

## **Appropriation Account 2020**

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### **Vote 19**

### **Office of the Ombudsman**

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## Introduction

As Accounting Officer for Vote 19, 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 2020 for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service Appointments, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.086 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following.

### ***Depreciation***

A full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal. Depreciation is charged on a straight line basis.

Software licences are depreciated on a straight line basis at a rate of 33% per annum.

## 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 Ombudsman.

This responsibility is exercised in the context of the resources available to me and my other obligations as Director 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 Office and the National Shared Services Office (NSSO) for the provision of shared services.

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 this Office. The NSSO does not regard itself as a data controller in respect of the information it is processing.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting, internal audit and risk management is as follows.

***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.
- The Office uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.
- 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. Risk management is increasingly integral to the Office's strategic and business process. This is brought about through risk registers, strategic and business plans and individual PMDS targets.
- There are systems aimed at ensuring the security of the ICT systems. The Office has in place modern computer desktop hardware and software, which is available to all staff. Servers, networks and systems, back-up and firewall facilities are also in place. I am satisfied that our ICT system is fit for purpose and is functioning effectively.
- There are appropriate capital investment control guidelines and formal project management disciplines.

***Procurement compliance***

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.

***Internal audit and Audit Committee***

I confirm that the Office has an internal audit function which is externally outsourced, with appropriately trained personnel. The internal audit unit operates under a charter which was approved in June 2019. 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. 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 Team on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls assigned 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 Team, 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.

***Covid-19 pandemic***

The onset of the Covid-19 pandemic resulted in some changes to the working and the control environment, with remote and virtual working becoming the norm across the Office. As a result, the Office introduced a number of procedural and control changes. Under the Office's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced as a result of COVID-19 continue to be effective.

***Internal financial control issues***

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

**Elaine Cassidy**  
Accounting Officer  
Office of the Ombudsman

26 March 2021

## **Comptroller and Auditor General**

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

#### **Vote 19 Office of the Ombudsman**

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

I have audited the appropriation account for Vote 19 Office of the Ombudsman for the year ended 31 December 2020 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 19 Office of the Ombudsman for the year ended 31 December 2020, 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 Office of the Ombudsman 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

4 June 2021

## Vote 19 Office of the Ombudsman

### Appropriation Account 2020

	2020	2019	
	Estimate provision €000	Outturn €000	Outturn €000
<b>Programme expenditure</b>			
A Ombudsman function/Office of the Commission for Public Service Appointments	7,089	6,166	5,975
B Standards in Public Office Commission	1,893	1,263	1,722
C Office of the Information Commissioner/Office of the Commissioner for Environmental Information	3,339	2,707	2,721
<b>Gross expenditure</b>	<b>12,321</b>	<b>10,136</b>	<b>10,418</b>
<i>Deduct</i>			
D Appropriations-in-aid	482	383	416
<b>Net expenditure</b>	<b>11,839</b>	<b>9,753</b>	<b>10,002</b>

#### Surplus

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

	2020	2019
	€	€
<b>Surplus to be surrendered</b>	<b>2,086,305</b>	<b>1,716,274</b>

**Elaine Cassidy**  
Accounting Officer  
Office of the Ombudsman

26 March 2021

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Pay	8,377	7,903
Non pay	1,759	2,515
<b>Gross expenditure</b>	<b>10,136</b>	<b>10,418</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>383</b>	<b>416</b>
<b>Net expenditure</b>	<b>9,753</b>	<b>10,002</b>
<b>Changes in capital assets</b>		
Depreciation	425	
Loss on disposals	4	429
	429	78
<b>Changes in net current assets</b>		
Increase in closing accruals	206	(202)
<b>Direct expenditure</b>	<b>10,388</b>	<b>9,878</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	3,674	2,633
<b>Net programme cost</b>	<b>14,062</b>	<b>12,511</b>

