>Supplementary</i>	9,950		
			578,915	573,426
				608,506
Subvention to the Social Insurance Fund				
			—	—
				—

	Estimate provision		2018	2017
	€000	€000	Outturn	Outturn
			€000	€000
Gross expenditure				
<i>Original</i>	10,836,645			
<i>Deferred surrender</i>	1,000			
<i>Supplementary</i>	132,785			
			10,970,430	10,934,247
				11,034,507
<i>Deduct</i>				
Appropriations-in-aid				
<i>Original</i>	209,520			
<i>Supplementary</i>	(6,215)			
			203,305	207,009
				264,787
Net expenditure				
<i>Original</i>	10,627,125			
<i>Deferred surrender</i>	1,000			
<i>Supplementary</i>	139,000			
			10,767,125	10,727,238
				10,769,720

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €1 million of unspent allocations in respect of capital elements of subhead A. 2 (v) and (vi) was carried forward to 2019.

	2018	2017
	€	€
Surplus	39,887,039	21,019,255
Deferred surrender	(1,000,000)	(1,000,000)
Surplus to be surrendered	38,887,039	20,019,255

John McKeon

Accounting Officer
Department of Employment Affairs and Social Protection

20 September 2019

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost	10,392,851	10,513,601
Pay	295,329	293,330
Non pay	246,067	227,576
Gross expenditure	10,934,247	11,034,507
<i>Deduct</i>		
Appropriations-in-aid	207,009	264,787
Net expenditure	10,727,238	10,769,720
Changes in capital assets		
Purchases cash	(54,574)	
Depreciation	18,981	
Loss on disposal/ write-off	1	
	(35,592)	(16,210)
Changes in net current assets		
Decrease in closing accruals	(4,877)	
Decrease in stock	50	
	(4,827)	773
Direct expenditure	10,686,819	10,754,283
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	79,881	70,312
Notional rents	14,019	13,437
Net programme cost	10,780,719	10,838,032

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 37 borne elsewhere.

	2018	2017
	€000	€000
Vote 9 Office of the Revenue Commissioners	492	365
Vote 12 Superannuation and Retired Allowances	64,741	56,846
Vote 13 Office of Public Works	13,959	12,860
Vote 18 National Shared Services Office	661	207
Central Fund – Ministerial pensions	28	34
	79,881	70,312

Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
Capital assets	2.2	152,062	116,470
Current assets			
Stocks	2.4	296	346
Prepayments	2.11	65,124	55,508
Other debit balances	2.5	204,961	167,647
Total current assets		270,381	223,501
Less current liabilities			
Bank and cash	2.3	170,842	147,107
Accrued expenses	2.12	52,830	48,091
Other credit balances	2.6	26,968	34,519
Net Exchequer funding due	2.7	7,151	(13,979)
Total current liabilities		257,791	215,738
Net current assets		12,590	7,763
Net assets		164,652	124,233
Represented by:			
State funding account	2.1	164,652	124,233

2.1 State funding account

	Note	2018 €000	2017 €000
Balance at 1 January		124,233	108,796
Disbursements from the Vote			
Estimate provision	Account	10,767,125	
Deferred surrender	Account	(1,000)	
Surplus to be surrendered	Account	(38,887)	
Net Vote		10,727,238	10,769,720
Expenditure (cash) borne elsewhere	1.1	79,881	70,312
Non cash expenditure – notional rent	1	14,019	13,437
Net programme cost	1	(10,780,719)	(10,838,032)
Balance at 31 December		164,652	124,233

2.2 Capital assets

	Office equipment €000	Furniture and fittings €000	Assets under development €000	Total €000
Gross assets				
Cost or valuation at 1 January 2018	303,398	31,744	15,231	350,373
Additions	43,734	380	10,460	54,574
Disposals/ write-off ^a	(174)	(228)	—	(402)
Transfers	6,538	—	(6,538)	—
Cost or valuation at 31 December 2018	353,496	31,896	19,153	404,545
Accumulated depreciation				
Opening balance at 1 January 2018	206,059	27,844	—	233,903
Depreciation for the year	18,062	919	—	18,981
Depreciation on disposals/ write-off	(173)	(228)	—	(401)
Cumulative depreciation at 31 December 2018	223,948	28,535	—	252,483
Net assets at 31 December 2018	129,548	3,361	19,153	152,062
Net assets at 31 December 2017	97,339	3,900	15,231	116,470

Note ^a Disposals/write-off consist of furniture and equipment including franking machines, photocopiers, shredders, tables, chairs, etc.

2.3 Bank and cash

at 31 December	2018 €000	2017 €000
An Post advance balances ^a	142,290	115,381
PMG balances (overdraft)	(336,056)	(402,429)
Commercial bank and cash	22,924	139,941
	(170,842)	(147,107)

Note ^a As scheme paying agent, An Post is pre-funded by Vote 37 and the SIF to meet the Department's expenditure liabilities as they fall due. At the end of 2018, the combined balance held by An Post in respect of Vote 37 and the SIF was €235.2 million. The combined corresponding balance at the end of 2017 was €183.7 million.

2.4 Stocks

at 31 December	2018	2017
	€000	€000
Stationery	268	318
IT consumables	28	28
	296	346

2.5 Other debit balances

at 31 December	2018	2017
	€000	€000
Advances to An Post for postage expenditure	1,007	1,007
Advances to OPW for office furniture, building and electrical work	475	354
Advances to Pobal	6,801	6,095
Scheme prepayments ^a	154,595	13,384
Other debit suspense	2,877	1,376
Due from SIF in respect of		
• Vote related receipts recovered through SIF	23,285	26,600
• payments by Vote on behalf of SIF	15,222	118,831
• imprest payments receivable from SIF	699	—
	204,961	167,647

Note ^a At 31 December 2018, there were prepayments for Vote schemes of €154.6 million of which €12.8 million were made via An Post and €141.8 million were made via bank electronic funds transfer.

2.6 Other credit balances

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income tax	3,574	3,021
Superannuation contributions	754	556
Pay Related Social Insurance	2,462	3,535
Value Added Tax	95	56
Professional Services Withholding Tax	1,890	3,219
Local property tax ^a	61	66
Extra Exchequer receipts	8	2
	8,844	10,455
Payroll deductions	2,106	2,666
Due to SIF in respect of		
• payments by SIF on behalf of Vote	11,549	13,128
• imprest payments received from SIF	448	3,010
Unmatched overpayment recoveries	3,209	2,849
Debt recovery on behalf of other EU countries	724	1,554
Other credit suspense items	88	857
	26,968	34,519

Note ^a Under Section 84 of the Finance (Local Property Tax) Act 2012, the Revenue Commissioners may direct the Department to make deductions from certain scheme payments in respect of liable persons for local property tax. The Department also make voluntary deductions of local property tax from some staff salaries. Amounts paid over to the Revenue Commissioners in 2018 were €669,000 and €408,700 respectively.

