

Appropriation Account 2018

Vote 5

**Office of the Director of Public
Prosecutions**

Introduction

As Accounting Officer for Vote 5, 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 Director of Public Prosecutions.

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

A surplus of €942,617 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 5 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.

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 Office.

This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

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

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 Office.

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the guidelines with the exception of eight contracts to the value of €393,809 (excluding VAT) which were listed in my annual return in respect of Circular 40/2002. Five of the contracts, to the value of €270,135 (excluding VAT), involved services for which there was only one supplier. Two of the remaining contracts, which had originally been awarded under a competitive process, were extended beyond their original contract dates. One of the contracts, to a value of €30,047 (excluding VAT), involved the provision of telephone services. The other, to a value of €67,024 (excluding VAT), was for cleaning services. A competitive tendering process for both contracts is currently underway with the support of the Office of Government Procurement. The last contract for €26,603 (excluding VAT) was for courier services. This had been placed without a tender pending the move of all staff to a single location. This contract is currently being addressed under an OGP framework agreement.

Internal audit and audit committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and 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 Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

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

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management 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 Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

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

Barry Donoghue
Accounting Officer
Office of the Director of Public Prosecutions

29 March 2019

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 5 Office of the Director of Public Prosecutions

Opinion on the appropriation account

I have audited the appropriation account for Vote 5 Office of the Director of Public Prosecutions 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 5 Office of the Director of Public Prosecutions 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 Office of the Director of Public Prosecutions and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

20 September 2019

Vote 5 Office of the Director of Public Prosecutions

Appropriation Account 2018

		2018	2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Provision of prosecution service	44,466	43,389	41,682
	44,466	43,389	41,682
<i>Deduct</i>			
B Appropriations-in-aid	964	830	778
	43,502	42,559	40,904

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	942,617	189,816

Barry Donoghue
Accounting Officer
Office of the Director of Public Prosecutions

29 March 2019

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost	25,919	24,850
Pay	14,185	13,264
Non pay	3,285	3,568
Gross expenditure	43,389	41,682
<i>Deduct</i>		
Appropriations-in-aid	830	778
Net expenditure	42,559	40,904
Changes in capital assets		
Purchases cash	(415)	
Depreciation	188	
Loss on disposals	—	
	(227)	(26)
Changes in net current assets		
Decrease in closing accruals	(197)	
Increase in stock	(65)	
	(262)	(274)
Direct expenditure	42,070	40,604
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,239	2,547
Notional rents	1,955	1,862
Net programme cost	46,264	45,013

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 5 borne elsewhere.

	2018	2017
	€000	€000
Vote 12 Superannuation and Retired Allowances	1,543	1,653
Vote 13 Office of Public Works	478	680
Vote 18 National Shared Services Office	17	27
Vote 20 Garda Síochána	201	187
	2,239	2,547

Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
Capital assets	2.2	554	327
Current assets			
Bank and cash	2.3	875	844
Stocks	2.4	130	65
Prepayments		170	131
Other debit balances	2.5	77	248
Net Exchequer funding due	2.7	19	(66)
Total current assets		<u>1,271</u>	<u>1,222</u>
Less current liabilities			
Accrued expenses		2,661	2,819
Other credit balances	2.6	971	1,026
Total current liabilities		<u>3,632</u>	<u>3,845</u>
Net current liabilities		<u>(2,361)</u>	<u>(2,623)</u>
Net liabilities		<u>(1,807)</u>	<u>(2,296)</u>
Represented by:			
State funding account	2.1	<u>(1,807)</u>	<u>(2,296)</u>

2.1 State funding account

	Note	2018		2017
		€000	€000	€000
Balance at 1 January			(2,296)	(2,596)
Disbursements from the Vote				
Estimate provision	Account	43,502		
Surplus to be surrendered	Account	(943)		
Net vote			42,559	40,904
Expenditure (cash) borne elsewhere	1		2,239	2,547
Non cash expenditure – notional rent	1		1,955	1,862
Net programme cost	1		(46,264)	(45,013)
Balance at 31 December			<u>(1,807)</u>	<u>(2,296)</u>

2.2 Capital assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2018	3,402	561	3,963
Additions	398	17	415
Disposals	(248)	(3)	(251)
Cost or valuation at 31 December 2018	3,552	575	4,127
Accumulated depreciation			
Opening balance at 1 January 2018	3,138	498	3,636
Depreciation for the year	178	10	188
Depreciation on disposals	(248)	(3)	(251)
Cumulative depreciation at 31 December 2018	3,068	505	3,573
Net assets at 31 December 2018	484	70	554
Net assets at 31 December 2017	264	63	327