#### 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 19 borne elsewhere.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	45	30
Vote 12 Superannuation and Retired Allowances	1,583	1,262
Vote 13 Office of Public Works	2,032	1,328
Vote 18 National Shared Services Office	14	13
	<b>3,674</b>	<b>2,633</b>

## Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
<b>Capital assets</b>	2.1	513	942
<b>Current assets</b>			
Stocks		7	7
Other debit balances		28	49
Prepayments		249	328
Bank and cash		161	(9)
Net Exchequer funding	2.3	110	233
<b>Total current assets</b>		<b>555</b>	<b>608</b>
<b>Less current liabilities</b>			
Accrued expenses		162	35
Other credit balances	2.2	299	273
<b>Total current liabilities</b>		<b>461</b>	<b>308</b>
<b>Net current assets</b>		<b>94</b>	<b>300</b>
<b>Net assets</b>		<b>607</b>	<b>1,242</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.4	<b>607</b>	<b>1,242</b>



**2.1 Capital assets**

	IT equipment	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000
<b>Gross assets</b>				
Cost or valuation at 1 January 2020	2,770	58	19	2,847
Disposals	(58)	—	—	(58)
Cost or valuation at 31 December 2020	2,712	58	19	2,789
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2020	1,858	47	—	1,905
Depreciation for the year	418	7	—	425
Depreciation on disposals	(54)	—	—	(54)
Cumulative depreciation at 31 December 2020	2,222	54	—	2,276
<b>Net assets at 31 December 2020</b>	<b>490</b>	<b>4</b>	<b>19</b>	<b>513</b>
Net assets at 31 December 2019	912	11	19	942

**2.2 Other credit balances**

at 31 December	2020	2019
	€000	€000
<b>Amounts due to the State</b>		
Income tax	136	126
Pay related social insurance	68	65
Professional services withholding tax	32	19
Pension contributions	26	26
	262	236
Payroll deductions held in suspense	30	30
Other credit suspense items	7	7
	<b>299</b>	<b>273</b>

### 2.3 Net Exchequer funding

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	2,086	1,716
Exchequer grant undrawn	<u>(2,196)</u>	<u>(1,949)</u>
<b>Net Exchequer funding</b>	<b><u>(110)</u></b>	<b><u>(233)</u></b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	161	(9)
Debit balances: suspense	<u>28</u>	<u>49</u>
	189	40
<b>Creditors</b>		
Due to the State	(262)	(236)
Credit balances: suspense	<u>(37)</u>	<u>(37)</u>
	(299)	(273)
	<b><u>(110)</u></b>	<b><u>(233)</u></b>

### 2.4 State funding account

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>€000</b>	<b>€000</b>
Balance at 1 January		1,242	1,118
Disbursements from the Vote			
Estimate provision	Account	11,839	
Surplus to be surrendered	Account	<u>(2,086)</u>	
Net vote		9,753	10,002
Expenditure (cash) borne elsewhere	1.1	3,674	2,633
Net programme cost	1	<u>(14,062)</u>	<u>(12,511)</u>
<b>Balance at 31 December</b>		<b><u>607</u></b>	<b><u>1,242</u></b>

### 2.5 Commitments

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Procurement of goods and services	<u>414</u>	<u>267</u>

## Note 3 Vote Expenditure

### Analysis of administration expenditure

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

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,176	8,377	7,903
ii	Travel and subsistence	74	14	72
iii	Training and development and incidental expenses	378	258	334
iv	Postal and telecommunications services	40	27	42
v	Office equipment and external IT services	1,455	811	938
vi	Office premises expenses	411	101	152
vii	Consultancy services and value for money and policy reviews	20	37	488
viii	Legal fees	757	511	489
ix	Referendum Commission	10	—	—
		<b>12,321</b>	<b>10,136</b>	<b>10,418</b>

### 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 €378,000; outturn €258,000*

The underspend of €120,000 related primarily to savings in staff training and in office cleaning services. These savings can be attributed to Covid-19 in that training course were greatly curtailed and the need for cleaning services was reduced in view of the number of days the building was closed following the introduction of remote working.