2.7 Net Exchequer funding due

at 31 December	2018 €000	2017 €000
Surplus to be surrendered	38,887	20,019
Deferred surrender	1,000	1,000
	<u>39,887</u>	<u>21,019</u>
Exchequer grant undrawn	(32,736)	(34,998)
Net Exchequer funding due	<u>7,151</u>	<u>(13,979)</u>
Represented by:		
Debtors		
Debit balances: suspense	<u>204,961</u>	<u>167,647</u>
Creditors		
Banks and cash	(170,842)	(147,107)
Due to State	(8,844)	(10,455)
Credit balances: suspense	<u>(18,124)</u>	<u>(24,064)</u>
	<u>(197,810)</u>	<u>(181,626)</u>
	<u>7,151</u>	<u>(13,979)</u>

2.8 Commitments

at 31 December	2018 €000	2017 €000
Global Commitments		
Procurement of goods and services	37,124	32,983
Capital projects	<u>19,458</u>	<u>22,859</u>
Total of legally enforceable commitments	<u>56,582</u>	<u>55,842</u>

2.9 Matured liabilities

at 31 December	2018 €000	2017 €000
Estimate of matured liabilities not discharged at year end	<u>809</u>	<u>82</u>

2.10 Contingent liabilities

The Department is involved in 86 legal cases which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

2.11 Prepayments

at 31 December	2018	2017
	€000	€000
Administration expenses	243	225
Office expenses	4,169	422
Programme advances/floats ^a	60,712	54,858
Miscellaneous expenses	—	3
	65,124	55,508

Note ^a Moneys paid to schemes and other organisations providing Community Employment, Jobs Initiative, Local Employment Services and Job Clubs by way of advances or floats for working capital. Advances are provided to Community Employment and Jobs Initiative schemes prior to commencement to cover initial expenses and are generally recouped within 12 months of issue. Floats are provided to Local Employment Services and Job Clubs to cover ongoing expenses and are reconciled on an ongoing basis with each payment made. This money relates to organisations as opposed to individual claimants.

2.12 Accrued expenses

at 31 December	2018	2017
	€000	€000
Administration expenses ^a	4,071	2,559
Office expenses	11,462	12,532
Consultancy expenses	83	167
Programme costs ^b	37,214	32,833
	52,830	48,091

Notes ^a Administration expenses include an amount of €637,000 payable to the Revenue Commissioners in respect of a special investigations unit allowance that was deemed taxable since 2013.

^b Moneys owed to organisations providing Community Employment, Jobs Initiative and Local Employment Services on behalf of the Department. This money relates to organisations as opposed to individual claimants.

Note 3 Vote Expenditure

Analysis of administration expenditure

		2018		2017
		Estimate provision		Outturn
		€000	€000	€000
i. Salaries, wages and allowances				
	<i>Original</i>	300,873		
	<i>Supplementary</i>	(1,000)		
			299,873	295,329
				293,330
ii. Travel and subsistence				
	<i>Original</i>	5,000		
	<i>Supplementary</i>	(500)		
			4,500	4,484
				4,575
iii. Training and development and incidental expenses				
	<i>Original</i>	17,517		
	<i>Supplementary</i>	(6,050)		
			11,467	9,506
				10,501
iv. Postal and telecommunications services			15,800	15,595
v. Office equipment and external IT services				
	<i>Original</i>	46,190		
	<i>Deferred surrender</i>	500		
	<i>Supplementary</i>	4,229		
			50,919	47,340
				41,727
vi. Office premises expenses				
	<i>Original</i>	18,100		
	<i>Deferred surrender</i>	500		
	<i>Supplementary</i>	600		
			19,200	16,198
				15,064
vii. Consultancy services				
	<i>Original</i>	700		
	<i>Supplementary</i>	100		
			800	710
				736
viii. Payments for agency services				
	<i>Original</i>	119,820		
	<i>Supplementary</i>	21,321		
			141,141	139,024
				126,325
ix. eGovernment related projects				
	<i>Original</i>	12,200		
	<i>Supplementary</i>	2,300		
			14,500	13,210
				12,736
			558,200	541,396
				520,906

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

iii Training and development and incidental expenses

Estimate provision: €17.517 million, outturn: €9.506 million

The underspend of €8.011 million relative to the estimate provision was because:

- Bank charges were €2.9 million lower than anticipated. Provision was initially made for all bank charges to be charged to the Vote. However, for accounting transparency and audit purposes, costs were apportioned between the Vote and the Social Insurance Fund.
- The original estimate contained a contingency of €2.3 million that was not required.
- €2.8 million of savings were achieved on various incidental expenses including staff training (€1 million), customer communications and advertising (€600,000), shared salaries (€300,000), hire of rooms (€300,000) and other costs (€600,000).

Programme A Social assistance schemes, services, administration and payment to Social Insurance Fund

		Estimate provision		2018	2017
		€000	€000	Outturn	Outturn
				€000	€000
Administration					
A.1	Administration – pay				
	<i>Original</i>	300,873			
	<i>Supplementary</i>	<u>(1,000)</u>			
			299,873	295,329	293,330
A.2	Administration – non pay				
	<i>Original</i>	235,327			
	<i>Deferred surrender</i>	1,000			
	<i>Supplementary</i>	<u>22,000</u>			
			258,327	246,067	227,576
Pensions					
A.3	State Pension (Non-Contributory)				
	<i>Original</i>	996,790			
	<i>Supplementary</i>	<u>23,710</u>			
			1,020,500	1,020,260	994,740
Working Age – Income Supports					
A.4	Jobseeker's Allowance				
	<i>Original</i>	1,837,060			
	<i>Supplementary</i>	<u>2,890</u>			
			1,839,950	1,840,750	2,103,451
A.5	One-Parent Family Payment				
	<i>Original</i>	501,730			
	<i>Supplementary</i>	<u>8,920</u>			
			510,650	511,088	497,647
A.6	Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension				
	<i>Original</i>	13,180			
	<i>Supplementary</i>	<u>1,120</u>			
			14,300	14,263	14,226
A.7	Deserted Wife's Allowance				
	<i>Original</i>	1,120			
	<i>Supplementary</i>	<u>60</u>			
			1,180	1,192	1,434
A.8	Basic Supplementary Welfare Allowance Payments				
	<i>Original</i>	103,340			
	<i>Supplementary</i>	<u>10,660</u>			
			114,000	111,818	97,218
A.9	Farm Assist		74,135	73,819	78,182
A.10	Exceptional and Urgent Needs Payments				
	<i>Original</i>	36,420			
	<i>Supplementary</i>	<u>7,380</u>			
			43,800	42,305	38,083

