

Appropriation Account 2019

Vote 1

President's Establishment

Introduction

As Accounting Officer for Vote 1, 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 2019 for the salaries and expenses of the Office of the Secretary General to the President, for certain other expenses of the President's Establishment and for certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €858,000 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 except for the following:

Heritage assets of the President's Establishment are not valued as assets in these financial statements. The assets include furniture, works of art. They have the characteristics of being inalienable, irreplaceable and fragile and consequently there is no useful purpose in capitalising the assets in these statements.

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 Office of the President's Establishment.

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

The Department of Finance provides a payment function and accounting service for the President's Establishment.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the President's Establishment and the National Shared Service Office for the provision of human resources and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the President's Establishment.

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.
- The internal financial control environment for the Department of Finance is also relevant given that the Department of Finance provides a payment function and accounting services for the President's Establishment.

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 President's Establishment
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Procurement compliance

The President's Establishment ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with all relevant procurement guidelines. There were no contracts that exceeded the reporting threshold of €25,000 that were awarded without a competitive process.

Internal audit and Audit Committee

The President's Establishment comes under the remit of the internal audit function provided by the Department of the Taoiseach which has appropriately trained personnel and operates under a written charter which I have approved. The internal audit work is informed by analysis of the financial risks to which the President's Establishment is exposed and aims to cover the key controls on a rolling basis over a reasonable period. The internal audit function and its programme of work are subject to periodic review by me and the Audit Committee, which operates under the auspices of the Department of the Taoiseach.

There were four meetings of the Audit Committee in 2019 and the audit work programme agreed in 2018 was implemented in 2019.

Risk and control framework

The President's Establishment 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 President's Establishment and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated on a quarterly basis by the Management Board. 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 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 President's Establishment has procedures to monitor the effectiveness of its risk management and control procedures. In 2019, monitoring and review of the effectiveness of the system of internal financial control by the President's Establishment was informed by the work of the internal and external auditors and the senior management within the President's Establishment 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 2019 that resulted in, or may result in, a material loss.

Martin Fraser
Accounting Officer

27 April 2020

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 1 President's Establishment

Opinion on the appropriation account

I have audited the appropriation account for Vote 1 President's Establishment for the year ended 31 December 2019 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 1 President's Establishment for the year ended 31 December 2019, and
- 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 President's Establishment 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

29 April 2020

Vote 1 President's Establishment

Appropriation Account 2019

		2019	2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A	President's Establishment	3,044	2,348
B	Centenarians' Bounty	1,472	1,307
	Gross expenditure	4,516	3,655
	<i>Deduct</i>		
C	Appropriations-in-aid	82	78
	Net expenditure	4,434	3,577

Surplus

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

	2019	2018
	€	€
Surplus to be surrendered	857,977	821,983

Martin Fraser
Accounting Officer

27 April 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	1,258	1,093
Pay	1,724	1,717
Non pay	673	779
Gross expenditure	3,655	3,589
<i>Deduct</i>		
Appropriations-in-aid	78	90
Net expenditure	3,577	3,499
Changes in capital assets		
Purchases cash	(17)	
Depreciation	20	3
		23
Changes in net current assets		
Increase in closing accruals	107	
Decrease in stock	1	108
		(81)
Direct expenditure	3,688	3,441
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,780	4,467
Net programme cost	8,468	7,908

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 1 borne elsewhere.

	2019	2018
	€000	€000
Vote 7 Office of the Minister for Finance	13	13
Vote 12 Superannuation and Retired Allowances	784	772
Vote 13 Office of Public Works	2,095	1,924
Vote 18 National Shared Services Office	3	3
Vote 20 Garda Síochána	200	194
Vote 28 Foreign Affairs and Trade	364	253
Vote 36 Defence	422	413
Central Fund (Emoluments and allowances of President and presidential pensions)	899	895
	4,780	4,467

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	35	38
Current assets			
Stocks	2.3	29	30
Prepayments		21	26
Other debit balances	2.4	7	4
Accrued income		3	4
Net Exchequer funding	2.6	109	85
Total current assets		<u>169</u>	<u>149</u>
Less current liabilities			
Bank and cash	2.2	58	41
Accrued expenses		140	39
Other credit balances	2.5	58	48
Total current liabilities		<u>256</u>	<u>128</u>
Net current assets		<u>(87)</u>	<u>21</u>
Net assets		<u>(52)</u>	<u>59</u>
Represented by:			
State funding account	2.7	<u>(52)</u>	<u>59</u>