#### v Office equipment and external IT services

*Estimate provision €1.455 million; outturn €811,000*

The underspend of €644,000 was due to a large proportion of IT project work not being completed as planned. This was mainly due to the effects of the pandemic and of the resulting remote working arrangements.

#### vi Office premises expenses

*Estimate provision €411,000; outturn €101,000*

The underspend of €310,000 related to the fact that the allocation included an amount to cover costs related to the move of premises in Q1 2020. The majority of the moving costs were ultimately borne by OPW.

**viii Legal fees**

*Estimate provision €757,000; outturn €511,000*

The underspend of €246,000 is due to it being very difficult to accurately estimate legal fees. There is a right to appeal decisions made under FOI legislation and environmental information legislation to the High Court on a point of law. Legal fees are also dependent on the number and timing of court cases and further appeals to higher courts. A number of cases did not progress during 2020 as a result of delays in the courts system due to the pandemic.

### **Programme A Ombudsman function/Office of the Commission for Public Service Appointments**

		<b>2020</b>		<b>2019</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
A.1	Administration – pay	5,689	5,452	4,953
A.2	Administration – non pay	1,400	714	1,023
		<b>7,089</b>	<b>6,166</b>	<b>5,976</b>

### **Programme B Standards in Public Office Commission**

		<b>2020</b>		<b>2019</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
B.1	Administration – pay	1,193	1,013	1,062
B.2	Administration – non pay	700	250	660
		<b>1,893</b>	<b>1,263</b>	<b>1,722</b>

### **Programme C Office of the Information Commissioner/Office of the Commissioner for Environmental Information**

		<b>2020</b>		<b>2019</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
C.1	Administration – pay	2,294	1,912	1,888
C.2	Administration – non pay	1,045	795	832
		<b>3,339</b>	<b>2,707</b>	<b>2,720</b>

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Fixed payment fines under section 21 of the Regulation of Lobbying Act 2015	72	69	49
2 Receipts from additional superannuation contributions on public service remuneration	390	276	298
3 Miscellaneous	20	38	69
<b>Total</b>	<b>482</b>	<b>383</b>	<b>416</b>

### 4.2 Extra receipts payable to the Exchequer

	2020 €000	2019 €000
Balance at 1 January	8	—
Collected	116	12
Transferred to the Exchequer	(124)	(4)
<b>Balance at 31 December</b>	<b>—</b>	<b>8</b>

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>131</u>	<u>132</u>

### 5.2 Pay

	2020	2019
	€000	€000
Pay	7,737	7,312
Higher, special or additional duties allowances	21	24
Overtime and extra attendance	11	22
Employer's PRSI	608	545
<b>Total pay</b>	<b><u>8,377</u></b>	<b><u>7,903</u></b>

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties	3	1	11,047	10,913
Overtime and extra attendance	16	—	2,023	3,633
Extra remuneration in more than one category	3	1	11,290	8,327

### 5.4 Other remuneration arrangements

Fees of €2,652 were paid over the course of the year to two former civil servants who were engaged by the Office on a consultancy basis.

## Note 6 Miscellaneous

### 6.1 Recoupment of legal costs

The Office received three separate payments during 2020 in relation to legal cases in which costs were awarded in its favour. The three amounts received totalled €85,500 and they were returned to the Exchequer in 2020 as extra exchequer receipts (see note 4.2 above).

### 6.2 Compensation and Legal Costs

	Number of cases	Legal costs paid by the Office €000	Compensation awarded €000	Legal costs awarded €000	2020	2019
					Total €000	Total €000
<b>Claims by Members of the public</b>						
Office of the Ombudsman	1	10	—	—	10	23
Office of the Information Commissioner	14	92	—	—	92	236
Office of the Commissioner for Environmental Information	10	240	—	13	253	106
Standards in Public Office Commission	1	6	—	—	6	66
	<b>26</b>	<b>348</b>	<b>—</b>	<b>13</b>	<b>361</b>	<b>431</b>