		Estimate provision		2018	2017
		€000	€000	Outturn	Outturn
		€000	€000	€000	€000
A.11	Other Working Age – Income Supports				
	<i>Original</i>	14,500			
	<i>Supplementary</i>	960			
			15,460	15,242	15,149
Working Age – Employment Supports					
A.12	Community Employment Programme				
	<i>Original</i>	350,030			
	<i>Supplementary</i>	(1,980)			
			348,050	353,068	350,489
A.13	Rural Social Scheme				
	<i>Original</i>	51,045			
	<i>Supplementary</i>	(1,605)			
			49,440	50,033	44,408
A.14	Tús				
	<i>Original</i>	100,100			
	<i>Supplementary</i>	7,450			
			107,550	105,983	109,397
A.15	Jobs Initiative				
	<i>Original</i>	18,520			
	<i>Supplementary</i>	(1,650)			
			16,870	17,750	19,150
A.16	Back to Work Enterprise Allowance				
	<i>Original</i>	101,680			
	<i>Supplementary</i>	(10,230)			
			91,450	90,466	115,171
A.17	Youth Employment Support Scheme				
	<i>Original</i>	1,000			
	<i>Supplementary</i>	(750)			
			250	33	—
A.18	Back to Education Allowance				
	<i>Original</i>	72,950			
	<i>Supplementary</i>	6,250			
			79,200	78,687	93,860
A.19	Gateway				
	<i>Original</i>	470			
	<i>Supplementary</i>	(220)			
			250	212	3,496
A.20	Back to Work Family Dividend				
	<i>Original</i>	20,740			
	<i>Supplementary</i>	260			
			21,000	21,044	23,970
A.21	JobsPlus				
	<i>Original</i>	30,000			
	<i>Supplementary</i>	(6,350)			
			23,650	22,754	28,854

		Estimate provision		2018	2017
		€000	€000	Outturn	Outturn
				€000	€000
A.22	Wage Subsidy Scheme				
	<i>Original</i>	23,160			
	<i>Supplementary</i>	<u>(1,070)</u>			
			22,090	22,321	20,837
A.23	Other Working Age – Employment Supports				
	<i>Original</i>	36,270			
	<i>Supplementary</i>	<u>(3,050)</u>			
			33,220	33,833	42,779
—	Community Services Programme		—	—	42,455
Illness, Disability And Carers					
A.24	Disability Allowance				
	<i>Original</i>	1,543,150			
	<i>Supplementary</i>	<u>47,850</u>			
			1,591,000	1,586,258	1,469,440
A.25	Blind Pension		13,370	13,308	13,386
A.26	Carer's Allowance				
	<i>Original</i>	789,130			
	<i>Supplementary</i>	<u>6,770</u>			
			795,900	795,363	729,449
A.27	Domiciliary Care Allowance				
	<i>Original</i>	153,140			
	<i>Supplementary</i>	<u>16,860</u>			
			170,000	168,417	151,914
A.28	Carer's Support Grant				
	<i>Original</i>	207,690			
	<i>Supplementary</i>	<u>(3,400)</u>			
			204,290	203,958	192,924
A.29	Disability Activation Supports		15,390	13,913	9,659
Children					
A.30	Child Benefit				
	<i>Original</i>	2,083,750			
	<i>Supplementary</i>	<u>15,150</u>			
			2,098,900	2,096,671	2,086,390
A.31	Working Family Payment				
	<i>Original</i>	431,300			
	<i>Supplementary</i>	<u>(20,400)</u>			
			410,900	410,546	414,630
A.32	Back-to-School Clothing And Footwear Allowance				
	<i>Original</i>	49,530			
	<i>Supplementary</i>	<u>(1,450)</u>			
			48,080	47,402	48,854

		2018		2017
		Estimate provision		Outturn
		€000	€000	€000
A.33	School Meals Schemes			
	<i>Original</i>	54,000		
	<i>Supplementary</i>	<u>(3,000)</u>		
			51,000	49,165
A.34	Other Child Related Payments			46,619
	<i>Original</i>	6,790		
	<i>Supplementary</i>	<u>700</u>		
			7,490	7,503
				6,834
Supplementary Payments, Agencies and Miscellaneous Services				
A.35	Rent Supplement			
	<i>Original</i>	179,500		
	<i>Supplementary</i>	<u>(3,600)</u>		
			175,900	175,032
A.36	Mortgage Interest Supplement		—	230,566
A.37	Household Benefits Package			4,206
	<i>Original</i>	90,340		
	<i>Supplementary</i>	<u>680</u>		
			91,020	91,503
A.38	Free Travel			84,900
	<i>Original</i>	90,000		
	<i>Supplementary</i>	<u>(2,700)</u>		
			87,300	86,813
A.39	Fuel Allowance			77,456
	<i>Original</i>	138,544		
	<i>Supplementary</i>	<u>17,056</u>		
			155,600	152,669
A.40	Grant to the Citizens Information Board			148,870
	<i>Original</i>	57,410		
	<i>Supplementary</i>	<u>(810)</u>		
			56,600	54,775
A.41	Miscellaneous Services			53,053
	<i>Original</i>	12,691		
	<i>Supplementary</i>	<u>(676)</u>		
			12,015	12,231
A.42	Low Pay Commission		480	8,504
A.43	Office of the Pensions Ombudsman		—	403
				297
				654
Subvention to the Social Insurance Fund				
A.44	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005		—	—
Total			10,970,430	10,934,247
				11,034,507

Significant variations

Overall, the expenditure in relation to Programme A was €96.602 million higher than originally provided. This was made up as follows

- €4.196 million of this related to administration expenditure. The significant variances in individual subheads (+/-25% and €100,000) have already been explained
- €92.406 million relates to scheme and service subheads. The main variances are described below.

A decision on whether to pay a Christmas bonus, and at what rate, to long-term social welfare recipients is made by Government around October each year, in the context of the following year's budget. The cost of a Christmas bonus, which has an impact on scheme expenditure and, by extension, average payment values, is thus not included in the original estimates.

A.6 Widows'/Widowers'/Surviving Civil Partner's (Non-Contributory) Pension

Estimate provision: €13.18 million, outturn: €14.263 million

The increase in expenditure of €1.083 million relative to the estimate provision was mainly due to

- Higher average recipient numbers (1,451) than provided for in the original estimate (1,385). This cost approximately €624,000.
- Higher average weekly payment values (€188.70) than provided for in the original estimate (€183.21). This cost an additional €415,000 of which €260,000 related to the decision to pay a Christmas bonus.