2.1 Capital assets

	IT equipment €000	Office equipment €000	Total €000
Gross assets			
Cost or valuation at 1 January 2019	329	15	344
Additions	17	—	17
Disposals	(6)	—	(6)
Cost or valuation at 31 December 2019	340	15	355
Accumulated depreciation			
Opening balance at 1 January 2019	291	15	306
Depreciation for the year	20	—	20
Depreciation on disposals	(6)	—	(6)
Cumulative depreciation at 31 December 2019	305	15	320
Net assets at 31 December 2019	35	—	35
Net assets at 31 December 2018	38	—	38

2.2 Bank and cash

at 31 December	2019 €000	2018 €000
PMG balances and cash	(58)	(41)

2.3 Stocks

at 31 December	2019 €000	2018 €000
Centenarian medals	8	7
IT consumables and stationery	21	23
	29	30

2.4 Other debit balances

at 31 December	2019	2018
	€000	€000
Other debit suspense items	7	4

2.5 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Income tax	26	25
Pay related social insurance	9	11
Additional superannuation contributions ^a	6	6
Universal social charge	5	5
Withholding tax	—	1
Pension contributions	4	—
	50	48
Payroll deductions held in suspense	8	—
	58	48

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

2.6 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	858	822
Exchequer grant undrawn	(967)	(907)
Net Exchequer funding	(109)	(85)
Represented by:		
Debtors		
Debit balances: suspense	7	4
	7	4
Creditors		
Due to State	(50)	(48)
Bank and cash	(58)	(41)
Credit balances: suspense	(8)	—
	(116)	(89)
	(109)	(85)

2.7 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		59	11
Disbursements from the Vote			
Estimate provision	Account	4,434	
Surplus to be surrendered	Account	(858)	
Net vote		3,576	3,499
Expenditure (cash) borne elsewhere	1.1	4,780	4,467
Other (non-cash items)		1	(10)
Net programme cost	1	(8,468)	(7,908)
Balance at 31 December		(52)	59

2.8 Commitments

	2019	2018
	€000	€000
At 31 December		
Procurement of goods and services	150	16

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	1,832	1,724	1,717
ii	Travel and subsistence	310	87	184
iii	Training and development and incidental expenses	340	327	351
iv	Postal and telecommunication services	86	64	87
v	Office machinery and other office supplies and related services	535	195	156
		3,103	2,397	2,495

Significant variations

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

ii Travel and subsistence

Estimate provision: €310,000, outturn: €87,000

The costs for the overseas trips in 2019 were less than was anticipated. Countries visited in 2019 were, UK, Germany, USA, Greece, Cyprus and Lebanon, and show a decrease on the previous year which included costs from a lengthy trip to Australia and New Zealand at the end of 2017 but which were paid in 2018.

v Office machinery and other office supplies and related services

Estimate provision: €535,000, outturn: €195,000

The estimate provided for once off significant investment in a replacement office workflow and phone system. The project commenced in 2019 and the IT infrastructure, phone system and desktop equipment was replaced and management was migrated to the Office of the Government Chief Information Officer. The remainder of the project will take place in 2020.

Programme A President's Establishment

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A.1 Administration – pay	1,788	1,677	1,676
A.2 Administration – non pay	1,256	671	777
	3,044	2,348	2,453

Programme B Centenarians' Bounty

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
B.1 Administration – pay	44	47	41
B.1 Administration – non pay	15	2	2
B.3 Centenarians' bounty	1,413	1,258	1,093
	1,472	1,307	1,136

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €165,000 lower than provided because there were fewer centenarians than provided for. 485 centenarian bounties were paid out in 2019 and approximately 540 provided for.

Note 4 Receipts**4.1 Appropriations-in-aid**

	2019		2018
	Estimated	Realised	Realised
	€000	€000	€000
1 Receipts from additional superannuation contributions on public service remuneration ^a	75	71	78
2 Miscellaneous	7	7	12
	82	78	90

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end	26	27

5.2 Pay

	2019 €000	2018 €000
Pay	1,532	1,546
Higher, special or additional duties allowance	57	58
Overtime	21	20
Employer's PRSI	114	93
Total pay	1,724	1,717

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019 €	2018 €
Higher, special or additional duties	5	4	19,174	19,126
Overtime	15	—	4,342	5,458
Extra remuneration in more than one category	1	—	2,894	—

5.4 Overpayments

at 31 December	Number of recipients	2019 €	2018 €
Overpayments	1	1,650	4,080
Recovery plans in place	1	1,650	4,080

Two overpayment recovery plans in respect of two individuals to the value of €4,080 were transferred to the President's Establishment in the year.