2.3 Bank and cash

at 31 December	2018 €000	2017 €000
PMG balance	865	768
Commercial bank account balances	10	76
	875	844

2.4 Stocks

at 31 December	2018 €000	2017 €000
Stationery	29	28
IT consumables	101	37
	130	65

2.5 Other debit balances

at 31 December	2018 €000	2017 €000
Other debit balances	77	248

2.6 Other credit balances

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income Tax	489	548
Pay Related Social Insurance	148	180
Professional Services Withholding Tax	299	270
Value Added Tax	25	24
	961	1,022
Other credit suspense items	10	4
	971	1,026

2.7 Net Exchequer funding due

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	943	190
Exchequer grant undrawn	(962)	(124)
Net Exchequer funding due	(19)	66
Represented by:		
Debtors		
Bank and cash	875	844
Debit balances: suspense	77	248
	952	1,092
Creditors		
Due to State	(961)	(1,022)
Credit balances: suspense	(10)	(4)
	(971)	(1,026)
	(19)	66

2.8 Commitments

The Office had commitments in respect of legal fees at the year end, but the value of these commitments is difficult to estimate accurately, due to the inherent uncertainties and status of outstanding cases. The Office had no other legally enforceable commitments at 31 December 2018 (2017: NIL).

2.9 Matured liabilities

at 31 December	2018	2017
	€000	€000
Estimate of matured liabilities not discharged at year end	67	144

Note 3 Vote Expenditure

Analysis of administration expenditure

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	15,285	14,185	13,264
ii Travel and subsistence	109	169	172
iii Training and development and incidental expenses	1,212	970	1,123
iv Postal and telecommunications services	240	211	238
v Office equipment and external IT services	791	1,130	658
vi Office premises expenses	948	784	1,341
vii Consultancy services and value for money and policy reviews	37	21	36
	18,622	17,470	16,832

Significant variations

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

v *Office equipment and external IT services*

Estimate provision €791,000 outturn €1.13 million

The excess in expenditure of €339,000 on expenditure relative to the estimate provision was due to the upgrade of a major IT system.

Programme A Provision of a Prosecution Service

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	15,285	14,185	13,264
A.2	Administration – non-pay	3,337	3,285	3,568
A.3	Fees to counsel	16,068	17,392	16,406
A.4	General law expenses	2,946	1,678	1,883
A.5	Local state solicitor service	6,830	6,849	6,561
		44,466	43,389	41,682

Significant variations

Overall, the expenditure in relation to Programme A was €1.077 million lower than provided. Administration expenditure was €1.152 million less than estimated. The balance of the variance was mainly due to the following:

A.3 Fees to counsel

Estimate provision €16.068 million, outturn €17.392 million

The excess in expenditure of €1.324 million on expenditure relative to the estimate provision was due to higher than expected activity in certain courts.

A.4 General law expenses

Estimate provision €2.946 million, outturn €1.678 million

The saving of €1.268 million on expenditure relative to the estimate provision was due to fewer cost awards in 2018 than anticipated.

Note 4 Receipts

4.1 Appropriations-in-aid

	2018		2017
	Estimated	Realised	Realised
	€000	€000	€000
1 Miscellaneous	128	99	117
2 Receipts from pension-related deductions on public service remuneration	836	731	661
Total	964	830	778

Significant variations

Overall, appropriations in aid were €134,000 lower than estimated. This was mainly due to the following:

- 2 *Receipts from pension-related deductions on public service remuneration*
 Estimate Provision €836,000 outturn €731,000
 Receipts were less than expected due to an increase in the annual PRD thresholds and because posts which had been budgeted for were not filled.

4.2 Extra receipts payable to the Exchequer

Receipts of €19,273 (2017: €4,488) arising from forfeitures ordered by the courts were lodged to the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers (full time equivalents)

	2018	2017
Number of staff at year end	206	199

5.2 Pay

	2018	2017
	€000	€000
Pay	13,001	12,169
Higher, special or additional duties allowance	115	118
Overtime	5	6
Employer's PRSI	1,064	971
Total pay	14,185	13,264

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	41,592	41,592
Overtime and extra attendance	8	—	944	1,845
Extra remuneration in more than one category	—	—	—	1,319

5.4 Other remuneration arrangements

This account includes expenditure of €149,906 (2017: €137,088) in respect of one officer who was serving outside the Office in 2018 and whose salary was paid from Subhead A.1.

5.5 Payroll overpayments

Overpayments at the year-end were €14,625 in respect of 14 individuals (2017: €2,170, four individuals). These were estimated amounts, so no recovery plans were in place at the year end. At the end of 2017, three recovery plans were in place in respect of agreed overpayments totalling €520.