A supplementary estimate of €1.12 million was provided to reflect emerging trends and to fund the payment of the Christmas bonus. The final outturn was in line with the final allocation.

A.8 Basic Supplementary Welfare Allowance Payments

Estimate provision: €103.34 million, outturn: €111.818 million

The increase in expenditure of €8.478 million relative to the estimate provision was due to

- Higher average recipient numbers (15,836) than provided for in the original estimate (15,200). The increase in Basic Supplementary Welfare Allowance (Basic SWA) claim numbers is primarily related to illness related claims - pending illness benefit, disability allowance and invalidity pension. There was an increase in Basic SWA claims pending illness benefit since August 2018 linked to issues relating to the migration of illness benefit from a legacy IT system. This cost an extra €6.419 million.
- Higher average weekly payment values (€196.75) than provided for in the original estimate (€193.58). This cost an additional €2.607 million, of which €870,000 related to the decision to pay a Christmas bonus.
- Recoupment of expenditure from primary schemes (e.g. disability allowance, jobseeker's allowance) where the recipient had been claiming supplementary welfare allowance pending resolution of their claim. Outturn was €50.548 million, compared to €50 million in the original estimate. This resulted in a saving of €548,000.

A supplementary estimate of €10.66 million was sought to reflect emerging trends. The final outturn was €2.182 million (1.9%) less than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.10 Exceptional and Urgent Needs Payments

Estimate provision: €36.42 million, outturn: €42.305 million

The increase in expenditure of €5.885 million relative to the estimate provision was mainly due to

- The actual number of once-off payments (106,282) was 9,882 higher than provided for in the original estimate, costing an additional €3.734 million. The housing category of Exceptional and Urgent Needs payments, which provides support through the payment of rent deposits, rent in advance and assistance towards furniture and household appliances, has seen an increase in payments in 2018. There has also been an increase in expenditure in the B&B and hostel categories for temporary accommodation. In addition, expenditure under urgent needs payments saw an increase in response to delays to illness benefit payments.
- The actual average payment values (€398.34) were higher than provided for in the original estimate (€377.90). This cost €2.111 million.

The once-off nature of the scheme makes it more difficult to predict the make-up of future payment numbers and average payment values than for schemes with a regular frequency.

A supplementary estimate of €7.38 million was provided. The outturn was €1.495 million (3.4%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.11 Other Working Age – Income Supports

Estimate provision: €14.5 million, outturn: €15.242 million

The increase in expenditure of €742,000 was mainly due to

- €737,000 overspend on Daily Expenses Allowance (formerly Direct Provision Allowance), mainly due to higher average recipient numbers and average payment values than provided for in the original estimate.
- €220,000 overspend on Humanitarian Aid. It is difficult to predict the requirement for humanitarian assistance given the unpredictable nature of the weather. Winter storms of 2018 (including storm Emma) resulted in increased demand in 2018.
- €96,000 overspend on Pre-Retirement Allowance. The last recipient on the scheme reached pensionable age in July 2018 and the scheme is now closed.
- €316,000 underspend on supplements such as diet and heating under the supplementary welfare allowance scheme.

An amount of €960,000 was provided as part of the supplementary estimate. The outturn was €218,000 (1.4%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.14 *Tús*

Estimate provision: €100.1 million, outturn: €105.983 million

The increase in expenditure of €5.883 million relative to the estimate provision was due to

- Higher average participant numbers (6,468) than provided for in the original estimate (6,010). There was a slower decrease in scheme participant numbers over the course of the year than was provided for in the estimate. This cost €5.965 million. While the labour market improved, the scheme retained a strong demand for employment support opportunities for long-term unemployed people on the live register.
- The higher numbers of participants also led to higher average supervisor numbers (370) than provided for in the original estimate (316). This cost €2.124 million.
- Lower recipient average payment values (€249.22) than provided for in the original estimate (€250.39). This resulted in a saving of €395,000.
- Lower supervisor average payment values (€671.95) than provided for in the original estimate (€749.94). This resulted in a saving of €1.501 million.
- Lower administration and implementation fees (€9.232 million) than provided for in the original estimate (€9.543 million). This resulted in a saving of €310,000.

A supplementary estimate of €7.45 million was sought to reflect emerging trends. The final outturn was €1.567 million (1.5%) less than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.16 *Back to Work Enterprise Allowance*

Estimate provision: €101.68 million, outturn: €90.466 million.

The underspend of €11.214 million relative to the estimate provision was due to

- Average number of recipients (8,370) was lower than provided for in the original estimate (9,243) due to an improved labour market, resulting in lower demand for the scheme. This saved €9.576 million.
- Actual average payment values (€204.66) were lower than provided for in the original estimate (€207.69) due to a decline in the number of recipients in Year 1 of the scheme as a proportion of total recipients from around 50% of recipients to 40% during 2018. Recipients on Year 1 of the scheme receive a higher payment than those on Years 2 and 3. This saved €1.363 million.
- Inter-scheme adjustments were lower than provided for in the original estimate resulting in a saving of €275,000.

An amount of €10.23 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €984,000 (1.1%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.17 *Youth Employment Support Scheme*

Estimate provision: €1 million, outturn: €33,000

This is a new scheme announced in the 2018 budget. The scheme was launched in October 2018, rather than in June 2018 as was originally provided for and, as with all new schemes, take-up can be difficult to predict.

A.18 Back to Education Allowance

Estimate provision: €72.95 million, outturn: €78.687 million

The rate of decline in Back to Work Education Allowance numbers for the 2017/2018 academic year beginning in September 2017 could not be predicted accurately when the 2018 estimates were finalised in early October 2017. The rate of decline which materialised in 2018 was less than provided for in the 2018 estimates. This resulted in an increase in expenditure of €5.737 million.

A supplementary estimate of €6.25 million was provided to fund emerging trends. The final outturn was €513,000 (0.6%) lower than the final estimate. The savings were used to fund excess expenditure on other subheads.

A.19 Gateway

Estimate provision: €470,000, outturn: €212,000

The estimate provided for the wind down of the scheme. Participants left the scheme faster than provided for in the estimate resulting in a saving of €258,000.

An amount of €220,000 was surrendered as part of the supplementary estimate to reflect this. The savings were used to fund excess expenditure on other subheads.

A.21 JobsPlus

Estimate provision: €30 million, outturn: €22.754 million

The 2018 estimate assumed that a continued strong uptake of JobsPlus supported employments, which had seen an increase in participants from 2,595 in April 2016 to 5,434 in August 2017 (when the 2018 estimate was finalised), would continue into 2018. Instead, there was a reversal of the trend which saw a decline in participants from 5,217 in December 2017 to 3,526 in December 2018. This resulted in an underspend of €7.246 million.

This was due to an improvement in the labour market, including a decline of almost 29% in the long-term unemployed, (from which JobsPlus participants are sourced), between August 2017 and December 2018, combined with improved capacity of employers to employ long-term unemployed people without recourse to a JobsPlus grant.

An amount of €6.35 million was surrendered as part of the supplementary estimate to reflect emerging trends. The final outturn was €896,000 (3.8%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.23 Other Working Age – Employment Supports

Estimate provision: €36.27 million, outturn: €33.833 million

The underspend of €2.437 million was due to

- €565,000 saving on Enterprise Support Grants and €569,000 saving on Technical Support Grants, due to less demand for grants as a result of a lower live register
- €808,000 saving on Local Employment Service (LES) due to lower spending on LES operational costs and LES-supported mediator interventions
- €495,000 saving due to a range of savings under the remaining eight headings including Jobs Clubs and the Part-Time Job Incentive.

An amount of €3.05 million was surrendered as part of the supplementary estimate. The outturn was €613,000 (1.8%) higher than the final allocation. This was funded through virement from subheads with underspends elsewhere in the Vote.

A.27 Domiciliary Care Allowance

Estimate provision: €153.14 million, outturn: €168.417 million

The increase in expenditure of €15.277 million relative to the estimate provision was mainly due to

- Higher average recipient numbers (37,230) than provided for in the original estimate (35,000) cost an additional €9.757 million. This is mainly due to more awareness of the scheme and a higher percentage of applications being deemed eligible at both application and appeal stage.
- Higher average monthly payment values (€376.98) than provided for in the original estimate (€364.62) cost an additional €5.522 million of which €3.6 million related to the Christmas bonus.

A supplementary estimate of €16.86 million was provided to reflect emerging trends and to fund the payment of the Christmas bonus. The outturn was €1.583 million (0.9%) less than the final estimate. The savings were used to fund excess expenditure on other subheads.

A.29 Disability Activation Supports

Estimate provision: €15.39 million, outturn: €13.913 million

The lower expenditure of €1.477 million relative to the estimate provision was mainly due to

- An underspend of approximately €1.04 million on the Employability Service programme. Employability contracts are contracts for a service, delivered on behalf of the Department by individual contractors/companies. Where a contractor does not subsequently incur a cost or fully incur a projected cost during the contract term, a payment from the Department cannot be sought and hence will result in an underspend.
- €388,000 underspend on the Ability programme due to a significant lead in time between designing the programme, the call for applications and the subsequent assessment process. The projects were announced in July 2018 but the contracts were only issued in September 2018.

A.33 School Meals Schemes

Estimate provision: €54 million, outturn: €49.165 million

The underspend of €4.835 million arose because the first instalment due to schools for the 2018/2019 academic year was lower than provided for in the original estimate. This was due to delays in schools submitting applications and satisfying scheme conditions to enable payment to be made before the end of 2018. There was also a lower up-take on new schools joining the scheme from September 2018.

An amount of €3 million was surrendered as part of the supplementary estimate. The outturn was €1.835 million (3.6%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

A.34 Other Child Related Payments

Estimate provision: €6.79 million, outturn: €7.503 million

The increase in expenditure of €713,000 relative to the estimates provision was mainly due to

- An overspend of approximately €747,000 on the Guardian's Payment's (Non-Contributory) scheme due to higher average number of recipients (540) than provided for in the original estimate (500) and higher average payment values (€259.22) than provided for in the original estimate (€249.87).
- This was offset by an underspend of approximately €65,000 on the Widowed Parent Grant (Non-Contributory).

A supplementary estimate of €700,000 was provided. The outturn was in line with the final estimate.

A.39 Fuel Allowance

Estimate provision: €138.544 million, outturn: €152.669 million

The increase in expenditure of €14.125 million relative to the estimate provision was mainly due to

- Actual average numbers of recipients (239,495) were 11,595 higher than provided for in the original estimate (227,900). This cost approximately €7.044 million
- An extra week of fuel allowance was paid in March 2018 in the response to storm Emma. This cost €5.389 million.
- The full estimated cost of arrears for a year was not included in the 2018 revised estimates. Fuel allowance is a supplementary payment to a primary scheme (e.g. disability allowance, jobseeker's allowance) – arrears can become due when there has been a delay making a decision on the customer's primary scheme. This cost €1.69 million in 2018.

A supplementary estimate of €17.056 million was provided. The final outturn was €2.931 million (1.9%) lower than the final allocation. The savings were used to fund excess expenditure on other subheads.

4 Receipts

4.1 Appropriations-in-aid

		2018		2017
		Estimated	Realised	Realised
		€000	€000	€000
Social Insurance Fund Transfer to Vote 37				
1	Recovery of administration expenses from the Social Insurance Fund		113,940	177,240
Appropriations-in-aid: Other				
2	Recoveries of social assistance overpaid			
	<i>Original</i>	65,500		
	<i>Supplementary</i>	(6,600)		
			58,900	62,497
3	Repayment from the Social Insurance Fund of amounts paid initially as social assistance			
	<i>Original</i>	4,150		
	<i>Supplementary</i>	(450)		
			3,700	4,147
4	Receipts under 'Liability to Maintain Family' provisions in Part XII of the Social Welfare (Consolidation) Act 2005			
	<i>Original</i>	230		
	<i>Supplementary</i>	10		
			240	277
5	Receipts from the General Register Office			
	<i>Original</i>	330		
	<i>Supplementary</i>	(30)		
			300	353
6	Receipts from European Social Fund for activation and participation of people with disabilities			
	<i>Original</i>	—		
	<i>Supplementary</i>	185		
			185	—
7	Receipts from pension-related deduction on public service remuneration			
	<i>Original</i>	9,680		
	<i>Supplementary</i>	(710)		
			8,970	9,042
8	Receipts from EURES European Job Mobility Fund			
	<i>Original</i>	250		
	<i>Supplementary</i>	(200)		
			50	249

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		2018		2017
		Estimated	Realised	Realised
		€000	€000	€000
9	Receipts from National Training Fund (Community Employment)			
	<i>Original</i>	7,200		
	<i>Supplementary</i>	<u>(700)</u>		
			6,500	6,686
10	Receipts from Pensions Authority – staff superannuation			
	<i>Original</i>	340		
	<i>Supplementary</i>	<u>310</u>		
			650	599
11	Homeless Unit operational costs – contributions from external agencies			
	<i>Original</i>	300		
	<i>Supplementary</i>	<u>1,240</u>		
			1,540	1,738
12	Receipts from dormant accounts			
	<i>Original</i>	—		
	<i>Supplementary</i>	<u>1,770</u>		
			1,770	527
13	Receipts from European Globalisation Fund			263
			—	
14	Recovery of social assistance from insurance claims			
	<i>Original</i>	2,900		
	<i>Supplementary</i>	<u>(300)</u>		
			2,600	3,019
15	Miscellaneous			
	<i>Original</i>	1,200		
	<i>Supplementary</i>	<u>400</u>		
			1,600	654
—	Receipts from EU Food Aid Programme			
	<i>Original</i>	3,500		
	<i>Supplementary</i>	<u>(1,140)</u>		
			2,360	(2,504)
Total			<u>203,305</u>	<u>264,787</u>
			207,009	

Significant variations**2 Recoveries of social assistance overpaid**

Estimate: €65.5 million, realised: €59.161 million

This subhead covers that element of overpayment recoveries from around 40 social assistance schemes treated as income. It includes cash recoveries (€34.73 million in 2018, of which just over 60% related to State Pension Non-Contributory – mainly estate cases) and recoveries by way of deductions from scheme payments (€24.43 million) on overpayments that arose prior to 2018. The yield each month can vary significantly. In 2018, it ranged from €4.3 million to €5.6 million, averaging at €4.9 million, which was €0.3 million lower than realised in 2017.

3 Repayment from the Social Insurance Fund of amounts paid initially as social assistance

Estimate: €4.15 million, realised: €3.497 million

This subhead is used to record the recovery of social assistance from the Social Insurance Fund (SIF) where inter-scheme adjustments are effected after the close of the financial year. Receipts can vary significantly from month to month. For example, it includes customers paid Supplementary Welfare Allowance (SWA) basic payment (funded from Vote 37) while awaiting a decision on their social insurance benefit (e.g. illness benefit). The amount of SWA basic paid is subsequently recovered from the SIF when the customer's social insurance benefit is awarded. When the decision is made in a later year than that in which the SWA basic payment occurred, the recovery from the SIF is recorded as income under this subhead.

The 2018 revised estimate assumed average monthly receipts of just under €350,000 based on a trend decline on 2017 when receipts averaged almost €380,000 up to November 2017.

Receipts in December 2017 and during 2018 were significantly lower than when the 2018 revised estimate was being finalised. This trend decline led to a shortfall of €653,000 compared to the 2018 revised estimate.

6 Receipts from European Social Fund for activation and participation of people with disabilities

Estimate: €Nil, realised: €185,000

The amount of €185,000 represents the balance of a claim made in respect of the years 2012 to 2015 that had been included in the estimated receipts for 2017 but was not actually received until January 2018 following successful checks and auditing by the European Commission.

8 Receipts from EURES European Job Mobility Fund

Estimate: €250,000, realised: €52,000

EURES was established by the European Commission to facilitate the free movement of workers between European Union and European Economic Area countries. In Ireland, EURES is co-ordinated by the Department of Employment Affairs and Social Protection.

Receipts into this subhead are comprised of (i) moneys received from EURES counterparts in Europe to facilitate free movement of workers (ii) funding from the EaSI (Employment and Social Innovation) programme and (iii) receipts from the European Social Fund (ESF) from financial claims made to the European Commission.

Actual receipts of €52,000 included receipts from EURES counterparts in Europe and funding under EaSI. No receipts were received under ESF.

The Department's claim covering the years 2015-2017 was prepared and submitted to Ireland's managing authority for the ESF, the Department of Education and Skills (DoES), in 2018. While it was originally expected that the claim would be submitted by the DoES during 2018, this will instead take place in 2019.

- 9 *Receipts from National Training Fund (Community Employment)*
 Estimate: €7.2 million, realised: €6.423 million
 This subhead covers receipts from the National Training Fund for the training of Community Employment (CE) and the Training Support Grant (TSG) participants.
 The amount realised in respect of TSG, €2.223 million, was €777,000 lower than provided for in the original estimate. This was due to lower than expected demand for TSG resulting from a lower live register and an improved labour market.
 The amount realised in respect of CE participants at €4.2 million was consistent with the estimate.
- 10 *Receipts from Pensions Authority – Staff superannuation*
 Estimate: €340,000, realised: €632,000
 This subhead provides for receipts of superannuation contributions in respect of staff employed by the Pensions Authority (PA) to fund lump sum payments from Vote 37 when a member of the PA staff retires.
 Receipts in 2018 were €632,000, an increase of €33,000 on the 2017 outturn which was €599,000. The outturn in 2018 was almost €292,000 more than provided for in the estimate. The estimate was understated having regard to the trend in 2017 and the outturn in 2018.
- 11 *Homeless Unit Operational costs - contributions from external agencies*
 Estimate: €300,000, realised: €1.569 million
 There was a process to recoup exceptional needs payments relating to emergency accommodation made in Cork from the local authority. The 2018 revised estimate was conservative. Receipts from this source can be unpredictable, having been €300,000 in 2015, €800,000 in 2016, €1.74 million in 2017 and €1.569 million in 2018.
- 12 *Receipts from dormant accounts*
 Estimate: €Nil, realised: €1.926 million
 This subhead funds training for carers from dormant account receipts. There was no provision for this receipt in the 2018 estimates as a new dormant accounts plan was not in place. When the new plan was adopted in July 2018, a call for applications was made and contracts awarded. This resulted in drawdown of funding that was unanticipated at the time of preparing the estimate.
- 14 *Recovery of social assistance from insurance claims*
 Estimate: €2.9 million, realised: €2.609 million
 This subhead provides for receipts from insurance compensation awards arising on social assistance schemes (currently only Disability Allowance). Receipts can vary significantly from month to month. In 2018, receipts ranged from €107,000 to €402,000 per month, compared with €63,000 to €446,000 in 2017. However, the average monthly receipts in 2018 at €218,000 were less than the €242,000 provided for in the estimate and realised in the previous year.

15 *Miscellaneous*

Estimate: €1.2 million, realised: €2.35 million

This subhead provides for small receipts not covered elsewhere under Appropriations-In-Aid receipts and not anticipated when the estimates were prepared. The 2018 estimate provided for an expectation of €1.2 million, which included cancelled cheques, small miscellaneous receipts and a small element of unforeseen receipts.

The overall yield of €2.35 million in 2018 was €1.15 million higher than estimated. This was due to a number of receipts which were unanticipated at time of estimate. These included EU receipts supporting the Connecting Europe Facility - while the funding was advanced during 2017, the expenditure relating to the receipt was not incurred until 2018, with the receipt being recognised in this subhead in 2018 (€500,000), refund of Pobal administration unspent balances from previous year following a review of costs commissioned by Pobal (€529,000) and cancelled cheques being approximately €200,000 higher than in the previous year.

— *Receipts from EU Food Aid Programme*

Estimate: €3.5 million, realised: €4.64 million

The Fund for European Aid to the Most Deprived (FEAD) supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. The Department submitted its first claim under the programme in December 2017, with €2.357 million received in February 2018. A second claim was made in December 2018 with an expectation of receipt in Q1 2019. However, a receipt of €2.283 million was received late in December 2018.

4.2 Extra receipts payable to the Exchequer

	2018	2017
	€000	€000
Balance at 1 January	2	19
Conscience money	6	6
Witness expenses	2	1
Pensions Authority fines	4	6
Transferred to Exchequer	(6)	(30)
Balance at 31 December	8	2

4.3 Recovery of welfare assistance overpayments

The summary position on welfare assistance overpayments managed by Central Debt Unit (CDU) at 31 December 2018 was as follows:

	2018		2017	
	€000	€000	€000	€000
Overpayments outstanding at 1 January		412,170		393,303
Adjustment ^a		483		—
		<u>412,653</u>		<u>393,303</u>
Net overpayments recorded				
Suspected fraud	27,152		36,589	
Claimant error	46,786		44,715	
Departmental error	2,262		1,250	
Estate cases	14,993		14,397	
		<u>91,193</u>		<u>96,951</u>
		503,846		490,254
Less:				
Amounts recovered ^b	(64,490)		(67,305)	
Recoveries adjustment ^c	495		731	
		(63,995)		(66,574)
Prior year debts cancelled ^d		(8,292)		(9,717)
Amounts written off as irrecoverable ^e		(32,162)		(1,793)
Overpayments outstanding at 31 December		<u>399,397</u>		<u>412,170</u>

- Notes
- ^a The adjustment represents the alignment of the overpayment balance brought forward from the 2017 accounts with the list of debtors on DRAS at 1 January 2018, following development of an improved reporting process. This is reported in the SIFC.
- ^b The amount recovered in 2018 includes:
- €59 million posted to income in respect of previous years' debt
 - €5.5 million posted against expenditure in respect of the current year's debt.
- ^c The adjustment of €495,000 is in respect of recorded recoveries in prior years which were cancelled in 2018.
- ^d The prior year debts cancelled of €8.3 million represents overpayments raised in prior years which were cancelled in 2018.
- ^e During 2018, the Department commenced a programme of the write-off of debt originating pre 2011 which was deemed irrecoverable. This programme was in addition to ongoing write-offs in the normal course of business. Specific sanction was received from the Department of Public Expenditure and Reform for this programme under which a total of 33,290 cases with a value of €41.5 million were written off during 2018 (Vote: €28.9 million; SIF: €12.6 million).

Note 5 Staffing and Remuneration

5.1 Employee numbers (full time equivalents)

at 31 December	2018	2017
Number of staff at year end		
Department	6,343	6,339
Agencies ^a	135	139
	6,478	6,478

Note ^a Agencies in this note comprise of the Citizens Information Board, the Pensions Authority and the Low Pay Commission. The 2017 figures also include the Office of the Pensions Ombudsman, which merged with the Financial Services Ombudsman from 1 January 2018.

5.2 Pay

Remuneration of all staff (Department and agencies)

	2018	2017
	€000	€000
Pay	295,617	292,999
Higher, special or additional duties allowance	1,168	868
Other allowances	360	343
Overtime	3,087	3,305
Employer's PRSI	19,052	18,231
Total pay	319,284	315,746

Remuneration of Department staff

The following remuneration arrangements refer to pay element subheads A.1 (i), A.2 (viii), A.2 (ix), A.23 and A.42.

	2018	2017
	€000	€000
Pay	288,001	285,436
Higher, special or additional duties allowance	1,075	819
Other allowances	360	343
Overtime	3,087	3,305
Employer's PRSI	18,332	17,584
Total pay	310,855	307,487

Agency remuneration

	2018	2017
	€000	€000
Pay	7,616	7,563
Higher, special or additional duties allowance	93	49
Other allowances	—	—
Overtime	—	—
Employer's PRSI	720	647
Total pay	8,429	8,259

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018 €	2017 €
Department				
Higher, special or additional duties	492	15	42,926	19,505
Other allowances	45	14	12,202	11,990
Overtime	1,668	30	16,153	16,336
Extra remuneration in more than one category	5	2	18,589	5,533
Agency				
Higher, special or additional duties	18	2	14,717	8,053

5.4 Other remuneration arrangements

This account includes expenditure of €1.5 million in respect of 30 officers who were serving outside the Department for all or part of 2018 and whose salaries were paid by the Department. These are recouped by the Department from the relevant organisations.

5.5 Payroll overpayments

Overpayments at the year-end were €3.1 million to 1,510 individuals (2017: €3.3 million; 1,339 individuals). Of this, recovery plans are in place in respect of overpayments of €1.9 million to 984 individuals (2017: €1.6 million; 270 individuals).

While the 2017 overpayment figure included estimated overpayments yet to be finalised at year-end, the 2018 year-end overpayments figure of €3.1 million does not include cases yet to be finalised.

17 overpayment recovery plans, in respect of 13 individuals, to the value €17,728 were transferred to nine other departments/offices in the year.

5.6 Severance/redundancy

During 2018, nine staff members whose employment was terminated were paid redundancy payments totalling €36,802, while one staff member received a severance payment totalling €14,162.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs paid by Department €000	Legal costs awarded €000	Compensation awarded €000	2018	2017
					Total	Total
					€000	€000
Claims by employees of the Department						
Personal Injuries ^a	21	56	44	211	311	121
Breach of HR/employment policies ^b	4	—	—	35	35	138
Claims by members of the public						
Personal Injuries ^c	10	8	26	45	79	57
Department schemes ^d	482	—	151	3,470	3,621	3,411
Other ^e	6	252	177	—	429	1,286
		316	398	3,761	4,475	5,013

- Notes
- ^a Total costs in respect of individuals ranged from €113 to €90,973.
 - ^b Total costs ranged from €1,000 to €15,000. The cases related to an equality case under section 31 of the Employment Equality Act 1998, unfair dismissal (two cases) under sections 10 and 13 of the Workplace Relations Act 2015 and a Workplace Relations Commission case under the Protection of Employees (Fixed-Term Work) Act 2003.
 - ^c Total costs in respect of individuals ranged from €100 to €38,285.
 - ^d Ex-gratia payments, loss of purchasing power payments and legal costs payments up to €60,446 were made in respect of Carer's Allowance, Child Benefit, Jobseekers Allowance, One-Parent Family payment, State Pension (Non-Contributory), Supplementary Welfare Allowance basic payment, Supplementary Welfare Allowance, Exceptional and Urgent Needs payments, Magdalen Laundries and other Institutions and Waterford Crystal Pension Schemes.
 - ^e Total costs ranged from €7,660 to €150,730. The cases related to pension entitlements, Workplace Relations Commission case under the Protection of Employment Act 1977, refusal of a permit for marriage, recognition of a foreign divorce, registration of a birth and recognition of a marriage.

6.2 Late payment interest

	2018	2017
	€000	€000
Interest payments	3	9

6.3 EU funds

Fund for European Aid to the Most Deprived

Funding of €4.64 million was received from the EU in respect of the Fund for European Aid to the Most Deprived (FEAD) programme which supports EU countries' actions to provide material assistance (including food and clothing) to the most deprived. Expenditure of €9 million was incurred in the operation of this programme to December 2018. The EU provides funding to member States and member States match this funding with a minimum of 15%. Expenditure is eligible to 31 December 2023.

European Social Fund, Human Capital Investment Operational Programme

An amount of €184,824 was received from the EU in respect of the Disability Activation (DACT) project which was the final closure payment for the project. The DACT project was a cross agency programme co-funded by the Department and the European Social Fund, Human Capital Investment Operational Programme 2007-2013.

European Employment Services

Funding of €55,784 was received from the EU in respect of EURES (European Employment Services) to facilitate the free movement of workers throughout the EU/EEA area. EURES is organised centrally by the European Commission and is administered in the member States by the Public Employment Service. Funding of €30,540 was refunded to our EURES counterparts in France and relates to a payment given to EURES Ireland in 2016 for Financial Allowances which was unused. Funding of €5,788 was refunded to our EURES counterparts in Italy which was a pre-financing payment given to EURES Ireland in 2015 that was not approved by the EU Commission.

An amount of €32,194 being the balance payment due in respect of 2017 funding was also received from the EaSI (Employment and Social Innovation) programme in respect of EURES (European Employment Services) Ireland/Northern Ireland Cross Border partnership to facilitate the free movement of workers.

EP-DeM Labs - Equity, Participation, Decision making Labs

A total of €12,069 was received from the EU in respect of an EU co-funded project EP-DeM Labs - Equity, Participation, Decision making Labs (Youth in Transition in European cities). This project ran from January 2016 to January 2018. EP-DeM Labs sought to engage and enable disadvantaged youth aged 16-24 in transition moments across four cities/regions in Europe to express their voices, co-develop and co-deliver projects and included measures aimed at improving their education level and employability.

Connecting Europe Facility Fund

An amount of €500,000 was credited to Appropriations-in-Aid (Miscellaneous) in respect of the Connecting Europe Facility Fund (CEF) with matching expenditure incurred in 2018 charged to Subhead A.2(v) Office equipment and external IT services. The CEF is to assist Member States with their national implementation of the Electronic Exchange of Social Security Information. DEASP and the HSE are in partnership on this implementation.

Appendix A Department of Employment Affairs and Social Protection Summary of Programme Expenditure

	2018 €m	2017 €m
Vote 37		
Gross expenditure	10,934	11,035
<i>Less non scheme expenditure</i>		
Administration	(541)	(521)
Grant to Citizens Information Board	(55)	(53)
Grants to Low Pay Commission and the Office of the Pensions Ombudsman	(1)	(1)
Miscellaneous services	(3)	(2)
Vote 37 scheme expenditure (A)	10,334	10,458
SIF		
Gross expenditure	10,056	9,516
<i>Less non scheme expenditure</i>		
Administration	(209)	(274)
National Training Levy	(566)	(431)
SIF scheme expenditure (B)	9,281	8,811
Total Department scheme expenditure (A+B)	19,615	19,269

Scheme Expenditure Breakdown

Payments by scheme and category	2018	2017
	€m	€m
Pensions		
State Pensions (Contributory)	5,217	4,916
State Pensions (Non-Contributory)	1,020	995
Widows'/Widowers'/ Surviving Civil Partners' Pension	1,511	1,466
Death Benefit and Bereavement Grant	10	10
Total	7,758	7,387
Working Age Income Supports		
Jobseeker's Allowance	1,841	2,103
One Parent Family Payment	511	498
Jobseeker's Benefit	339	340
Redundancy and Insolvency Benefit	24	29
Maternity Benefit	265	256
Paternity Benefit and Adoptive Benefit	12	13
Basic Supplementary Welfare Allowance	112	97
Farm Assist	74	78
Deserted Wife's Benefit	73	73
Other Working Age - Income Supports	15	15
Exceptional and Urgent Needs payments	42	38
Treatment Benefits and Health and Safety Benefit	98	42
Widows' /Widowers'/ Surviving Civil Partners' Pension (Non Contributory)	14	14
Deserted Wife's Allowance	1	1
Total	3,421	3,597
Supplementary Payments		
Rent Allowance	1	1
Fund for European Aid to the Most Deprived (FEAD)	5	3
Magdalen Laundries and other Institutions Payments	3	3
Rent Supplement	175	231
Household Benefits Package	247	232
Fuel Allowance	241	229
Free Travel	87	77
Mortgage Interest Supplement	—	4
Total	759	780
Working Age Employment Supports		
Community Employment Programme	353	351
Back to Education Allowance	79	94
Back to Work Enterprise Allowance	90	115
Back to Work Family Dividend	21	24
TÚS Community Work Placement Scheme	106	109
JobsPlus	23	29
Wage Subsidy Scheme	22	21
Other Working Age - Employment Supports including Youth Employment Support Scheme	34	43
Community Services Programme	—	42
Rural Social Scheme and Gateway	50	48
Jobs Initiative	18	19
Partial Capacity Benefit	18	16
Total	814	911

	2018	2017
	€m	€m
Illness, Disability and Carers		
Disability Allowance	1,586	1,469
Illness Benefit	623	599
Invalidity Pension	694	673
Carer's Payment	834	766
Carer's Support Grant	204	193
Domiciliary Care Allowance	168	152
Disablement Benefit	77	77
Blind Pension	13	13
Injury Benefit and Medical Care	18	20
Disability Activation Supports	14	10
Total	4,231	3,972
Children		
Child Benefit	2,097	2,086
Working Family Payment	411	415
Back to School Clothing and Footwear Allowance	47	49
School Meals	49	47
Child Related Payments	28	25
Total	2,632	2,622
Net expenditure on all schemes	19,615	19,269

Appendix B Accounts of bodies and funds under the aegis of the Department of Employment Affairs and Social Protection

The following table lists the funded bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body / Departmental Fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Social Insurance Fund	2017	31 Aug 2018	—	21 Nov 2018
Pensions Authority	2018	21 Jun 2019	26 Jun 2019	25 Jul 2019
Citizens Information Board	2017	29 Nov 2018	12 Dec 2018	14 Dec 2018